

REVIEWED

By SLGFD at 2:16 pm, Feb 21, 2022

LENOIR COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2021

BOARD OF COMMISSIONERS

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Roland Best – Vice Chairman

Roland Best

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June Cummings

Chad Rouse

Eric Rouse

Preston Harris

OFFICIALS

County Manager

Michael W. James

Finance Officer

Sandra Barss

**LENOIR COUNTY
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June 30, 2021**

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FINANCIAL SECTION



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Independent Auditor's Report

To the Board of County Commissioners
Lenoir County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lenoir County, North Carolina, as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Lenoir 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 Lenoir County ABC Board or the Kinston-Lenoir County TDA, which represent 100 percent 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 Lenoir County ABC Board and the Kinston-Lenoir County TDA 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 Lenoir County ABC Board and the Kinston-Lenoir County TDA were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lenoir County, North Carolina as of June 30, 2021, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons for the General Fund and School Capital Outlay Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 31, 2022, on our consideration of Lenoir County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Lenoir County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
January 31, 2022

Management's Discussion and Analysis

As management of Lenoir County, we offer readers of Lenoir 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, 2021. 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 Lenoir County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$11,329,743 (net position).
- The government's total net position increased by \$1,850,813 primarily due to an increase in net position in the governmental activities.
- As of the close of the current fiscal year, Lenoir County's governmental funds reported combined ending fund balances of \$40,223,545, after a net increase in fund balance of \$4,530,588. Approximately 62% of this total amount, or \$25,020,119 is restricted, committed, or assigned.
- At the end of the current fiscal year, available fund balance for the consolidated General Fund was \$30,046,250 or 46% of total General Fund expenditures and transfers for the fiscal year.
- Lenoir County's total debt decreased by \$2,587,362 during the current fiscal year.

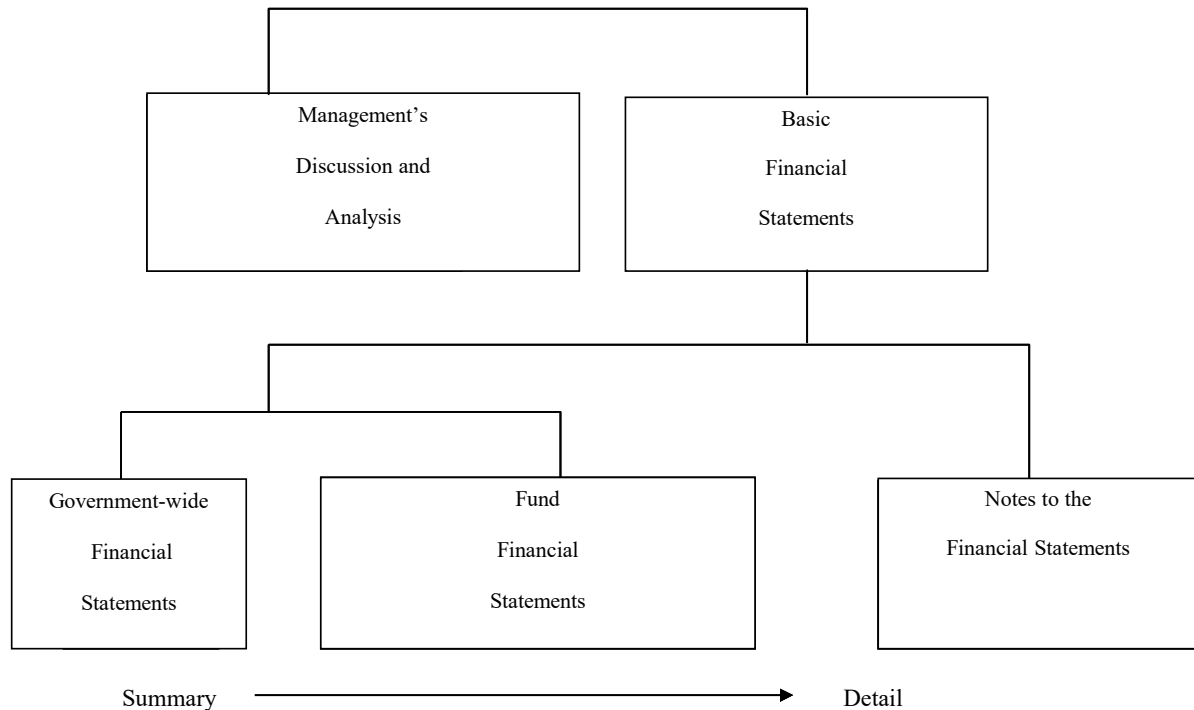
Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Lenoir County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Lenoir County.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3-9) 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 government fund statements; 2) the budgetary comparison statements; 3) the proprietary governmental funds statements; 4) the fiduciary and 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 and Benefit 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 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, public safety, human services, cultural and recreational, and economic development. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the landfill services offered by Lenoir County. The final category is the component units. Although it is a legally separate entity from the County, the Lenoir County ABC Board is important to the County because the County exercises control over the ABC Board by appointing its members and because the ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. The Kinston-Lenoir Tourism Development Authority promotes travel and tourism within the County. Since the Authority was created by the County and the County finance officer is the ex officio finance officer of the Authority, its financial statements are discretely presented as well. The Lenoir County Industrial Facility and Pollution Control Financing Authority exists to issue and service revenue bond debt of private businesses for economic development. The Authority has no financial transactions or account balances; therefore it is not presented in the basic financial statements.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

Fund Financial Statements

The Fund Financial Statements (see Figure 1) 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. Lenoir 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 North Carolina General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary fund.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in the governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a current financial 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 legal budget document. The statement shows four columns: 1) the original budget as adopted by the Board; 2) the final budget as amended by the Board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Proprietary Funds - The County has one kind of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for its solid waste landfill operations. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Lenoir County has two fiduciary funds, both are agency funds.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Lenoir County's progress in funding its obligation to provide pension benefits to its employees.

Government Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For Lenoir County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$11,329,743 at the close of the most recent fiscal year.

By far, the largest portion, \$10,010,354 of Lenoir County's net position reflects its net investment in capital assets (e.g., land, buildings, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. Lenoir County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Lenoir County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to repay these liabilities.

At the end of the current fiscal year, Lenoir County an additional portion of Lenoir County's net position \$9,478,138 represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$8,158,749) is unrestricted.

Lenoir County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 48,532,023	\$ 45,233,192	\$ 4,362,027	\$ 4,149,612	\$ 52,894,050	\$ 49,382,804
Capital assets	27,543,198	29,214,306	620,789	771,713	28,163,987	29,986,019
Total assets	76,075,221	74,447,498	4,982,816	4,921,325	81,058,037	79,368,823
Deferred outflows of resources	5,735,954	5,860,823	103,075	90,487	5,839,029	5,951,310
Long-term liabilities outstanding	58,545,826	59,489,991	3,400,417	3,360,246	61,946,243	62,850,237
Other liabilities	10,986,527	11,485,719	232,233	245,678	11,218,760	11,731,397
Total liabilities	69,532,353	70,975,710	3,632,650	3,605,924	73,165,003	74,581,634
Deferred inflows of resources	2,357,102	1,239,122	45,218	22,042	2,402,320	1,261,164
Net Position:						
Net investment in capital assets	9,624,003	19,039,306	386,351	482,658	10,010,354	19,521,964
Restricted	9,478,138	7,097,610	-	-	9,478,138	7,097,610
Unrestricted	(9,180,421)	(18,043,427)	1,021,672	901,188	(8,158,749)	(17,142,239)
Total net position	\$ 9,921,720	\$ 8,093,489	\$ 1,408,023	\$ 1,383,846	\$ 11,329,743	\$ 9,477,335

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

- Sales tax revenues up \$1,570,698 from prior year
- Property tax revenues up \$1,138,367 from prior year
- Long term liabilities decreased as the result of School bond and Jail debt service payments

Lenoir County
Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues						
Charges for Services	\$ 5,022,484	\$ 3,878,063	\$ 3,122,651	\$ 2,915,160	\$ 8,145,135	\$ 6,793,223
Operating grants and contributions	10,052,276	21,975,690	45,453	39,538	10,097,729	22,015,228
Capital grants and contributions	665,415	-	-	-	665,415	-
General revenues:						
Property taxes	37,693,204	36,554,837	-	-	37,693,204	36,554,837
Local option sales tax	13,677,748	12,107,050	-	-	13,677,748	12,107,050
Other taxes	1,123,417	322,095	31,719	31,534	1,155,136	353,629
Grants and contributions not restricted to specific programs	5,564,130	-	-	-	5,564,130	-
Investment earnings	98,283	391,055	-	-	98,283	391,055
Miscellaneous	3,012,420	416,706	-	-	3,012,420	416,706
Total revenues	76,909,377	75,645,496	3,199,823	2,986,232	80,109,200	78,631,728
Expenses:						
General government	10,033,843	9,874,665	-	-	10,033,843	9,874,665
Public Safety	28,411,883	22,983,225	-	-	28,411,883	22,983,225
Economic and physical development	4,385,020	8,138,089	-	-	4,385,020	8,138,089
Human services	16,143,882	17,034,463	-	-	16,143,882	17,034,463
Environmental protection	-	373,159	-	-	-	373,159
Cultural and recreation	1,828,152	1,774,775	-	-	1,828,152	1,774,775
Education	12,803,162	13,046,035	-	-	12,803,162	13,046,035
Interest on long-term debt	1,556,799	1,662,460	-	-	1,556,799	1,662,460
Landfill	-	-	3,095,646	2,924,023	3,095,646	2,924,023
Total expenses	75,162,741	74,886,871	3,095,646	2,924,023	78,258,387	77,810,894
Increase (decrease) in net position before transfers and special items	1,746,636	758,625	104,177	62,209	1,850,813	820,834
Transfers	80,000	80,000	(80,000)	(80,000)	-	-
Increase (decrease) in net position	1,826,636	838,625	24,177	(17,791)	1,850,813	820,834
Net position, beginning, previously reported	8,093,489	7,254,864	1,383,846	1,401,637	9,477,335	8,656,501
Restatement	1,595	-	-	-	1,595	-
Net position, beginning, restated	8,095,084	7,254,864	1,383,846	1,401,637	9,478,930	8,656,501
Net position, ending	\$ 9,921,720	\$ 8,093,489	\$ 1,408,023	\$ 1,383,846	\$ 11,329,743	\$ 9,477,335

Governmental activities: Governmental activities increased the County's net position by \$1,826,636.

Business-type activities: Business-type activities increased the County's net position by \$24,177.

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 Lenoir 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, the County's fund balance available in the General Fund was \$30,046,250 while total fund balance reached \$37,243,094. The Governing Body of Lenoir County has determined that the County should maintain an available fund balance of 20% of General Fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 46% of General Fund expenditures and transfers, while total fund balance represents 54% of that same amount.

At June 30, 2021, the governmental funds of the County reported a combined fund balance of \$40,223,545, a \$4,530,588 increase over last year.

General Fund Budgetary Highlights:

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. The total amendments to the General Fund increased revenues by \$4,000,237 (7%) of the original budget. None of the appropriated Fund Balance was needed to offset the expenditures.

Proprietary Funds: Lenoir County's proprietary fund provides the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Solid Waste Fund at the end of the fiscal year amounted to \$1,021,672 as compared to \$901,188 in the prior year. The total net position of the Solid Waste Fund increase by \$24,177, which was mainly due to the write off of prior years' accumulated bad debt, the accumulation of post closure expenses and changes in pension related accounts.

Capital Asset and Debt Administration

Capital assets. Lenoir County's investment in capital assets for its governmental and business-type activities as of June 30, 2021, totaled \$28,163,987 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Major capital assets transactions during the year include:

- Ford Explorers
- Chevrolet Truck
- EMS Radios

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 6,408,940	\$ 6,408,940	\$ 335,543	\$ 335,543	\$ 6,744,483	\$ 6,744,483
Buildings	38,266,722	39,881,976	5,462,525	5,462,525	43,729,247	45,344,501
Furniture and equipment	13,119,954	10,596,384	1,676,368	1,676,368	14,796,322	12,272,752
Improvements	411,077	411,077	-	-	411,077	411,077
Vehicles and motorized equipment	6,288,954	6,522,476	379,237	349,318	6,668,191	6,871,794
Construction in Progress	-	-	-	-	-	-
Subtotal	64,495,647	63,820,853	7,853,673	7,823,754	72,349,320	71,644,607
Less accumulated depreciation	36,952,449	34,606,547	7,232,884	7,052,041	44,185,333	41,658,588
Total	\$ 27,543,198	\$ 29,214,306	\$ 620,789	\$ 771,713	\$ 28,163,987	\$ 29,986,019

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

Long-Term Debt. As of June 30, 2021, Lenoir County had total debt outstanding of \$41,970,718, all of which is debt backed by the full faith and credit of the County.

Lenoir County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 28,910,001	\$ 32,778,000	\$ -	\$ -	\$ 28,910,001	\$ 32,778,000
Bond premium	1,316,024	1,316,025	-	-	\$ 1,316,024	1,316,025
Installment purchases	11,510,255	10,175,000	144,017	177,973	\$ 11,654,272	10,352,973
Capital leases	-	-	90,421	111,082	\$ 90,421	111,082
Total	\$ 41,736,280	\$ 44,269,025	\$ 234,438	\$ 289,055	\$ 41,970,718	\$ 44,558,080

Lenoir County's total governmental debt decreased by \$2,587,362 during the past fiscal year. General Obligation Bonded Debt decreased by \$3,867,999 due to the principal retirement of a portion of the Series 2007 and Series 2008 General Obligation Bonds and Series 2013 Refunding Bonds. Installment debt increased by \$1,301,299 due to a new installment loan for the purchase of Radio System. Capital leases decrease by \$20,661 due to continued payment.

As mentioned in the financial highlights section of this document, Lenoir County maintained its bond ratings of an Aa2 bond rating from Moody's Investor Services and an AA- rating from Standard and Poor's Corporation. These bond ratings are a clear indication of the sound financial condition of the County.

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 the government's boundaries. The legal debt margin for Lenoir County is \$296,994,396.

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

Economic Factors and Next Year's Budgets and Rates

- Economic forecasts indicate growth in the coming years which, while modest, are positive indicators for prospective commercial growth in the county.
- Property tax collections totaled \$36,401,183.
- Sales tax revenues totaled \$13,677,748.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities

The FY 21-22 General Fund Budget of \$67,125,619 is in balance with a tax rate of \$.845 per \$100 of assessed valuation. Other funds are also in balance. The appropriation from the Fund Balance of the General Fund is \$5,747,232. Showing an appropriation from fund balance to balance the budget has been our practice for several years. This practice has limited the amount of increase to the tax rate and/or prevented unnecessary reduction in the services available to our citizens. Each year we have been able to hold expenditures down and not use our savings. We are again showing an appropriation from fund balance to balance the budget, however, the amount we are showing for FY 21-22 will result in Lenoir County using assigned fund balance.

The FY 21-22 General Fund Budget is \$1,103,952 less than the FY 20-21 adopted budget. This represents a two percent (2%) decrease. This decrease is due mainly to the response of the Covid-19 Pandemic.

Business-type Activities

The County issued \$3.0 million in Special Revenue Bond debt early in FY 03-04 for the construction of a new municipal solid waste landfill cell. The total project cost, including construction of the 5-year cell, a leachate pump station and force main, and new equipment to operate the cell was approximately \$4.3 million. Approximately \$1.3 million in fund balance of the Solid Waste Fund was then appropriated to complete the project. The project was completed by June 30, 2004. This five (5) year cell has nearly reached its maximum capacity. The County contracted with Municipal Engineering, located in Garner, NC, to obtain the necessary state permits to construct a second five (5) year MSW cell and the environmental permits have been received. However, due to the fact the County will have to buy dirt and have it hauled to the new cell for construction, and later as cover, the construction of the new cell has been put on hold. The County has renewed the current five year contract with Republic Services of North Carolina for an additional 5 years for proper disposal. The contract term ends January 2023. At this time the county is evaluating several different alternatives that will best service the needs of Lenoir County citizens while continuing to improve the financial standing of the Lenoir County landfill. It should be noted that County administration reviewed all operational expenses and collection policies in an effort to increase revenues collected, decrease uncollectible accounts and reduce operating expense. The FY 21-22 budget is a reflection of this continued effort to improve landfill operations.

Requests for Information

This report is designed to provide an overview of the Lenoir 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 Office of the County Manager, 130 South Queen Street, Kinston, North Carolina 28501. You can also call (252) 559-6450, visit our website <https://www.lenoircountync.gov>.

BASIC FINANCIAL STATEMENTS

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

Exhibit 1

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Kinston-Lenoir TDA	Lenoir County ABC Board
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 2,837,541	\$ 3,787,472	\$ 6,625,013	\$ 199,877	\$ 1,280,269
Restricted cash	433,702	-	433,702	-	-
Accounts receivable, net	4,988,671	574,555	5,563,226	312	-
Taxes receivable, net	1,576,450	-	1,576,450	-	-
Investments	33,158,458	-	33,158,458	-	-
Due from other governments	3,471,988	-	3,471,988	67,250	-
Prepaid items	-	-	-	-	16,570
Inventories	-	-	-	-	417,035
	<u>46,466,810</u>	<u>4,362,027</u>	<u>50,828,837</u>	<u>267,439</u>	<u>1,713,874</u>
Noncurrent assets:					
Note receivable	2,000,000	-	2,000,000	-	-
Net pension asset	65,213	-	65,213	-	-
Capital assets:					
Land, non-depreciable improvements, and construction in progress	6,408,940	335,543	6,744,483	-	174,000
Other capital assets, net of depreciation	<u>21,134,258</u>	<u>285,246</u>	<u>21,419,504</u>	<u>-</u>	<u>566,309</u>
Total capital assets	<u>27,543,198</u>	<u>620,789</u>	<u>28,163,987</u>	<u>-</u>	<u>740,309</u>
Total assets	<u>76,075,221</u>	<u>4,982,816</u>	<u>81,058,037</u>	<u>267,439</u>	<u>2,454,183</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals - LGERS	4,910,391	100,212	5,010,603	-	99,244
Pension deferrals - LEO	674,721	-	674,721	-	-
Pension deferrals - ROD	10,553	-	10,553	-	-
Pension deferrals - OPEB	140,289	2,863	143,152	-	-
Total deferred outflows of resources	<u>5,735,954</u>	<u>103,075</u>	<u>5,839,029</u>	<u>-</u>	<u>99,244</u>
LIABILITIES					
Accounts payable and accrued liabilities	4,583,090	158,999	4,742,089	30,762	1,107,123
Accrued interest payable	770,437	-	770,437	-	-
Compensated absences - current	875,000	17,500	892,500	-	-
Current-portion of long-term liabilities	4,758,000	55,734	4,813,734	-	-
Long-term liabilities					
Net pension liability - LGERS	9,216,101	188,084	9,404,185	-	174,026
OPEB Liability	9,015,995	184,000	9,199,995	-	-
Total pension liability - LEOSSA	2,762,576	-	2,762,576	-	-
Compensated absences payable	572,874	13,529	586,403	-	-
Due in more than one year	36,978,280	3,014,804	39,993,084	15,262	-
Total long-term liabilities	<u>58,545,826</u>	<u>3,400,417</u>	<u>61,946,243</u>	<u>15,262</u>	<u>174,026</u>
Total liabilities	<u>69,532,353</u>	<u>3,632,650</u>	<u>73,165,003</u>	<u>46,024</u>	<u>1,281,149</u>
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals - LGERS	405,044	8,266	413,310	-	4,673
Pension deferrals - LEO	50,775	-	50,775	-	-
Pension deferrals - ROD	6,909	-	6,909	-	-
Pension deferrals - OPEB	1,810,649	36,952	1,847,601	-	-
Prepaid taxes	83,725	-	83,725	-	-
Total deferred inflows of resources	<u>2,357,102</u>	<u>45,218</u>	<u>2,402,320</u>	<u>-</u>	<u>4,673</u>
NET POSITION					
Net investment in capital assets	9,624,003	386,351	10,010,354	-	740,309
Stabilization by State Statute	8,460,659	-	8,460,659	67,562	-
General government	-	-	-	-	-
Public safety	837,245	-	837,245	-	-
Capital Improvement	-	-	-	-	62,273
Education	-	-	-	-	-
Register of Deeds	180,234	-	180,234	-	-
Working Capital	-	-	-	-	186,109
Unrestricted	(9,180,421)	1,021,672	(8,158,749)	153,853	278,914
Total net position	<u>\$ 9,921,720</u>	<u>\$ 1,408,023</u>	<u>\$ 11,329,743</u>	<u>\$ 221,415</u>	<u>\$ 1,267,605</u>

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

Lenoir County, North Carolina
Statement of Activities
For the Year Ended June 30, 2021

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units	
					Governmental Activities	Business-type Activities	Total	Lenoir County ABC Board
Primary government:								
Governmental Activities:								
General government	\$ 10,033,843	\$ -	\$ -	\$ -	\$ (10,033,843)	\$ -	\$ (10,033,843)	
Public safety	28,344,639	4,643,591	-	-	(23,701,048)	-	(23,701,048)	
Economic and physical development	4,385,020	38,514	1,378,627	-	(2,967,879)	-	(2,967,879)	
Human services	16,211,126	340,379	8,673,649	-	(7,197,098)	-	(7,197,098)	
Cultural and recreational	1,828,152	-	-	-	(1,828,152)	-	(1,828,152)	
Education	12,803,162	-	-	665,415	(12,137,747)	-	(12,137,747)	
Interest on long-term debt	1,556,799	-	-	-	(1,556,799)	-	(1,556,799)	
Total governmental activities	75,162,741	5,022,484	10,052,276	665,415	(59,422,566)	-	(59,422,566)	
Business-type activities:								
Landfill	3,095,646	3,122,651	45,453	-	-	72,458	72,458	
Total business-type activities	3,095,646	3,122,651	45,453	-	-	72,458	72,458	
Total primary government	\$ 78,258,387	\$ 8,145,135	\$ 10,097,729	\$ 665,415	\$ (59,422,566)	\$ 72,458	\$ (59,350,108)	
Component units:								
ABC Board	\$ 6,222,346	\$ 6,271,110	\$ -	\$ -				\$ 48,764
TDA	323,264	429,343	25,750	-				\$ 131,829
Total component units	\$ 6,545,610	\$ 6,700,453	\$ 25,750	\$ -				131,829
General revenues:								
Taxes:								
Property taxes, levied for general purpose					37,693,204	-	37,693,204	-
Local option sales tax					13,677,748	-	13,677,748	-
Other taxes and licenses					1,123,417	31,719	1,155,136	-
Grants and contributions not restricted to specific programs					5,635,894	-	5,635,894	-
Investment earnings, unrestricted					98,283	-	98,283	161
Miscellaneous, unrestricted					2,940,656	-	2,940,656	1,075
Transfers					80,000	(80,000)	-	-
Total general revenues, special items, and transfers					61,249,202	(48,281)	61,200,921	1,236
Change in net position					1,826,636	24,177	1,850,813	50,000
Fund balance, beginning as previously reported					8,093,489	1,383,846	9,477,335	79,346
Prior period restatement - change in accounting principle					1,595	-	1,595	-
Fund balance, beginning restated					8,095,084	1,383,846	9,478,930	79,346
Fund balance, ending					9,921,720	1,408,023	11,329,743	\$ 221,415
								\$ 1,267,605

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

Exhibit 3

	Major			NonMajor	
	General Fund	School Capital Outlay Fund	Hazard Mitigation Grant Program	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 2,224	\$ -	\$ -	\$ 2,835,317	\$ 2,837,541
Restricted cash	-	-	-	433,702	433,702
Investments	33,158,458	-	-	-	33,158,458
Taxes receivable, net	1,470,071	-	-	106,379	1,576,450
Due from other governments	2,681,591	718,676	-	71,721	3,471,988
Accounts receivable, net	4,515,253	-	171,685	301,733	4,988,671
Total assets	<u>41,827,597</u>	<u>718,676</u>	<u>171,685</u>	<u>3,748,852</u>	<u>46,466,810</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	3,030,707	148,361	1,134,560	269,462	4,583,090
Total liabilities	<u>3,030,707</u>	<u>148,361</u>	<u>1,134,560</u>	<u>269,462</u>	<u>4,583,090</u>
DEFERRED INFLOWS OF RESOURCES					
Property taxes receivable	1,470,071	-	-	106,379	1,576,450
Prepaid taxes	83,725	-	-	-	83,725
Total deferred inflows of resources	<u>1,553,796</u>	<u>-</u>	<u>-</u>	<u>106,379</u>	<u>1,660,175</u>
Fund balances:					
Restricted:					
Stabilization by State Statute	7,196,844	718,676	171,685	373,454	8,460,659
Register of Deeds	-	-	-	180,234	180,234
Public Safety	-	-	-	340,113	340,113
Emergency services	-	-	-	497,132	497,132
Committed:					
Scrap tire disposal	-	-	-	113,032	113,032
Vehicle replacement	-	-	-	384,043	384,043
Capital improvements	-	-	-	1,000,851	1,000,851
Assigned:					
Subsequent year's expenditures	14,044,055	-	-	-	14,044,055
Unassigned:	16,002,195	(148,361)	(1,134,560)	484,152	15,203,426
Total fund balances	<u>37,243,094</u>	<u>570,315</u>	<u>(962,875)</u>	<u>3,373,011</u>	<u>40,223,545</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,827,597</u>	<u>\$ 718,676</u>	<u>\$ 171,685</u>	<u>\$ 3,748,852</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,543,198
Note receivable - Lenoir Memorial Hospital	2,000,000
Net pension asset - Register of Deeds	65,213
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	4,910,391
ROD	10,553
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	674,721
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	140,289
Deferred inflows of resources for taxes and special assessments receivable	1,576,450
Pension deferrals - LGERS	(405,044)
Pension deferrals - LEO	(50,775)
Pension deferrals - ROD	(6,909)
Pension deferrals - OPEB	(1,810,649)
General obligation bonds payable	(30,226,025)
Notes payable	(11,510,255)
Compensated absences	(1,447,874)
Other postemployment benefit obligation	(9,015,995)
Net pension liability - LEO	(2,762,576)
Net pension liability - LGERS	(9,216,101)
Accrued interest	(770,437)
Net position of governmental activities	<u>\$ 9,921,720</u>

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

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

	Major			Non Major	
	General Fund	School Capital Outlay Fund	Hazard Mitigation Grant Program	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 36,401,183	\$ -	\$ -	\$ 1,630,057	\$ 38,031,240
Local option sales taxes	10,610,115	2,786,434	-	281,199	13,677,748
Other taxes and licenses	457,158	-	-	-	457,158
Unrestricted intergovernmental	666,259	-	-	-	666,259
Restricted intergovernmental	12,973,913	-	1,378,627	2,186,421	16,538,961
Sales and services	5,070,696	-	-	38,514	5,109,210
Investment earnings	98,242	-	-	41	98,283
Miscellaneous	2,145,625	-	-	22,929	2,168,554
Total revenues	<u>68,423,191</u>	<u>2,786,434</u>	<u>1,378,627</u>	<u>4,159,161</u>	<u>76,747,413</u>
EXPENDITURES					
Current:					
General government	7,709,779	-	-	893,191	8,602,970
Public safety	22,229,325	-	-	2,308,905	24,538,230
Economic and physical development	768,065	-	1,334,726	2,333,448	4,436,239
Human services	14,497,980	-	-	1,459,177	15,957,157
Sanitation	-	-	-	176,848	176,848
Cultural and recreational	1,599,085	-	-	-	1,599,085
Intergovernmental:					
Education	12,562,985	240,177	-	-	12,803,162
Debt service:					
Principal	4,793,000	-	-	-	4,793,000
Interest	1,650,389	-	-	-	1,650,389
Total expenditures	<u>65,810,608</u>	<u>240,177</u>	<u>1,334,726</u>	<u>7,171,569</u>	<u>74,557,080</u>
Excess (deficiency) of revenues over expenditures	<u>2,612,583</u>	<u>2,546,257</u>	<u>43,901</u>	<u>(3,012,408)</u>	<u>2,190,333</u>
OTHER FINANCING SOURCES					
Loan proceeds	2,260,255	-	-	-	2,260,255
Transfers from other funds	1,673,000	-	-	2,692,108	4,365,108
Transfers to other funds	<u>(2,612,108)</u>	<u>(1,673,000)</u>	<u>-</u>	<u>-</u>	<u>(4,285,108)</u>
Total other financing sources and uses	<u>1,321,147</u>	<u>(1,673,000)</u>	<u>-</u>	<u>2,692,108</u>	<u>2,340,255</u>
Net change in fund balance	3,933,730	873,257	43,901	(320,300)	4,530,588
Fund balance, beginning as previously reported	33,309,364	(302,942)	(1,006,776)	3,691,716	35,691,362
Prior period restatement - change in accounting principle	-	-	-	1,595	1,595
Fund balance, beginning restated	<u>33,309,364</u>	<u>(302,942)</u>	<u>(1,006,776)</u>	<u>3,693,311</u>	<u>35,692,957</u>
Fund balance, ending	<u>\$ 37,243,094</u>	<u>\$ 570,315</u>	<u>\$ (962,875)</u>	<u>\$ 3,373,011</u>	<u>\$ 40,223,545</u>

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

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

Net changes in fund balance - total government funds	\$ 4,530,588
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Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.

Capital outlay expenditures which were capitalized.	2,782,232	
Depreciation expense for governmental assets.	<u>(3,344,723)</u>	(562,491)

Cost of capital assets disposed of during the year, not recognized on modified accrual basis.		(1,108,617)
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Contributions to OPEB and the pension plan in the current fiscal year are not included on the Statement of Activities.		1,476,140
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Payments received from Lenoir Memorial Hospital are reported as a reduction in note receivable balance in Governmental Activities Statement of Net Position.		(500,000)
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Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds - change in deferred inflows of resources for tax revenues.		(338,036)
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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.

Compensated absences	52,811	
Accrued interest	93,590	
Pension expense	(4,391,650)	
Amortization of bond premiums not recorded on fund statements	<u>41,556</u>	(4,203,693)

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 of these differences in the treatment of long-term debt and related items.

Principal payments	4,793,000	
Loan proceeds	<u>(2,260,255)</u>	2,532,745

Total changes in net position of governmental activities		<u><u>\$ 1,826,636</u></u>
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Lenoir County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual
For the Year Ended June 30, 2021

Exhibit 5

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 33,758,276	\$ 33,758,276	\$ 36,401,183	\$ 2,642,907
Local option sales tax	7,500,000	7,500,000	10,610,115	3,110,115
Other taxes and licenses	345,600	345,600	457,158	111,558
Unrestricted intergovernmental revenues	434,000	434,000	666,259	232,259
Restricted intergovernmental revenues	11,334,480	15,215,709	12,973,913	(2,241,796)
Permits and fees	1,720,952	1,750,952	1,724,394	(26,558)
Sales and services	3,261,279	3,350,287	3,346,302	(3,985)
Investment earnings	401,500	401,500	98,242	(303,258)
Miscellaneous	949,300	949,300	2,145,625	1,196,325
Total revenues	<u>59,705,387</u>	<u>63,705,624</u>	<u>68,423,191</u>	<u>4,717,567</u>
Expenditures				
Current:				
General government	7,700,713	8,141,788	7,709,779	432,009
Public safety	18,353,070	21,018,140	22,229,325	(1,211,185)
Economic and physical development	846,159	887,749	768,065	119,684
Human Services	17,042,852	19,535,605	14,497,980	5,037,625
Cultural and recreational	1,597,000	1,599,085	1,599,085	-
Intergovernmental:				
Education	12,562,985	12,562,985	12,562,985	-
Debt service:				
Principal retirement	4,846,512	4,801,079	4,793,000	8,079
Interest	1,605,824	1,650,824	1,650,389	435
Total expenditures	<u>64,555,115</u>	<u>70,197,255</u>	<u>65,810,608</u>	<u>4,386,647</u>
Revenues over (under) expenditures	(4,849,728)	(6,491,631)	2,612,583	9,104,214
Other financing sources (Uses):				
Loan proceeds	-	-	2,260,255	2,260,255
Operating transfers from (to) other funds	(847,504)	(939,108)	(939,108)	-
Fund Balance Appropriated	5,697,232	7,430,739	-	(7,430,739)
Total other financing sources and uses	<u>4,849,728</u>	<u>6,491,631</u>	<u>1,321,147</u>	<u>(5,170,484)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,933,730	<u>\$ 3,933,730</u>
Fund Balances - Beginning			33,309,364	
Fund Balances - Ending			<u>\$ 37,243,094</u>	

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

Exhibit 6

	Major Enterprise Fund	
	Landfill Fund	Internal Service Fund
Assets		
Current Assets:		
Cash and cash equivalents	\$ 3,787,472	\$ -
Accounts receivable, net	574,555	418
Restricted cash	-	-
Total Current Assets	<u>4,362,027</u>	<u>418</u>
Noncurrent assets:		
Capital assets:		
Land and non-depreciable assets	335,543	-
Other capital assets, net of depreciation	285,246	-
Capital assets (net)	620,789	-
Total noncurrent assets	<u>620,789</u>	<u>-</u>
Total Assets	<u>4,982,816</u>	<u>418</u>
Deferred Outflows of Resources	<u>103,075</u>	<u>-</u>
Liabilities		
Current Liabilities:		
Accounts payable & accrued liabilities	158,999	1,478,097
Compensated absences - current	17,500	
Current portion of long term debt	55,734	-
Due to other funds	-	-
Total Current Liabilities	<u>232,233</u>	<u>1,478,097</u>
Noncurrent liabilities:		
Accrued landfill closure and postclosure costs	2,836,100	-
Compensated absences	13,529	-
Other postemployment benefits	184,000	-
Long term debt payables	178,704	-
Net pension liability	188,084	-
Total noncurrent liabilities	<u>3,400,417</u>	<u>-</u>
Total Liabilities	<u>3,632,650</u>	<u>1,478,097</u>
Deferred Inflows of Resources	<u>45,218</u>	<u>-</u>
Net Position		
Net investment in capital assets	386,351	-
Unrestricted	<u>1,021,672</u>	<u>(1,477,679)</u>
Total Net Position	<u>\$ 1,408,023</u>	<u>\$ (1,477,679)</u>

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

Exhibit 7

	Major Enterprise Fund	Internal Service Fund
	Landfill Fund	Fund
Operating revenues:		
Charges for Services	\$ 3,122,651	\$ 330,270
Other operating revenues	45,453	-
Total Operating Revenues	<u>3,168,104</u>	<u>330,270</u>
Operating expenses:		
Cost of operations	2,829,682	251,277
Landfill closure and postclosure care costs	80,897	-
Depreciation	180,843	-
Total operating expenses	<u>3,091,422</u>	<u>251,277</u>
Total Operating Income (Loss)	<u>76,682</u>	<u>78,993</u>
Nonoperating Revenues(Expenses):		
Interest expense	(4,224)	-
Solid waste disposal taxes	31,719	-
Total Nonoperating Revenues (Expenses)	<u>27,495</u>	<u>-</u>
Transfers (out)	<u>(80,000)</u>	<u>-</u>
Total other financing sources and uses	<u>(80,000)</u>	<u>-</u>
Changes in net position	24,177	78,993
Net position, beginning	1,383,846	(1,556,672)
Total net position, ending	<u><u>\$ 1,408,023</u></u>	<u><u>\$ (1,477,679)</u></u>

Lenoir County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2021

Exhibit 8

	Major Enterprise Fund		
	Landfill Fund	Internal Service Fund	Total
Cash Flows From Operating Activities:			
Cash Received from Customers/others	\$ 3,180,273	\$ 330,270	\$ 3,510,543
Cash paid to suppliers for goods and services	(2,087,885)	(330,270)	(2,418,155)
Cash paid to employees for services	(730,763)	-	(730,763)
Other operating revenue	45,453	-	45,453
Net cash provided by (used for) operating activities	407,078	-	#REF!
Cash Flows from (use by) capital and related financing activities:			
Principal repayments on long-term debt	(54,617)	-	(54,617)
Acquisition of capital assets	(29,919)	-	(29,919)
Interest expense	(4,224)	-	(4,224)
Net cash flows provided (used) by capital financing activities	(88,760)	-	(88,760)
Cash Flows from (used for) noncapital financing activities:			
Solid waste disposal taxes	31,719	-	31,719
Transfers in/out (net)	(80,000)	-	(80,000)
Net cash flows provided (used) by noncapital financing activities	(48,281)	-	-
Net increase (decrease) in cash and cash equivalents	270,037	-	270,037
Cash and cash equivalents, beginning of year	3,517,435	-	3,517,435
Cash and cash equivalents, end of year	\$3,787,472	\$ -	\$3,787,472
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:			
Operating income (loss)	\$ 76,682	\$ 78,993	#REF!
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Landfill closure and postclosure care costs	80,897	-	80,897
Depreciation expense	180,843	-	#REF!
Changes in Assets and Liabilities:			
(Increase) decrease in accounts receivable	57,622	-	57,622
Increase (decrease) in accounts payable and accrued liabilities	(14,522)	(78,993)	(93,515)
Increase (decrease) in net pension liability	29,565	-	29,565
Increase (decrease) in OPEB liability	(10,436)	-	(10,436)
(Increase) decrease in deferred outflows of resources for pensions	(12,588)	-	(12,588)
Increase (decrease) in deferred inflows of resources for pensions	23,176	-	23,176
Increase (decrease) in accrued vacation pay	(4,161)	-	(4,161)
Net cash provided (used) by operating activities	\$ 407,078	\$ -	#REF!

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

NOTES TO THE FINANCIAL STATEMENTS

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

I. Summary of Significant Accounting Policies

The accounting policies of Lenoir 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. The Lenoir County ABC Board (the Board) and the Kinston-Lenoir County Tourism Development Authority (the Authority), which both have June 30 year-ends, are presented as if they were separate proprietary funds of the County (discrete presentation). Lenoir County Industrial Facility and Pollution Control Financing Authority (the Financing Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Financing Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements.

Component Unit	Method	Criteria for Inclusion	Separate Financial Statement
Lenoir County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is 110 S. Heritage Street Kinston, NC required by State statute to distribute its surpluses 28502 to the General Fund of the County.	Lenoir County ABC Board
Kinston-Lenoir County Tourism Development Authority	Discrete	The Authority exists to promote travel and tourism within the County. The Authority was created by Lenoir County and the County finance officer is the ex officio finance officer of the Authority.	Kinston-Lenoir County Tourism Development Authority
Lenoir County Industrial Facility and Pollution Control Financing Authority	Discrete	The Financing Authority is governed by a six-member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued.

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

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

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

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

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

General Fund - This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

School Capital Outlay Fund - This fund is used to account for the counties ongoing school projects.

Hazard Mitigation Grant Program - This program is to help implement hazard mitigation measures following a Presidential Major Disaster Declaration in the county requested by the Governor. The key purpose of this program is to enact mitigation measures that reduce the risk of loss of life and property from future disasters through safer building practices and improving existing structures and supporting infrastructure.

The County reports the following major enterprise fund:

Landfill Fund - This fund is used to account for the operations of the County landfill.

The County reports the following fund types:

Internal Service Fund. The Employee Insurance Fund is used to account for the allocation of hospitalization insurance to each fund.

Non-major Funds. The County maintains twelve legally budgeted funds. The Federally Seized Property Fund, School Capital Outlay Fund, Scrap Tire Disposal Fund, Revaluation Reserve Fund, Fire District Funds, Transportation Grant Project Fund, Emergency Telephone System Fund, Family and Caregiver Education Fund, Vehicle Replacement Fund, Automation Preservation Fund, State Controlled Substance Fund, and Social Services Fund are reported as non-major special revenue funds. The Capital Project Fund and the Capital Improvements Fund are reported as a non-major capital project funds.

C. Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year on 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 and proprietary 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. Nonexchange 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 a 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 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An Annual budget is adopted for the General Fund, School Capital Outlay Fund, Special Revenue Funds, the Enterprise Fund, and the Internal Service Fund. All Annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for Capital Projects Fund and the Enterprise Capital Projects Funds, which are consolidated with the enterprise operating fund for reporting purposes. All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all Annually budgeted funds and at the project level for multi-year funds. Amendments are required for revisions that alter total expenditures of any fund or that change functional appropriations. The governing board must approve all amendments. During the year, several material amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the Annual ordinance can be adopted.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

April 30	Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
June 1	The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
July 1	The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. The County has no encumbrances outstanding at year-end and any unencumbered appropriations lapse at year-end.

E. Assets, Liabilities, Deferred Outflow/Inflows of Resources and Fund Equity

1. Deposits and Investments

All deposits of the County, the Lenoir County ABC Board, and the Kinston-Lenoir County Tourism Development Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the ABC Board, and the Authority may designate as an official depository any bank or savings association whose principal office is located in North Carolina. Also, the County, the ABC Board, and the Authority 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 Hospital, the TDA, and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

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

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of each month. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash and cash equivalents, and records them at cost. The Tourism Development Authority considers all bank deposits cash and cash equivalents.

3. 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, 2020. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

4. Restricted Assets

Unexpended bond proceeds are classified as restricted assets on the balance sheet because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. The cash in the Federally Siezed Property Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the Scrap Tire Disposal Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

Governmental Activities:

General Fund:

Federally Siezed Property	\$ 305,746
Scrap Tire Disposal	127,956
Total Restricted Cash	<u>\$ 433,702</u>

5. Allowance 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

Lenoir County accounts for inventories using the "purchases method." Under the purchases method, purchases are recorded as expenditures when purchased. The County did not have significant amounts of inventory on hand at year-end. The inventory of the ABC Board is valued at the lower of cost or market, and consists of products held for resale. The cost of this inventory is charged to cost of sales as the inventory is sold. Occasionally, certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost, the minimum capitalization cost is \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or significantly extend the asset's life are not capitalized.

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

<u>Asset Class</u>	<u>Years</u>
Buildings	10 - 50
Furniture and equipment	10
Maintenance and construction equipment	5 - 10
Vehicles	6

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

<u>Asset Class</u>	<u>Years</u>
Buildings	20 - 30
Furniture and equipment	5 - 10
Leasehold improvements	10 - 20

Capital assets for the Tourism Development Authority are depreciated over the following estimated useful lives:

<u>Asset Class</u>	<u>Years</u>
Equipment	5

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

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

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither entity has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

The Tourism Development Authority has no employees. They are managed by the Kinston-Lenoir County Chamber of Commerce under an agreement signed on June 3, 2015, which expires on June 30, 2021. The Tourism Development Authority pays a monthly management fee of 15% of the net occupancy tax collection plus, if present, 10% of the excess collections received over collections budgeted. The agreement also guarantees a minimum payment of \$3,000 per month.

11. Net Position/Fund BalancesNet Position

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets; restricted; and unrestricted. Restricted net position represent 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.

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

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

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

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for the construction of a new jail and to maintain funds for sheriff's use from federally seized property and state controlled substance tax.

Restricted for Emergency Services – portion of fund balance that is restricted by revenue source for the establishment and maintenance of emergency telephone services.

Restricted for School Capital – portion of fund balance that can only be used for school capital outlay.

Restricted fund balance at June 30, 2021 is as follows:

Purpose	General Fund		Other Governmental Funds	
Restricted:				
Stabilization by State Statute	\$	7,196,844	\$	1,263,815
Register of Deeds		-		180,234
Public safety		-		340,113
Emergency Services		-		497,132
Total	\$	7,196,844	\$	2,281,294

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of Lenoir 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 Scrap Tire Disposal – portion of fund balance set aside for the disposal of scrap tires.

Committed for Vehicle Replacement – portion of fund balance set aside for the replacement of County vehicles using local tax dollars, insurance reimbursements, and sales of surplus vehicles.

Committed for Capital Improvements – portion of fund balance used for long-term improvements of the County's infrastructure.

Purpose	General Fund	Other Governmental Funds
Committed:		
Scrap tire	\$ -	\$ 113,032
Vehicle replacement	-	384,043
Capital improvements	-	1,000,851
Total	<u>\$ -</u>	<u>1,497,926</u>

Assigned Fund Balance – portion of fund balance that the County intends to use for specific purposes.

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; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

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

Lenoir 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 funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed by committed fund balance, assigned fund balance and lastly, unassigned fund balance. The Finance Officer had 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 (LERS) 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 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.

F. Reconciliation of Government-wide & 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-total governmental funds and net position-governmental activities as reported in the government-wide statement of net position. The net adjustment of (\$30,301,825) consists of the following:

Description	Amount
Capital assets used in governmental activities are not financial resources and therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 64,495,647
Less accumulated depreciation.	(36,952,449)
Net capital assets.	27,543,198
Note receivable - Lenoir Memorial Hospital	2,000,000
Net pension asset - Register of Deeds	65,213
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	
LGERS	4,910,391
ROD	10,553
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the	674,721
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of	140,289
Deferred inflows of resources for taxes and special assessments receivable	1,576,450
Pension deferrals - LGERS	(405,044)
Pension deferrals - LEO	(50,775)
Pension deferrals - ROD	(6,909)
Pension deferrals - OPEB	(1,810,649)
General obligation bonds payable	(30,226,025)
Notes payable	(11,510,255)
Compensated absences	(1,447,874)
Other postemployment benefit obligation	(9,015,995)
Net pension liability - LEO	(2,762,576)
Net pension liability - LGERS	(9,216,101)
Accrued interest	(770,437)
Total adjustment	<u>\$ (30,301,825)</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-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of (\$2,703,952) as follows:

Description	Amount
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current year.	
Capital outlay expenditures which were capitalized.	\$ 2,782,232
Depreciation expense for governmental assets.	(3,344,723)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(1,108,617)
Contributions to OPEB and the pension plan in the current fiscal year are not included on the Statement of	1,476,140
Payments received from Lenoir Memorial Hospital are reported as a reduction in note receivable balance in Governmental Activities Statement of Net Position.	(500,000)
Revenues reported in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds - change in deferred inflows of resources for tax revenues.	(338,036)
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.	
Compensated absences	52,811
Accrued interest	93,590
Pension expense	(4,391,650)
Amortization of bond premiums not recorded on fund statements	41,556
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	
Principal payments	4,793,000
Loan proceeds	(2,260,255)
Total adjustment	<u>\$ (2,703,952)</u>

II. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

None.

B. Deficit Fund Balance or Net Position of Individual Funds

The Hazard Mitigation Fund, Revaluation Reserve Fund, Internal Services Fund has a deficit fund balance due to timing issues related to income.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2021, the expenditures made by the County exceeded the authorized appropriations in the General Fund, Fire District Funds, and Employee Insurance Internal Service Fund. Management and the Board will more closely review the budget reports to ensure compliance in future years.

III. Detail Notes on All FundsA. Assets1. Deposits

All of the County's, TDA's, and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, TDA's, or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, TDA, and the ABC Board, these deposits are considered to be held by their agent in the entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or the ABC Board, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, TDA, or the ABC Board under the Pooling Method, the potential exists for the under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

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

At June 30, 2021, the County's deposits had a carrying amount of \$7,056,491 and a bank balance of \$8,56,0959. Of the bank balance, \$250,000 was covered by federal depository insurance the remainder was covered by the pooling method. At June 30, 2020 the County had \$2,224 cash on hand.

At June 30, 2021, the carrying amount of deposits for Lenoir County ABC Board was \$1,274,969 and a bank balance of \$1,276,629. Of this balance, \$250,000 was covered by federal depository insurance and \$1,026,629 was maintained in financial institutions utilizing the Pooling Method of collateralization. At June 30, 2021, the ABC Board had \$5,300 cash on hand.

At June 30, 2021, the carrying amount of deposits for Lenoir County TDA was \$199,877 and a bank balance of \$202,889. Of the bank balance, 100% was covered by federal depository insurance.

2. Investments

As of June 30, 2021, the County's investments consisted of \$33,158,458 in the North Carolina Capital Management Trust's Government Portfolio which carried a credit rating of AAAM by Standard and Poor's. The County has no formal policy on credit risk.

At June 30, 2021 the ABC Board and the Authority had no investments.

3. Property Tax - Use-Value Assessment on Certain Lands

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2018	2,313,551	549,695	\$ 2,863,246
2019	2,405,702	354,842	2,760,544
2020	2,420,487	139,181	2,559,668
2021	2,432,314	-	2,432,314
Total	<u>\$ 9,572,054</u>	<u>\$ 1,043,718</u>	<u>\$ 10,615,772</u>

4. Receivables

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

	Accounts	Taxes & Related Accrued Interest	Due From Other Governments	Total
Governmental Activities:				
General	\$ 4,699,489	\$ 2,505,650	\$ 2,681,591	\$ 9,886,730
Other Governmental	473,417	106,379	790,397	1,370,193
Total Receivables	5,172,906	2,612,029	3,471,988	11,256,923
Allowance for Doubtful Accounts	(184,235)	(1,035,579)	-	(1,219,814)
Total Governmental Activities	\$ 4,988,671	\$ 1,576,450	\$ 3,471,988	\$ 10,037,109
Business-Type Activities:				
Landfill receivables	\$ 944,694	\$ -	\$ -	\$ 944,694
Allowance for Doubtful Accounts	(370,139)	-	-	(370,139)
Total Business-Type Activities	\$ 574,555	\$ -	\$ -	\$ 574,555

5. Note Receivable

On January 4, 2004, Lenoir County sold its hospital facility and land to Lenoir Memorial Hospital for \$12,000,000. Lenoir Memorial Hospital paid to the County a down payment of \$2,000,000 upon closing of the sale. The remaining balance of \$10,000,000 is payable in 20 Annual installments of \$500,000 beginning on or before July 10, 2005 and ending on July 10, 2024. The promissory note does not bear any interest and is subordinated to outstanding bonds payable by the Hospital. Should Lenoir Memorial Hospital dissolve or fail to operate the property as a community general hospital, all ownership rights in the property including licenses, the certificate of need, and other assets of the Hospital shall revert back to the County. The outstanding balance of the promissory note receivable as of June 30, 2021 is \$2,000,00.

6. Capital Assets**Primary Government**

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

	Beginning Balances July 1, 2020	Additions	Retirements	Transfer	Ending Balances June 30, 2021
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 6,408,940	\$ -	\$ -	\$ -	\$ 6,408,940
Construction in Progress	-	-	-	-	-
Total capital assets not being depreciated	6,408,940	-	-	-	6,408,940
Capital assets being depreciated:					
Buildings	39,881,976	-	(1,615,254)	-	38,266,722
Equipment/Machinery	10,596,384	2,531,641	(8,071)	-	13,119,954
Vehicles/Fire Truck	6,522,476	250,591	(484,113)	-	6,288,954
Other Improvements	411,077	-	-	-	411,077
Total capital assets being depreciated	57,411,913	2,782,232	(2,107,438)	-	58,086,707
Less accumulated depreciation for:					
Buildings	22,307,956	1,437,338	(646,623)	-	23,098,671
Equipment/Machinery	7,365,399	1,112,929	(8,071)	-	8,470,257
Vehicles/Fire Truck	4,572,367	784,884	(344,127)	-	5,013,124
Other Improvements	360,825	9,572	-	-	370,397
Total accumulated depreciation	34,606,547	\$ 3,344,723	\$ (998,821)	\$ -	36,952,449
Total capital assets being depreciated, net	22,805,366				21,134,258
Governmental activity capital assets, net	\$ 29,214,306				\$ 27,543,198

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

General government	\$ 205,674
Public Safety	2,747,792
Economic and Community Development	98,781
Human Services	236,201
Cultural and Recreational	56,275
Total Depreciation Expense	<u>\$ 3,344,723</u>

	Beginning Balances	Additions	Retirements	Transfers	Ending Balances
Business-type Activities					
Landfill Fund					
Capital assets not being depreciated:					
Land	\$ 335,543	\$ -	\$ -	\$ -	\$ 335,543
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>335,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,543</u>
Capital assets being depreciated:					
Buildings and improvements	5,462,525	-	-	-	5,462,525
Equipment	1,676,368	-	-	-	1,676,368
Vehicles	349,318	29,919	-	-	379,237
Total capital assets being depreciated	<u>7,488,211</u>	<u>29,919</u>	<u>-</u>	<u>-</u>	<u>7,518,130</u>
Less accumulated depreciation for:					
Buildings and improvements	5,449,326	1,087	-	-	5,450,413
Equipment	1,253,397	179,257	-	-	1,432,654
Vehicles	349,318	499	-	-	349,817
Total accumulated depreciation	<u>7,052,041</u>	<u>\$ 180,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>7,232,884</u>
Total capital assets being depreciated, net	<u>436,170</u>				<u>285,246</u>
Landfill Fund capital assets, net	<u>\$ 771,713</u>				<u>\$ 620,789</u>

Discretely presented component units

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

	Beginning Balances	Additions	Retirements	Transfers	Ending Balances
Capital assets not being depreciated:					
Land	\$ 174,000	\$ -	\$ -	\$ -	\$ 174,000
Construction in progress	-	-	-	-	-
Total capital assets not being depreciated	<u>174,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,000</u>
Capital assets being depreciated:					
Buildings and improvements	562,466	-	-	-	562,466
Equipment and furniture	96,439	36,238	-	-	132,677
Vehicles	84,016	-	-	-	84,016
Leasehold improvements	164,413	-	-	-	164,413
Total capital assets being depreciated	<u>907,334</u>	<u>36,238</u>	<u>-</u>	<u>-</u>	<u>943,572</u>
Less accumulated depreciation for:					
Buildings and improvements	77,000	12,646	-	-	89,646
Equipment and furniture	87,748	4,245	-	-	91,993
Vehicles	39,895	5,770	-	-	45,665
Leasehold improvements	148,747	1,212	-	-	149,959
Total accumulated depreciation	<u>353,390</u>	<u>\$ 23,873</u>	<u>\$ -</u>	<u>\$ -</u>	<u>377,263</u>
Total capital assets being depreciated, net	<u>553,944</u>				<u>566,309</u>
Water Fund capital assets, net	<u>\$ 727,944</u>				<u>\$ 740,309</u>

Activity for the Tourism Development Authority or the year ended June 30, 2021, was as follows:

	Balances	Increases	Decreases	Balances
Capital assets being depreciated:				
Equipment	\$ 1,874	-	-	\$ 1,874
Less accumulated depreciation for:				
Equipment	1,874	-	-	1,874
Authority capital assets, net	<u>\$ -</u>			<u>\$ -</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2021 is composed of the following elements:

	Governmental Activities	Business- Type Activities	ABC Board	TDA
Capital assets, net of depreciation	\$ 27,543,198	\$ 620,789	740,309	\$ -
Less: Long-term debt	(17,919,195)	(234,438)		-
Net investment in capital assets	\$ 9,624,003	\$ 386,351	740,309	\$ -

B. Liabilities**1. Payables**

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

	Vendors	Salaries and Benefits	Total
Governmental Activities:			
General	\$ 2,671,112	\$ 359,595	\$ 3,030,707
Other governmental	1,552,383	-	1,552,383
Total governmental activities	\$ 4,223,495	\$ 359,595	\$ 4,583,090
Business-Type Activities:			
Landfill Fund	\$ 96,706	\$ 62,293	\$ 158,999
Total business-type activities	\$ 96,706	\$ 62,293	\$ 158,999

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

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic 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 only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set Annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.22% of compensation for law enforcement officers and 10.84% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$1,799,776 for the year ended June 30, 2021.

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

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

At June 30, 2021, the County reported a liability of \$9,404,185 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.26317%, which was an decrease of 0.02706% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$3,101,972. At June 30, 2021, 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	\$ 1,187,584	\$ -
Changes of assumptions	699,856	-
Net difference between projected and actual earnings on pension plan investments	1,323,387	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	413,310
County contributions subsequent to the measurement date	1,799,776	-
Total	<u>\$ 5,010,603</u>	<u>\$ 413,310</u>

\$1,799,776 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2022	754,937
2023	1,059,539
2024	591,385
2025	391,656
2026	-
Thereafter	-
Total	<u>\$ 2,797,517</u>

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study 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, 2020 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic Annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are Annualized.

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

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

	1 % Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$19,080,067	\$9,404,185	\$1,362,847

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

The Lenoir County ABC Board is also a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS). The ABC Board's proportionate share of the net pension liability is not materially relative to the primary government, Lenoir County. Therefore, pension disclosures for the ABC Board are not included in this report. Detailed information about the ABC Board's pension plan is included in the separately issued audit report of the Lenoir County ABC Board.

b. Law Enforcement Officers Special Separation Allowance

(1) Plan Description - Lenoir County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the Annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County has made no contributions to this plan. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2019, the Separation Allowance's membership consisted of:

Retirees Receiving Benefits	12
Active Plan Members	65
Total	<u>77</u>

(2) Summary of Significant Accounting Policies

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

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

(3) Actuarial Assumptions

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

Inflation	2.5 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2020.

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

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data 103% for all ages. Rates for female members are multiplied by 99% for all ages. Set for Disabled Annuitants Mortality Table.

Deaths Before Retirement: Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale 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 benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration cost of the Separation Allowance are financed through investment earnings. The County paid \$160,144 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$2,762,576. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was then rolled forward to the measurement date of December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$301,908.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 37,445	\$ 7,112
Changes of assumptions and other inputs	637,276	43,663
County benefit payments and administrative expenses subsequent to the measurement date.	-	-
	<u>\$ 674,721</u>	<u>\$ 50,775</u>

The County paid \$0 in benefit payments and \$0 in admin expenditures 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30	
2022	140,994
2023	141,128
2024	133,615
2025	131,268
2026	76,941
Thereafter	-
	<u><u>\$ 623,946</u></u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.26 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 (.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 3,010,675	\$ 2,762,576	\$ 2,537,768

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

	2021
Beginning balance	\$ 2,063,769
Service Cost	96,886
Interest on the total pension liability	64,669
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	6,758
Changes of assumptions or other inputs	690,638
Benefit payments	(160,144)
Other changes	-
Ending balance of the total pension liability	<u><u>\$ 2,762,576</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2020 to 1.93 percent at June 30, 2021.

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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 all employees 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 is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and the County has elected to contribute five percent of all employees participating in the State retirement system. All law enforcement amounts contributed are vested immediately. Also, the employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$1,151,334, which consisted of \$975,201 from the County and \$176,133 from the employees.

d. Register of Deeds' Supplemental Pension Fund

Plan Description. Lenoir County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,293 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$65,213 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 0.28455%, which was a decrease of 0.02358% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension expense of \$1,331. At June 30, 2021, 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	\$ -	\$ 1,329
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	5,580
Changes of assumptions	7,260	-
County contributions subsequent to the measurement date	3,293	
Total	<u>\$ 10,553</u>	<u>\$ 6,909</u>

\$3,293 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2022	2,661
2023	1,614
2024	(2,518)
2025	(1,406)
2026	-
Total	<u>\$ 351</u>

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

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic Annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are Annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. 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)	(\$55,390)	(\$65,213)	(\$73,525)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 9,404,185	\$ (65,213)	n/a	\$ 9,338,972
Proportion of the Net Pension Liability (Asset)	0.26317%	0.28455%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 2,762,576	\$ 2,762,576
Pension Expense	\$ 3,101,972	\$ 1,331	\$ 301,908	\$ 3,405,211

As June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,187,584	\$ -	\$ 37,445	\$ 1,225,029
Changes of assumptions	699,856	7,260	637,276	1,344,392
Net difference between projected and actual earnings on pension plan investments	1,323,387	-	-	1,323,387
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-	-	-
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,799,776	3,293	-	1,803,069
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 1,329	\$ 7,112	\$ 8,441
Changes of assumptions	-	-	43,663	43,663
Changes in proportion and differences between County contributions and proportionate share of contributions	413,310	5,580	-	418,890

e. Other Post Employment Benefits

Healthcare Benefits

Plan Description - Under the terms of the County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2006, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. The County Board may amend the benefit provisions. A separate report was not issued for the plan. If hired after January 8, 2013 no health benefits will be paid for retirees.

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of latest actuarial valuation:

	Employees
Retirees and dependents receiving benefits	40
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	422
Total	462

Funding Policy - The retirees pay the same amount for equal coverage equivalent to what active County employees pay under a County resolution that can be amended by the Board of Commissioners. The County members pay for dependent coverage based on size of family. The County has chosen to fund the healthcare benefits on a pay as you go basis.

Total OPEB Liability

The County's total OPEB liability of \$9,199,995 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.5 percent, average, including inflation
Discount rate	3.89 percent
Healthcare cost trend rates	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

<u>Changes in the Total OPEB Liability</u>	
Balance at July 1, 2020	\$ 9,721,789
Changes for the year	
Service cost	511,873
Interest	376,776
Changes of benefit terms	(138,012)
Differences between expected and actual experience	(1,134,043)
Changes in assumptions or other inputs	162,629
Benefit Payments	(301,017)
Net changes	(521,794)
Balance at June 30, 2021	\$ 9,199,995

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 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current discount rate:

	1 % Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$100,987,736	\$9,199,995	\$8,408,157

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	\$8,237,857	\$9,199,995	\$10,350,193

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$371,628. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,268,044
Net difference between projected and actual earnings on pension plan investments	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	-
Changes of assumptions	143,152	579,557
County contributions subsequent to the measurement date	-	-
Total	<u>\$ 143,152</u>	<u>\$ 1,847,601</u>

\$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30

2022	(265,955)
2023	(265,955)
2024	(265,955)
2025	(265,955)
2026	(265,955)
Thereafter	(374,674)
Total	<u>\$ (1,704,449)</u>

Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
(Pensions, OPEB) - difference between expected and actual experience	\$ 1,225,029	\$ 1,276,485
(Pensions, OPEB) - Net difference between projected and actual investment earnings	1,323,387	-
(Pensions, OPEB) - change in proportion and difference between employer contributions and proportionate share of contributions	-	418,890
(Pensions, OPEB) - change in assumptions	1,487,544	623,220
Contributions to pension plan subsequent to measurement date (LGERS, ROD)	1,803,069	-
Benefit payments for the OPEB plan paid subsequent to measurement date	-	-
Deferred loss on refunding of debt	-	-
Prepaid taxes not yet earned (General)	-	83,725
Taxes receivable, net, less penalties (General)	-	1,470,071
Taxes receivable, net, less penalties (Special Revenue)	-	106,379
Total	<u>\$ 5,839,029</u>	<u>\$ 3,978,770</u>

f. Other Employment Benefits

The County has 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established Annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

4. Closure and Post closure Care Costs - Lenoir County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its landfill facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$2,836,100 reported as landfill closure and post-closure care liability at June 30, 2021 represents a cumulative amount reported to date based on the use of 81% of the total estimated capacity of the old landfill and 53 % of the total estimated capacity of the new landfill. Lenoir County closed the old facility in the fiscal year ended 1999. Total cost incurred to date on the final cover of the old and new landfill is \$1,176,377 and \$1,041,995, respectively. The County will recognize the remaining estimated cost of closure and post-closure care of \$4,637,535 as the remaining estimated capacity of the new landfill is filled. All of the above amounts are based on what it would cost to perform all closure and post-closure care in 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

5. Risk Management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County obtains property insurance coverage and general liability coverage for these risks. The County participates in two self-funded risk-financing programs, one administered by Discovery Insurance Services and one administered by Medcost Benefit Services. Through these programs, the County obtains workers' compensation coverage up to the statutory limits, and health insurance for County employees. For health insurance, the County is reinsured through the program for individual losses in excess of \$150,000 and aggregate Annual losses in excess of 115% of expected claims. The workers' compensation program is reinsured through commercial carrier for individual losses in excess of \$600,000. Based on past experience, management believes the above coverages are sufficient.

The County carries flood insurance purchased through a local agent on three county buildings; the Cooperative Extension Building, Livestock Arena, and the Kinston Lenoir County Visitors Center. The County carries \$500,000 coverage on the Cooperative Extension Building and \$68,300 coverage on the contents. On the Livestock Arena, the County carries \$409,000 coverage on the building and \$0 coverage on the contents. The County carries \$350,000 coverage on the Visitors Center building and \$100,000 on the contents.

In accordance with G.S. 159-29, the County's employees that have access of \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance is individually bonded for \$50,000, and the tax collector is individually bonded for \$25,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

Lenoir County ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

In accordance with G.S. 18B-700(i) and G.S. 18B-803(b), each Lenoir County ABC Board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

Kinston-Lenoir County Tourism Development 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; and natural disasters. The Authority does not carry flood insurance. The Authority does carry commercial coverage for all other risks of loss. There have been not significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years. The Authority has no employees.

6. Contingent Liabilities

At June 30, 2021, in the opinion of the County's management and the County attorney, there are no legal matters that will have a material adverse effect on the County's financial position.

7. Long-Term Obligations

The County records long-term debt of the governmental funds at face value in the government-wide statement of net position. All general obligation bonds serviced by the County's General Fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due.

a. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit and taxing power of the County. Principal and interest payments are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this Agreement

The County's general obligation bonds payable at June 30, 2021 are comprised of the following individual issues:

Serviced by the County's General Fund:

\$18,970,000 of 2013 Refunding Bonds, in Annual installments of up to \$1,770,000 through February 1, 2028	\$ 11,430,001
\$24,318,000 of 2015 Refunding Bonds, in Annual installments of up to \$2,751,000 through February 1, 2029	17,480,000
	<u>\$ 28,910,001</u>

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 3,833,000	\$ 857,860
2023	3,793,000	736,672
2024	3,752,000	453,048
2025	3,768,000	359,077
2026	3,724,000	263,664
2027-2029	10,040,001	303,418
Total	\$ 28,910,001	\$ 2,973,739
Premium on bonds	1,316,024	-
	<u>\$ 30,226,025</u>	<u>\$ 2,973,739</u>

As June 30, 2021, Lenoir County had a legal debt margin of \$296,974,396.

b. Notes Payable

On October 14, 2010, the County issued \$18,500,000 of direct placement Recovery Zone Economic Development Bonds to enable the County to construct a new five story, 65,000 square foot jail facility on County owned property. The loan is through BB&T and requires Annual installments of \$925,000 through October 14, 2030. At June 30, 2021, the balance of the note was \$9,250,000.

Annual note requirements to maturity for the County's notes payable are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ 925,000	\$ 568,875
2023	925,000	511,988
2024	925,000	455,100
2025	925,000	398,213
2026	925,000	341,325
2027-2031	4,625,000	853,314
Total	<u>\$ 9,250,000</u>	<u>\$ 3,128,815</u>

The Recovery Zone Economic Development Bonds are part of the 2009 American Recovery and Reinvestment Act (ARRA). For these Recovery Zone Bonds, the County will receive a 45% interest payment subsidy. The interest rebate will be recognized as follows:

Year Ending June 30	Interest Rebate
2022	\$ 255,994
2023	230,395
2024	204,795
2025	179,196
2026	153,596
2027-2031	383,991
Total	<u>\$ 1,407,967</u>

On September 11, 2019, the County issued \$177,973 of direct placement to purchase 2020 Mack Truck. The loan is through First Bank and requires Annual installments of \$38,605.57 through 2025. At June 30, 2021, the balance of the note was \$144,017.

Year Ending June 30	Business Activities	
	Principal	Interest
2022	\$ 34,501	\$ 4,104
2023	35,484	3,121
2024	36,496	2,110
2025	37,536	1,070
Total	<u>\$ 144,017</u>	<u>\$ 10,405</u>

On September 15, 2020, the County issued \$2,260,255 of direct placement to purchase new Radio System. The loan is through Motorola and requires installment of \$585,316 including interest at 2.49 percent. The interest will not apply until 2024. At June 30, 2021, the balance of note was \$2,260,255.

Year Ending June 30	Governmental Activities	
	Principal	Interest
2022	\$ -	\$ -
2023	585,316	-
2024	546,622	38,694
2025	557,221	28,095
2026	571,096	14,220
Total	<u>\$ 2,260,255</u>	<u>\$ 81,009</u>

The ABC Board obtained financing from First Citizens Bank on May 19, 2014 for the purchase and renovation of a building and related land in the amount of \$524,450. The ABC Board used the building to relocate a store. The loan agreement calls for interest only payments to be made for the first six months beginning July 1, 2014 and principal and interest payments of \$3,749 beginning on January 1, 2015. The interest rate is a fixed amount of 3.45%.

c. Capital Leases

The County has entered agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

An agreement was executed on October 1, 2017 to lease a loader that requires 7 Annual payments of \$26,564 Title passes to the County at the end of the lease term.

The following is an analysis of the assets recorded under the capital lease at June 30, 2021:

Business-type:	Cost	Accumulated Depreciation	Net
Equipment	\$ 150,000	\$ 99,422	\$ 50,578
Telephones	3,144	3,144	-
	<u>\$ 153,144</u>	<u>\$ 102,566</u>	<u>\$ 50,578</u>

Depreciation expense for these capital assets are included within total depreciation expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2022	\$ 21,233	\$ 5,331
2023	22,253	4,311
2024	23,322	3,242
2025	23,613	2,122
Total	<u>\$ 90,421</u>	<u>\$ 15,006</u>

d. Advance Refunding

On April 2, 2013, the County issued \$18,970,000 of general obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$18,100,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$870,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$636,386 and resulted in an economic gain of \$543,488.

On November 19, 2015, the County issued \$24,318,000 of general obligation refunding bonds to refinance \$22,600,000 of outstanding 2008 general obligation school bonds. The new bonds are payable over a 14 year period through 2029, with an interest rate of 2.45% as compared to 4.19% for the 2008 School Bonds. The County's estimated savings in debt service payments over the term of the new bonds is \$1,289,722.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed only \$17,919,195 relates to assets the County holds title.

e. Long-Term Obligation Activity

	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021	Current Portion
Governmental Activities:					
General obligation debt	\$ 34,094,025	\$ -	\$ 3,868,000	\$ 30,226,025	\$ 3,833,000
Direct Placement Notes payable	10,175,000	2,260,255	925,000	11,510,255	925,000
Compensated absences	1,500,685	867,750	920,561	1,447,874	875,000
Net pension liability (LRS)	7,767,436	1,448,665	-	9,216,101	-
Total pension liability (LEOSA)	2,063,769	698,807	-	2,762,576	-
Net OPEB Liability	9,527,353	-	511,358	9,015,995	-
Total governmental activities	<u>\$ 65,128,268</u>	<u>\$ 5,275,477</u>	<u>\$ 6,224,919</u>	<u>\$ 64,178,826</u>	<u>\$ 5,633,000</u>

Business-Type Activities:

Accrued landfill closure and post-closure care costs	\$ 2,755,203	\$ 80,897	\$ -	\$ 2,836,100	\$ -
Direct Placement Notes Payable	177,973	-	33,956	144,017	34,501
Capital leases	111,082	-	20,661	90,421	21,233
Compensated absences	35,190	17,450	21,611	31,029	17,500
Net pension liability (LGERS)	158,519	29,565		188,084	-
Net OPEB Liability	194,436	-	10,436	184,000	-
Total business-type activities	<u>\$ 3,432,403</u>	<u>\$ 127,912</u>	<u>\$ 86,664</u>	<u>\$ 3,473,651</u>	<u>\$ 73,234</u>

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

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

ABC Board:	Balance 7/1/2020	Increases	Decreases	Balance 6/30/2021	Current Portion
Net pension liability (LGERS)	\$ 122,345	\$ 51,681		\$ 174,026	\$ -
Total business-type activities	<u>\$ 122,345</u>	<u>\$ 51,681</u>	<u>\$ -</u>	<u>\$ 174,026</u>	<u>\$ -</u>

III. Joint Governed Organization

The County has joined with other counties and municipalities in the area to establish the Eastern Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$22,771 to the Council during the fiscal year ended June 30, 2021. The County has no equity interest in the Council.

IV. Joint Ventures

The County in conjunction with the City of Kinston, participates in the Tourism Development Authority. The County appoints three members to the seven member board. The County has the authority to levy a Tourism tax and also serves as the collection agency for the Authority's taxes; however, the County does not have the power to determine the nature or type of tax imposed. Total funds remitted to the Authority were \$209,480 for the year ended June 30, 2021. The Authority controls the disbursements of all funds and the County has no responsibility for financing deficits or providing guarantees of the unit, nor is it entitled to any surpluses. The County has no equity interest in the Authority. Complete financial statements for the Authority can be obtained from the Authority's offices at 118 West North Street, Kinston, NC 28501.

The County also participates in a joint venture to operate Neuse Regional Library with three other local governments. Lenoir County appoints two board members to the twelve member board of the Library. The County has an on-going financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2021. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$709,085 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library offices, at 510 N. Queen Street, City of Kinston, NC 28501.

The County, in conjunction with the State of North Carolina and the Lenoir County Board of Education, participates in a joint venture to operate the Lenoir County Community College. Each of the three participants appoints four members of the thirteen member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing Annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$2,662,985 to the community college for operating purposes during the fiscal year ended June 30, 2021. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at 231 Highway 58 South, Kinston, NC 28502.

Effective July 1, 2002 the County in conjunction with Duplin County, Sampson County and Wayne County, participated in a joint venture to operate Eastpointe. Each participating government appoints three board members to the fifteen member board. The County has an ongoing financial responsibility for the joint venture because Eastpointe's continued existence depends on the participating governments' continued funding. The County paid \$245,715 to the joint venture during the fiscal year ended June 30, 2021. None of the participating governments have any equity interest in the joint venture, so no equity interest has been reflected in the County's financial statements at June 30, 2021. Complete financial statements for Eastpointe can be obtained from their office at 117 Beasley Street, Kenansville, NC 28349.

VI. Summary Disclosure of Significant Commitments and ContingenciesFederal and State Assisted Programs

The County has received proceeds from 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 moneys.

VII. Interfund Balances and Activitya. Interfund Balances

Transfers in (out) for the year ended June 30, 2021 are summarized below:

<u>Fund</u>	<u>To</u>	<u>From</u>
General Fund	\$ -	\$ 2,612,108
Capital Improvements Fund	2,612,108	-
Scrap Tire Disposal Fund	80,000	-
Landfill Fund	-	80,000
School Capital Outlay Fund	-	1,673,000
General Fund	1,673,000	-
Total	<u>\$ 4,365,108</u>	<u>\$ 4,365,108</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made

b. Fund Balance

Lenoir County has a revenue spending policy that provides policy 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 had 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	\$ 37,243,094
Less:	
Stabilization by State Statute	7,196,844
Subsequent Years' expenditures	14,044,055
Remaining Fund Balance	\$ 16,002,195

Lenoir County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 8% of budgeted expenditures. The County has set a goal to increase unassigned fund balance to 20% of General Fund expenditures.

VIII. Detailed Note on Individual Fund Balance

As part of the loan agreement for the construction of the new landfill, the County is required to have a minimum fund balance in the Landfill Fund of \$1,000,000. At June 30, 2021, the net position for the Landfill Fund was \$1,408,023, consisting of \$386,351 invested in capital assets, and \$1,021,672 in unrestricted net position.

IX. Significant Effects of Subsequent Events

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

X. Change in Accounting Principles/Restatement

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

Governmental Activities Net Position - Increase (Decrease)	General Fund Balance - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Fiduciary Net Position - Custodial Fund - Increase (Decrease)
1,595	-	1,595	-
\$ 1,595	\$ -	\$ 1,595	\$ -

Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payments on behalf of beneficiaries were reclassified out of the Agency Fund into a newly created Representative Payee Special Revenue Fund. The portion of liabilities in the Agency Fund representing net cash available at the beginning of the year were restated as fund balance.

REQUIRED
SUPPLEMENTAL FINANCIAL
DATA

This section contains additional information required by
generally accounting principals.

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

Schedule of Contributions – Local Government Employees’ Retirement System

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

Schedule of Contributions – Register of Deeds

Schedule of Changes in Total Pension Liability - LEOSSA

Schedule of Total Pension Liability as a Percentage of Covered Payroll - LEOSSA

Schedule of Changes in Net OPEB Liability and Related Ratios

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

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.26317%	0.29023%	0.28792%	0.29992%	0.29980%	0.28664%	0.2894%	0.2910%
County's proportion of the net pension liability (asset) (\$)	\$ 9,404,185	\$ 7,925,955	\$6,830,447	\$ 4,581,947	\$ 6,362,760	\$ 1,286,423	\$ (1,706,548)	\$ 3,496,819
County's covered-employee payroll	\$ 18,347,421	\$ 19,162,991	\$ 18,101,771	\$ 18,838,684	\$ 17,874,894	\$ 17,410,807	\$ 16,749,562	\$ 16,840,294
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	51.26%	41.36%	37.73%	24.32%	35.60%	7.39%	(10.19%)	20.76%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

** This will be the same percentage for all participant employers in the LGERS plan.

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

Local Government Employees' Retirement System

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,799,776	\$ 1,677,335	\$ 1,520,115	\$ 1,392,193	\$ 1,333,262	\$ 1,219,998	\$ 1,239,815	\$ 1,184,194
Contributions in relation to the contractually required contribution	1,799,776	1,677,335	1,520,115	1,392,193	1,333,262	1,219,998	1,239,815	1,184,194
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 17,392,424	\$ 18,347,421	\$ 19,162,991	\$ 18,101,771	\$ 18,838,684	\$ 17,874,894	\$ 17,410,807	\$ 16,749,562
Contributions as a percentage of covered-employee payroll	10.35%	9.14%	7.93%	7.69%	7.08%	6.83%	7.12%	7.07%

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

Registers of Deeds' Supplemental Pension Fund

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.28455%	0.30813%	0.35228%	0.34169%	0.35750%	0.34471%	0.3733%	0.3368%
County's proportionate of the net pension liability (asset) (\$)	\$ (65,213)	\$ (60,831)	\$ (58,348)	\$ (58,323)	\$ (66,838)	\$ (79,883)	\$ (84,603)	\$ (71,934)
Plan fiduciary net position as a percentage of the total pension liability**	173.62%	164.11%	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.

** This will be the same percentage for all participant employers in the ROD plan.

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

Registers of Deeds' Supplemental Pension Fund

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 3,293	\$ 2,725	\$4,738	\$ 4,497	\$ 2,969	\$ 2,921	\$ 2,758	\$ 3,048
Contributions in relation to the contractually required contribution	3,293	2,725	\$4,738	4,497	2,969	2,921	2,758	3,048
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Statement of Net Position
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
June 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	2,063,769	2,000,859	2,015,880	1,966,128	2,036,660
Service Cost	96,886	88,830	96,749	67,336	74,477
Interest on the total pension liability	64,669	69,920	61,187	72,611	69,626
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	6,758	2,051	63,548	(25,344)	-
Changes of assumptions or other inputs	690,638	62,066	(77,362)	105,173	(41,923)
Benefit payments	(160,144)	(159,957)	(159,143)	(170,024)	(172,712)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,762,576</u>	<u>\$ 2,063,769</u>	<u>\$ 2,000,859</u>	<u>\$ 2,015,880</u>	<u>\$ 1,966,128</u>

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

Statement of Net Position
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
June 30, 2021

	2021	2020	2019	2018	2017
Total pension liability	\$ 2,762,576	\$ 2,063,769	\$ 2,000,859	\$ 2,015,880	\$ 1,966,128
Covered payroll	3,171,018	3,182,217	3,168,467	2,686,872	2,852,399
Total pension liability as a percentage of covered payroll	87.12%	64.85%	63.15%	75.03%	68.93%

Notes to the schedules:

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

Lenoir County, North Carolina
Schedule of Changes in the Net OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2021*

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 511,873	\$ 413,685	\$ 413,685	\$ 449,600
Interest	376,776	349,816	349,816	301,656
Changes of benefit terms	(138,012)	-	-	-
Differences between expected and actual experience	(1,134,043)	(315,563)	(315,563)	(49,968)
Changes of assumptions	162,629	(315,626)	(315,626)	(539,717)
Benefit payments	(301,017)	(245,366)	(245,366)	(467,471)
Net change in total OPEB liability	(521,794)	(113,054)	(113,054)	(305,900)
Total OPEB liability - beginning	9,721,789	9,834,843	9,947,897	10,253,797
Total OPEB liability - ending	\$ 9,199,995	\$ 9,721,789	\$ 9,834,843	\$ 9,947,897
County's covered-employee payroll	\$ 17,250,681	\$ 14,684,920	\$ 14,684,920	\$ 14,684,920
County's OPEB liability as a percentage of its covered-employee payroll	53.33%	66.20%	66.97%	67.74%

* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

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.

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

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad Valorem Taxes:			
Taxes	33,458,276	\$ 35,998,309	
Penalties and Interest	300,000	402,874	
Total	<u>\$ 33,758,276</u>	<u>36,401,183</u>	<u>\$ 2,642,907</u>
Other Taxes and Licenses:			
Local option sales tax	7,500,000	10,610,115	
Real estate transfer tax	104,000	166,600	
Motor vehicle rental tax	30,000	37,211	
Occupancy and tourism tax	210,000	250,917	
Privilege licenses	1,600	2,430	
Total	<u>7,845,600</u>	<u>11,067,273</u>	<u>3,221,673</u>
Unrestricted Intergovernmental:			
Beer and wine tax	145,000	139,300	
Video franchise tax	89,000	81,942	
Housing Authority payment in lieu of taxes	-	21,846	
ABC profit distribution	200,000	423,171	
Total	<u>434,000</u>	<u>666,259</u>	<u>232,259</u>
Restricted Intergovernmental:			
State and Federal Grants	894,127	929,690	
Cares Act	1,085,855	1,085,855	
Public school capital projects	700,000	665,415	
Disaster funds, grants, and other	363,687	981,794	
Health Department grants	2,761,838	1,897,183	
Social service grants	8,430,806	6,776,466	
Other grants	552,796	452,134	
Court facilities fees	100,000	94,840	
PEG access fees	41,000	52,901	
ABC bottle taxes	15,000	37,635	
Interest rebate - RZED bonds	270,600	-	
Total	<u>15,215,709</u>	<u>12,973,913</u>	<u>(2,241,796)</u>
Permits and Fees:			
Sheriff fees	1,015,952	831,016	
Register of Deeds	195,000	214,106	
Inspection fees	400,000	527,642	
Tax collection fees	140,000	151,630	
Total	<u>1,750,952</u>	<u>1,724,394</u>	<u>(26,558)</u>

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

	Final Budget	Actual	Variance Positive (Negative)
Sales and Services:			
Rents and parking	162,235	167,976	
Jail fees	84,000	55,221	
Social services revenues	23,537	13,590	
Health department fees	303,101	340,379	
Emergency medical service fees	2,777,414	2,769,136	
Total	3,350,287	3,346,302	(3,985)
 Investment Earnings: Interest	401,500	98,242	(303,258)
 Miscellaneous:			
Fines	200,000	212,911	
Hospital annual payment	500,000	500,000	
Sale of fixed assets	6,000	1,098,486	
Discounts	-	152,536	
Other revenues	243,300	181,692	
Total	949,300	2,145,625	1,196,325
 TOTAL REVENUES	63,705,624	68,423,191	4,717,567
 Expenditures:			
General Government:			
Governing body	255,807	252,786	
Administration and Finance	932,030	870,313	
Tax administration	820,942	750,284	
Management information systems	1,272,113	1,017,955	
Legal	33,676	36,906	
Register of deeds	309,405	294,038	
Elections	809,782	689,385	
Public buildings	1,207,997	1,176,982	
Non-departmental	2,369,128	2,502,512	
Outside agencies	130,908	118,618	
Total general government	8,141,788	7,709,779	432,009
 Public Safety:			
Sheriff	5,893,868	6,436,929	
Jail	5,332,599	4,914,084	
Concealed weapon	90,947	76,617	
Emergency management	436,154	397,666	
Central communications	2,081,558	2,082,722	
Emergency Medical Services Department	4,550,273	5,638,295	
Inspections	249,794	245,932	
Medical examiner	50,000	64,550	
Cares Act	2,332,947	2,372,530	
Total	21,018,140	22,229,325	(1,211,185)
 Economic and physical development:			
Economic Development	196,684	130,927	
Agricultural extension	510,262	469,675	
Cooperative extension prevention block grant	147,829	134,547	
Soil/water conservation	32,974	32,916	
Total	887,749	768,065	119,684

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

	Final Budget	Actual	Variance Positive (Negative)
Human services:			
Health:			
Nutrition programs	438,730	394,223	
Environmental Health	528,119	516,642	
Administration	1,301,989	1,127,248	
Animal control	330,667	293,093	
Immunizations	116,363	72,038	
Eastpointe Drug Treatment	430,292	101,712	
Other health programs	1,718,169	956,954	
Total	4,864,329	3,461,910	1,402,419
Social services:			
Administration	9,129,648	7,493,897	
Temporary Assistance for Needy Families	489,935	462,991	
Medical assistance	59,000	47,274	
Child support enforcement	103,721	73,725	
Adult daycare	738,339	478,585	
Social Services Block Grant	104,709	85,415	
Food assistance	25,000	27,295	
Income maintenance programs	140,000	11,943	
Adoption assistance	160,173	60,109	
H&CC Block Grant	770,007	694,497	
Foster care	493,560	270,254	
Services to the blind	8,573	8,887	
Crisis intervention	996,053	732,843	
Other assistance	37,714	19,510	
Total social services	13,256,432	10,467,225	2,789,207
Bioterrorism	1,380,148	540,610	839,538
Veteran's Services	34,696	28,235	6,461
Total Human Services	19,535,605	14,497,980	5,037,625
Cultural and Recreational:			
Recreation	890,000	890,000	
Library	709,085	709,085	-
Total Cultural and Recreational	1,599,085	1,599,085	-
Education:			
Public Schools:			
Current Expense	9,900,000	9,900,000	
Community college	2,662,985	2,662,985	
Total Education	12,562,985	12,562,985	-

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

	Final Budget	Actual	Variance Positive (Negative)
Debt Service:			
Principal	4,801,079	4,793,000	
Interest and Fees	1,650,824	1,650,389	
Total Debt Service	<u>6,451,903</u>	<u>6,443,389</u>	<u>8,514</u>
 TOTAL EXPENDITURES	 <u>70,197,255</u>	 <u>65,810,608</u>	 <u>4,386,647</u>
Revenues over Expenditures	<u>(6,491,631)</u>	<u>2,612,583</u>	<u>9,104,214</u>
Other financing sources (uses):			
Fund Balance Appropriated	7,430,739	-	
Loan proceeds	-	2,260,255	
Transfers (to)/from Other Funds:			
Special revenue - school capital fund	1,673,000	1,673,000	
Capital Improvement fund	(2,381,421)	(2,381,421)	
Vehicle Replacement Fund	<u>(230,687)</u>	<u>(230,687)</u>	
Total Other Financing Sources (Uses)	<u>6,491,631</u>	<u>1,321,147</u>	<u>(5,170,484)</u>
 Net change in fund balance	 <u><u>\$ -</u></u>	 <u>3,933,730</u>	 <u><u>\$ 3,933,730</u></u>
Fund balances:			
Beginning of year, July 1		33,309,364	
End of year, June 30		<u><u>\$ 37,243,094</u></u>	

Lenoir County, North Carolina
School Capital Outlay Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2021

	2021		
	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Local option sales tax	\$ 1,923,000	\$ 2,786,434	\$ 863,434
Investment earnings	-	-	-
Total Revenues	<u>1,923,000</u>	<u>2,786,434</u>	<u>863,434</u>
Expenditures:			
Public school building projects	<u>328,293</u>	<u>240,177</u>	<u>88,116</u>
Total Expenditures	<u>328,293</u>	<u>240,177</u>	<u>88,116</u>
Revenues Over (Under) Expenditures	<u>1,594,707</u>	<u>2,546,257</u>	<u>951,550</u>
Other Financing Sources (Uses):			
Transfers in (out)	<u>(1,673,000)</u>	<u>(1,673,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,673,000)</u>	<u>(1,673,000)</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Uses	<u>(78,293)</u>	<u>873,257</u>	<u>951,550</u>
Fund Balance Appropriated	<u>78,293</u>	<u>-</u>	<u>(78,293)</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>873,257</u>	<u><u>\$ 873,257</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>(302,942)</u>	
End of Year, June 30		<u><u>\$ 570,315</u></u>	

Lenoir County, North Carolina
Hazard Mitigation Grant Program - Hurricane Matthew
Schedule of Revenues, Expenditures, and
Changes in Fund Balances
From Inception and For the Fiscal Year Ended June 30, 2021

		Actual			
	Project Authorization	Prior Years	Current Year	Totals to Date	Variance Favorable (Unfavorable)
Revenues					
Restricted intergovernmental					
Federal grants:					
HMPG-4285-039-R-MATTHEW	\$ 7,925,908	\$ 3,799,842	\$ 1,177,987	\$ 4,977,829	\$ (2,948,079)
State grants:					-
SARF-4285-39-R-MATTHEW	5,246,500	531,194	200,640	731,834	(4,514,666)
Total Revenues	<u>13,172,408</u>	<u>4,331,036</u>	<u>1,378,627</u>	<u>5,709,663</u>	<u>7,462,745</u>
Expenditures					
Economic & community development					
Administration	13,400	1,202	480	1,682	
Acquisition Hard Cost	7,573,158	4,314,289	1,117,648	5,431,937	
Acquisition Soft Cost	352,750	257,555	9,707	267,262	
Relocation Assistance	415,000	111,379	27,691	139,070	
Gap Assistance	4,150,000	572,887	140,700	713,587	
Service Delivery Costs	456,500	80,500	38,500	119,000	
Rehabilitation	211,600	-	-	-	
Total Expenditures	<u>13,172,408</u>	<u>5,337,812</u>	<u>1,334,726</u>	<u>6,672,538</u>	<u>6,499,870</u>
Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (1,006,776)</u>	43,901	<u>\$ (962,875)</u>	<u>\$ (962,875)</u>
Fund Balance:					
Beginning of Year, July 1			(1,006,776)		
End of Year, June 30			<u>\$ (962,875)</u>		

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

	Special Revenue Funds	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Assets:			
Cash and cash equivalents	\$ 1,747,186	\$ 1,088,131	\$ 2,835,317
Restricted cash	433,702	-	433,702
Accounts receivable, net	301,733	-	301,733
Taxes receivable (net)	106,379	-	106,379
Due from other governments	71,721	-	71,721
	<u>71,721</u>	<u>-</u>	<u>71,721</u>
Total Assets	<u>\$ 2,660,721</u>	<u>\$ 1,088,131</u>	<u>\$ 3,748,852</u>
Liabilities and Fund Balances:			
Current liabilities:			
Accounts payable	\$ 182,182	\$ 87,280	\$ 269,462
Total liabilities	<u>182,182</u>	<u>87,280</u>	<u>269,462</u>
Deferred Inflows of Resources			
Property taxes receivable	106,379	-	106,379
Total deferred inflows of resources	<u>106,379</u>	<u>-</u>	<u>106,379</u>
Fund Balances:			
Restricted			
Stabilization by State Statute	373,454	-	373,454
Register of Deeds	180,234	-	180,234
Sheriff	340,113	-	340,113
Emergency services	497,132	-	497,132
Committed			
Capital improvements	-	1,000,851	1,000,851
Scrap tire disposal	113,032	-	113,032
Vehicle replacement	384,043	-	384,043
Unassigned	484,152	-	484,152
Total fund balances	<u>2,372,160</u>	<u>1,000,851</u>	<u>3,373,011</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,660,721</u>	<u>\$ 1,088,131</u>	<u>\$ 3,748,852</u>

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

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad Valorem Taxes	\$ 1,630,057	\$ -	\$ 1,630,057
Local option sales tax	281,199	-	281,199
Restricted intergovernmental	1,889,227	297,194	2,186,421
Charges for services	38,514	-	38,514
Investment earnings	41	-	41
Other	22,929	-	22,929
Total revenues	<u>3,861,967</u>	<u>297,194</u>	<u>4,159,161</u>
Expenditures:			
General government	51,515	841,676	893,191
Public safety	2,308,905	-	2,308,905
Human services	1,459,177	-	1,459,177
Economic and physical development	-	2,333,448	2,333,448
Sanitation	176,848	-	176,848
Education	-	-	-
Total Expenditures	<u>3,996,445</u>	<u>3,175,124</u>	<u>7,171,569</u>
Revenues Over (Under) Expenditures	<u>(134,478)</u>	<u>(2,877,930)</u>	<u>(3,012,408)</u>
Other Financing Sources (Uses):			
Transfers from (to) other sources	310,687	2,381,421	2,692,108
Transfers from (to) other sources	-	-	-
Total other financing sources (uses)	<u>310,687</u>	<u>2,381,421</u>	<u>2,692,108</u>
Net change in Fund Balance	176,209	(496,509)	(320,300)
Fund balances:			
Fund balance, beginning as previously reported	2,194,356	1,497,360	3,691,716
Prior period restatement - change in accounting principle	1,595	-	1,595
Fund balance, beginning restated	<u>2,195,951</u>	<u>1,497,360</u>	<u>3,693,311</u>
Fund balance, ending	<u>\$ 2,372,160</u>	<u>\$ 1,000,851</u>	<u>\$ 3,373,011</u>

SPECIAL REVENUE FUNDS

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

Lenoir County, North Carolina
Nonmajor Governmental Funds - Special Revenue Funds
Combining Balance Sheet
June 30, 2021

	Federally Seized Property Fund	Scrap tire Disposal Fund	Revaluation Reserve Fund	Fire District Funds	Transportation Grant Project Fund	Emergency Telephone System Fund	Family and Caregiver Education Fund	Vehicle Replacement Fund	Automation Preservation Fund	State Controlled Substance Fund	Social Services Fund	Total Nonmajor Governmental Funds
Assets:												
Cash and cash equivalents	\$ -	\$ -	\$ -	101,988	\$ 542,121	\$ 491,069	\$ 6,682	\$ 384,043	\$ 180,234	\$ 34,367	\$ 6,682	\$ 1,747,186
Restricted cash	305,746	127,956	-	-	-	-	-	-	-	-	-	433,702
Accounts receivable, net	-	27,835	-	5,744	235,983	32,171	-	-	-	-	-	301,733
Taxes receivable (net)	-	-	-	106,379	-	-	-	-	-	-	-	106,379
Due from other governments	-	-	-	71,721	-	-	-	-	-	-	-	71,721
Total Assets	\$ 305,746	\$ 155,791	\$ -	\$ 285,832	\$ 778,104	\$ 523,240	\$ 6,682	\$ 384,043	\$ 180,234	\$ 34,367	\$ 6,682	\$ 2,660,721
Liabilities and Fund Balances:												
Current liabilities:												
Accounts payable	\$ -	\$ 14,924	\$ 39,228	\$ 80,074	\$ 46,768	\$ 53	\$ 568	\$ -	\$ -	\$ -	\$ 567	\$ 182,182
Due to other funds	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	-	14,924	39,228	80,074	46,768	53	568	-	-	-	567	182,182
Deferred Inflows of Resources												
Property taxes receivable	-	-	-	106,379	-	-	-	-	-	-	-	106,379
Total deferred inflows of resources	-	-	-	106,379	-	-	-	-	-	-	-	106,379
Fund Balances:												
Restricted												
Stabilization by State Statute	-	27,835	-	77,465	235,983	32,171	-	-	-	-	-	373,454
Register of Deeds	-	-	-	-	-	-	-	-	180,234	-	-	180,234
Public safety	305,746	-	-	-	-	-	-	-	-	34,367	-	340,113
Emergency services	-	-	-	-	-	491,016	-	-	-	-	6,115	497,132
School Capital	-	-	-	-	-	-	-	-	-	-	-	-
Economic and Community Development	-	-	-	-	-	-	-	-	-	-	-	-
Committed												
Scrap tire disposal	-	113,032	-	-	-	-	-	-	-	-	-	113,032
Vehicle replacement	-	-	-	-	-	-	-	384,043	-	-	-	384,043
Unassigned	-	-	(39,228)	21,913	495,353	-	6,114	-	-	-	-	484,152
Total fund balances	305,746	140,867	(39,228)	99,379	731,336	523,187	6,114	384,043	180,234	34,367	6,115	2,372,160
Total liabilities, deferred inflows of resources, and fund balances	\$ 305,746	\$ 155,791	\$ -	\$ 285,832	\$ 778,104	\$ 523,240	\$ 6,682	\$ 384,043	\$ 180,234	\$ 34,367	\$ 6,682	\$ 2,660,721

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

	Federally Seized Property Fund	Scrap Tire Disposal Fund	Revaluation Reserve Fund	Fire District Funds	Transportation Grant Project Fund	Emergency Telephone System Fund	Family and Caregiver Education Fund	Vehicle Replacement Fund	Automation Preservation Fund	State Controlled Substance Fund	Social Services Fund	Total Nonmajor Governmental Funds
Revenues:												
Ad Valorem Taxes	\$ -	\$ -	\$ 56,797	\$ 1,573,260	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,630,057
Local option sales tax	-	-	-	281,199	-	-	-	-	-	-	-	281,199
Restricted intergovernmental	14	87,412	-	-	1,241,179	390,701	71,764	-	23,798	2,595	71,764	1,889,227
Charges for services	-	-	-	-	38,514	-	-	-	-	-	-	38,514
Investment earnings	-	-	-	41	-	-	-	-	-	-	-	41
Other	-	-	-	-	22,928	-	-	-	-	-	-	22,928
Total revenues	<u>14</u>	<u>87,412</u>	<u>56,797</u>	<u>1,854,500</u>	<u>1,302,621</u>	<u>390,701</u>	<u>71,764</u>	<u>-</u>	<u>23,798</u>	<u>2,595</u>	<u>71,764</u>	<u>3,861,966</u>
Expenditures:												
General government	-	-	51,471	-	-	-	-	-	43	-	-	51,514
Public safety	25,632	-	-	1,854,472	-	424,514	-	-	-	4,287	-	2,308,905
Human Services	-	-	-	-	1,324,688	-	67,245	-	-	-	67,244	1,459,177
Economic and community development	-	-	-	-	-	-	-	-	-	-	-	-
Sanitation	-	176,848	-	-	-	-	-	-	-	-	-	176,848
Education	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>25,632</u>	<u>176,848</u>	<u>51,471</u>	<u>1,854,472</u>	<u>1,324,688</u>	<u>424,514</u>	<u>67,245</u>	<u>-</u>	<u>43</u>	<u>4,287</u>	<u>67,244</u>	<u>3,996,444</u>
Revenues Over (Under) Expenditures	<u>(25,618)</u>	<u>(89,436)</u>	<u>5,326</u>	<u>28</u>	<u>(22,067)</u>	<u>(33,813)</u>	<u>4,519</u>	<u>-</u>	<u>23,755</u>	<u>(1,692)</u>	<u>4,520</u>	<u>(134,478)</u>
Other Financing Sources (Uses):												
Proceeds of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	80,000	-	-	-	-	-	230,687	-	-	-	310,687
Transfers from (to) CU	-	-	-	-	-	-	-	-	-	-	-	-
Transfers from (to) other sources	-	-	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230,687</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,687</u>
 Net change in Fund Balance	 (25,618)	 (9,436)	 5,326	 28	 (22,067)	 (33,813)	 4,519	 230,687	 23,755	 (1,692)	 4,520	 176,209
Fund balances:												
Fund balance, beginning as previously reported	331,364	150,303	(44,554)	99,351	753,403	557,000	1,595	153,356	156,479	36,059	-	2,194,356
Prior period restatement - change in accounting principle	-	-	-	-	-	-	-	-	-	-	1,595	1,595
Fund balance, beginning restated	<u>331,364</u>	<u>150,303</u>	<u>(44,554)</u>	<u>99,351</u>	<u>753,403</u>	<u>557,000</u>	<u>1,595</u>	<u>153,356</u>	<u>156,479</u>	<u>36,059</u>	<u>1,595</u>	<u>2,195,951</u>
Fund balance, ending	<u>\$ 305,746</u>	<u>\$ 140,867</u>	<u>\$ (39,228)</u>	<u>\$ 99,379</u>	<u>\$ 731,336</u>	<u>\$ 523,187</u>	<u>\$ 6,114</u>	<u>\$ 384,043</u>	<u>\$ 180,234</u>	<u>\$ 34,367</u>	<u>\$ 6,115</u>	<u>\$ 2,372,160</u>

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

	2021		Variance
	Final Budget	Actual	Favorable (Unfavorable)
Revenues:			
Restricted intergovernmental	\$ 50,000	\$ 14	\$ (49,986)
Total Revenues	<u>50,000</u>	<u>14</u>	<u>(49,986)</u>
Expenditures:			
Public safety			
Operating expenses	50,000	25,632	24,368
Capital outlay	-	-	-
Total Expenditures	<u>50,000</u>	<u>25,632</u>	<u>24,368</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(25,618)</u>	<u>(25,618)</u>
Revenues and Other Financing Sources Over (Under) Uses	-	(25,618)	(25,618)
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	(25,618)	<u>\$ (25,618)</u>
Fund Balance:			
Beginning of Year, July 1		<u>331,364</u>	
End of Year, June 30		<u>\$ 305,746</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental			
Tire disposal grant	\$ 1,000	\$ 5,068	\$ 4,068
Tire disposal - State fees	80,000	82,344	2,344
Total Revenue	81,000	87,412	6,412
Expenditures			
Contracted services	181,000	176,848	4,152
Total Expenditures	181,000	176,848	4,152
Revenues Over (Under) Expenditures	(100,000)	(89,436)	10,564
Other Financing Sources (Uses):			
Transfers in	80,000	80,000	-
Total Other Financing Sources (Uses)	80,000	80,000	-
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	(20,000)	(9,436)	10,564
Fund Balance Appropriated	20,000	-	(20,000)
Net change in fund balance	\$ -	(9,436)	\$ (9,436)
Fund Balance:			
Beginning of Year, July 1		150,303	
End of Year, June 30		\$ 140,867	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Ad valorem taxes	\$ 56,797	\$ 56,797	\$ -
Total Revenue	<u>56,797</u>	<u>56,797</u>	<u>-</u>
Expenditures			
General government:			
Salaries and benefits	53,297	49,196	4,101
Operating expenditures	<u>3,500</u>	<u>2,275</u>	<u>1,225</u>
Total Expenditures	<u>56,797</u>	<u>51,471</u>	<u>5,326</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>5,326</u>	<u>5,326</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	-	5,326	5,326
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>5,326</u>	<u>\$ 5,326</u>
Fund Balance:			
Beginning of Year, July 1		<u>(44,554)</u>	
End of Year, June 30		<u>\$ (39,228)</u>	

Lenoir County, North Carolina
Fire District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Ad valorem taxes		\$ 1,573,260	
Local option sales taxes		281,199	
Investment earnings		41	
Total Revenue	<u>\$ 1,680,091</u>	<u>1,854,500</u>	<u>\$ 174,409</u>
Expenditures			
Contracted services		1,854,472	
Total Expenditures	<u>1,680,091</u>	<u>1,854,472</u>	<u>(174,381)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>28</u>	<u>28</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	28	28
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>28</u>	<u><u>\$ 28</u></u>
Fund Balance:			
Beginning of Year, July 1		<u>99,351</u>	
End of Year, June 30		<u><u>\$ 99,379</u></u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental			
Department of Transportation	\$ 688,785	\$ 343,926	\$ (344,859)
Other restricted revenue	1,087,900	897,253	(190,647)
Charges for services	86,750	38,514	(48,236)
Other income	40,500	22,928	(17,572)
Total Revenue	<u>1,903,935</u>	<u>1,302,621</u>	<u>(601,314)</u>
Expenditures			
Human Services:			
Salaries and benefits	968,336	867,843	100,493
Other operating expenditures	831,657	319,411	512,246
Capital outlay	191,482	137,434	54,048
Total Expenditures	<u>1,991,475</u>	<u>1,324,688</u>	<u>666,787</u>
Revenues Over (Under) Expenditures	<u>(87,540)</u>	<u>(22,067)</u>	<u>65,473</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfer in (out)	-	-	-
Total Other Financing			
Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	(87,540)	(22,067)	65,473
Fund Balance Appropriated	<u>87,540</u>		<u>(87,540)</u>
Net change in fund balance	<u>\$ -</u>	(22,067)	<u>\$ (22,067)</u>
Fund Balance:			
Beginning of Year, July 1		<u>753,403</u>	
End of Year, June 30		<u>\$ 731,336</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental	\$ 418,426	\$ 390,701	
Investment earnings	-	-	
Total Revenue	<u>\$ 418,426</u>	<u>390,701</u>	<u>\$ (27,725)</u>
Expenditures			
Public Safety:			
Operating expenditures	428,580	326,703	101,877
Capital outlay	<u>97,846</u>	<u>97,811</u>	<u>35</u>
Total Expenditures	<u>526,426</u>	<u>424,514</u>	<u>101,912</u>
Revenues Over (Under) Expenditures	<u>(108,000)</u>	<u>(33,813)</u>	<u>74,187</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(108,000)	(33,813)	74,187
Fund Balance Appropriated	<u>108,000</u>	<u>-</u>	<u>(108,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(33,813)</u>	<u>\$ (33,813)</u>
Fund Balance:			
Beginning of Year, July 1		<u>557,000</u>	
End of Year, June 30		<u>\$ 523,187</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental	\$ 71,764	\$ 71,764	\$ -
Total Revenue	<u>71,764</u>	<u>71,764</u>	<u>-</u>
Expenditures			
Human Services:			
Operating expenditures	74,832	67,245	7,587
Total Expenditures	<u>74,832</u>	<u>67,245</u>	<u>7,587</u>
Revenues Over (Under) Expenditures	<u>(3,068)</u>	<u>4,519</u>	<u>7,587</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	(3,068)	4,519	7,587
Fund Balance Appropriated	<u>3,068</u>	<u>-</u>	<u>(3,068)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,519</u>	<u>\$ 4,519</u>
Fund Balance:			
Beginning of Year, July 1		<u>1,595</u>	
End of Year, June 30		<u>\$ 6,114</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Other income	\$ 74,212	\$ -	(74,212)
Total Revenue	<u>\$ 74,212</u>	<u>-</u>	<u>\$ (74,212)</u>
Expenditures			
Public Safety:			
Operating expenditures	-	-	-
Capital outlay	304,899	-	304,899
Total Expenditures	<u>304,899</u>	<u>-</u>	<u>304,899</u>
Revenues Over (Under) Expenditures	<u>(230,687)</u>	<u>-</u>	<u>230,687</u>
Other Financing Sources (Uses):			
Transfers in	230,687	230,687	-
Transfer in (out)	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>230,687</u>	<u>230,687</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	230,687	230,687
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	230,687	<u>\$ 230,687</u>
Fund Balance:			
Beginning of Year, July 1		<u>153,356</u>	
End of Year, June 30		<u>\$ 384,043</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental	\$ 19,500	\$ 23,798	\$ 4,298
Total Revenue	<u>19,500</u>	<u>23,798</u>	<u>4,298</u>
Expenditures			
General government			
Operating expenditures	19,500	43	19,457
Total Expenditures	<u>19,500</u>	<u>43</u>	<u>19,457</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>23,755</u>	<u>23,755</u>
Other Financing Sources (Uses):			
Transfer in (out)	-	-	-
Total Other Financing			
Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources			
Over (Under) Expenditures and Other Uses	-	23,755	23,755
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>23,755</u>	<u>\$ 23,755</u>
Fund Balance:			
Beginning of Year, July 1		<u>156,479</u>	
End of Year, June 30		<u>\$ 180,234</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental		\$ 2,595	
Investment earnings		-	
Total Revenue	<u>\$ 15,000</u>	<u>2,595</u>	<u>\$ (12,405)</u>
Expenditures			
General government			
Operating expenditures	15,000	4,287	10,713
Capital outlay	-	-	-
Total Expenditures	<u>15,000</u>	<u>4,287</u>	<u>10,713</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>(1,692)</u>	<u>(1,692)</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Transfer in (out)	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	(1,692)	(1,692)
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(1,692)</u>	<u>\$ (1,692)</u>
Fund Balance:			
Beginning of Year, July 1		<u>36,059</u>	
End of Year, June 30		<u>\$ 34,367</u>	

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental	\$ 15,000	\$ 71,764	\$ 56,764
Total Revenue	<u>15,000</u>	<u>71,764</u>	<u>56,764</u>
Expenditures			
Operating expenditures	15,000	67,244	(52,244)
Total Expenditures	<u>15,000</u>	<u>67,244</u>	<u>(52,244)</u>
Revenues Over (Under) Expenditures	<u>-</u>	<u>4,520</u>	<u>4,520</u>
Other Financing Sources (Uses):			
Transfers in	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	-	4,520	4,520
Fund Balance Appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>4,520</u>	<u>\$ 4,520</u>
Fund Balance:			
Fund balance, beginning as previously reported		-	
Prior period restatement - change in accounting principle		1,595	
Fund balance, beginning restated		<u>1,595</u>	
Fund balance, ending		<u>\$ 6,115</u>	

CAPITAL PROJECTS FUNDS

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

Lenoir County, North Carolina
Nonmajor Governmental Funds - Capital Project Funds
Combining Balance Sheet
June 30, 2021

	Capital Improvements Fund
<hr/>	
Assets:	
Cash and cash equivalents	\$ 1,088,131
Accounts receivable, net	-
Total Assets	<u>\$ 1,088,131</u>
Liabilities and Fund Balances:	
Current liabilities:	
Accounts payable	\$ 87,280
Due from other funds	-
Total liabilities	<u>87,280</u>
Fund Balances:	
Restricted	
Stabilization by State Statute	-
Committed	-
Capital improvements	1,000,851
Unassigned	-
Total fund balances	<u>1,000,851</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,088,131</u></u>

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

	Capital Improvements Funds
Revenues:	
Restricted intergovernmental	\$ 297,194
Investment earnings	-
Total revenues	<u>297,194</u>
Expenditures:	
General government	841,676
Economic and community development	<u>2,333,448</u>
Total Expenditures	<u>3,175,124</u>
Revenues Over (Under) Expenditures	<u>(2,877,930)</u>
Other Financing Sources (Uses):	
Operating transfers in	2,381,421
Lease purchase	-
Total other financing sources (uses)	<u>2,381,421</u>
Net change in Fund Balance	(496,509)
Fund balances:	
Beginning of Year, July 1	<u>1,497,360</u>
End of year, June 30	<u><u>\$ 1,000,851</u></u>

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

	2021		Variance
	Budget	Actual	Favorable (Unfavorable)
Revenues			
Restricted intergovernmental	\$ 500,000	\$ 297,194	\$ (202,806)
Investment earnings	-	-	-
Total Revenue	<u>500,000</u>	<u>297,194</u>	<u>(202,806)</u>
Expenditures			
Economic development	3,068,496	2,146,485	922,011
Community development	410,285	186,963	223,322
Building and grounds	1,641,075	841,676	799,399
Total Expenditures	<u>5,119,856</u>	<u>3,175,124</u>	<u>1,944,732</u>
Revenues Over (Under) Expenditures	<u>(4,619,856)</u>	<u>(2,877,930)</u>	<u>1,741,926</u>
Other Financing Sources (Uses):			
Transfers in	2,381,421	2,381,421	-
Total Other Financing Sources (Uses)	<u>2,381,421</u>	<u>2,381,421</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>(2,238,435)</u>	<u>(496,509)</u>	<u>1,741,926</u>
Fund Balance Appropriated	<u>2,238,435</u>	<u>-</u>	<u>(2,238,435)</u>
Net change in fund balance	<u>\$ -</u>	<u>(496,509)</u>	<u>\$ (496,509)</u>
Fund Balance:			
Beginning of Year, July 1		<u>1,497,360</u>	
End of Year, June 30		<u>\$ 1,000,851</u>	

PROPRIETARY FUNDS

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

Lenoir County, North Carolina
Landfill Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Charges for services			
Landfill user fees	\$ 2,620,000	\$ 3,122,651	\$ 502,651
Other operating income	34,500	45,453	10,953
Total operating revenues	<u>2,654,500</u>	<u>3,168,104</u>	<u>513,604</u>
Nonoperating Revenues			
Solid waste disposal taxes	30,000	31,719	1,719
Sale of fixed assets	500	-	(500)
Total nonoperating revenues	<u>30,500</u>	<u>31,719</u>	<u>1,219</u>
Total Revenues	<u>2,685,000</u>	<u>3,199,823</u>	<u>514,823</u>
Expenditures:			
Landfill operations			
Salaries and employee benefits	938,851	756,319	182,532
Operating expenditures	1,176,729	821,530	355,199
Contracted services	1,357,357	1,307,174	50,183
Total	<u>3,472,937</u>	<u>2,885,023</u>	<u>587,914</u>
Capital Outlay	<u>31,919</u>	<u>29,919</u>	<u>2,000</u>
Debt service:			
Principal retirement	55,000	54,617	383
Interest expense	5,000	4,224	776
Total debt service	<u>60,000</u>	<u>58,841</u>	<u>1,159</u>
Total Expenditures	<u>3,564,856</u>	<u>2,973,783</u>	<u>591,073</u>
Revenues Over (Under) Expenditures	<u>(879,856)</u>	<u>226,040</u>	<u>1,105,896</u>
Other Financing Sources and (Uses):			
Transfer to other funds	(80,000)	(80,000)	-
Total Other Financing Sources (Uses)	<u>(80,000)</u>	<u>(80,000)</u>	<u>-</u>
Revenues and Other Sources Over (Under) Expenses and Other Uses	(959,856)	146,040	1,105,896
Appropriated Fund Balance	<u>959,856</u>	<u>-</u>	<u>(959,856)</u>
Revenues, Other Sources and Appropriated Fund Balance Over (Under)			
Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 146,040</u>	<u>\$ 146,040</u>

Lenoir County, North Carolina
Landfill Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual - (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

	2021		Variance
	Final	Actual	Positive
	Budget		(Negative)
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Revenues, Other Sources and Appropriated			
Fund Balance Over (Under)			
Expenditures and Other Uses		\$ 146,040	
Reconciling items:			
Depreciation		(180,843)	
Capital outlay		29,919	
Principal retirement		54,617	
(Increase) decrease in accrued vacation pay		4,161	
(Increase) decrease in other postemployment benefits		10,436	
(Increase) decrease in net pension liability		(29,565)	
Increase (decrease) in deferred outflows of resources - pension		12,588	
(Increase) decrease in deferred inflows of resources - pension		(23,176)	
Total reconciling items		(121,863)	
Change in net position		\$ 24,177	

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

	2021		Variance
	Final Budget	Actual	Favorable (Unfavorable)
Revenues			
Investment earnings		\$ -	
Total revenues	\$ -	-	\$ -
Other Financing Sources (Uses):			
Transfers from Other Funds	-	-	-
Transfers to Other Funds	-	-	-
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Financing Sources Over (Under) Uses	-	-	-
Fund Balance Appropriated	-	-	-
Net change in fund balance	\$ -	-	\$ -
Fund Balance:			
Beginning of Year, July 1		18,498	
End of Year, June 30		\$ 18,498	

Lenoir County, North Carolina
Employee Insurance Internal Service Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2021

	2021		
	Final Budget	Actual	Positive (Negative)
Revenues:			
Operating Revenues			
Charges for services	\$ 200,000	\$ 330,270	\$ 130,270
Total operating revenues	200,000	330,270	130,270
Nonoperating Revenues			
Interest on Investments	-	-	-
Total Revenues	200,000	330,270	130,270
Expenditures:			
Insurance claims paid	200,000	251,277	(51,277)
Total	200,000	251,277	(51,277)
Revenues Over (Under) Expenditures	-	78,993	78,993
Other Financing Sources and (Uses):			
Transfer in (out)		-	
Total Other Financing Sources (Uses)	-	-	-
Revenues and Other Sources Over (Under) Expenses and Other Uses	\$ -	78,993	\$ 78,993
Fund Balance:			
Beginning of Year, July 1		(1,556,672)	
End of Year, June 30		\$ (1,477,679)	

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

<u>Fiscal Year</u>	<u>Uncollected Balance July 1, 2020</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	\$ -	\$ 35,829,413	\$ 35,016,989	\$ 812,424
2019-2020	984,212	-	559,806	424,406
2018-2019	492,265	-	213,543	278,722
2017-2018	304,964	-	112,077	192,887
2016-2017	221,346	-	65,830	155,516
2015-2016	173,346	-	38,655	134,691
2014-2015	138,274	-	22,426	115,848
2013-2014	162,654	-	17,813	144,841
2012-2013	152,658	-	11,036	141,622
2011-2012	112,022	-	7,329	104,693
2010-2011	89,235	-	89,235	-
TOTALS	<u>\$ 2,830,976</u>	<u>\$ 35,829,413</u>	<u>\$ 36,154,739</u>	<u>\$ 2,505,650</u>
Less: Allowance for uncollectable taxes				<u>(1,035,579)</u>
Ad valorem taxes - General Fund				<u>\$ 1,470,071</u>
<u>Reconcilement with revenues:</u>				
Ad valorem taxes - General Fund				\$ 36,401,183
Reconciling items:				
Penalties and Interest				(402,874)
Collection of Old Taxes				(32,755)
Release				189,185
Total Reconciling Items				<u>(246,444)</u>
Total Collections and Credits				<u>\$ 36,154,739</u>

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

	County - wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property Taxes at Current Year Rate	\$ 4,193,756,923	0.00845	\$ 35,437,246	\$ 31,036,613	\$ 4,400,633
Penalties	-		192,103	192,103	-
Total Original Levy	<u>4,193,756,923</u>		<u>35,629,349</u>	<u>31,228,716</u>	<u>4,400,633</u>
Discoveries:					
Current year taxes	<u>86,283,787</u>	0.00845	<u>729,098</u>	<u>729,098</u>	-
Total Discoveries	<u>86,283,787</u>		<u>729,098</u>	<u>729,098</u>	-
Abatements					
Current Year Taxes	<u>(62,607,574)</u>	0.00845	<u>(529,034)</u>	<u>(529,005)</u>	<u>(29)</u>
Total Abatements	<u>(62,607,574)</u>		<u>(529,034)</u>	<u>(529,005)</u>	<u>(29)</u>
Total for Year	<u>\$ 4,217,433,136</u>		<u>35,829,413</u>	<u>31,428,809</u>	<u>4,400,604</u>
Uncollected taxes at June 30, 2021			<u>812,424</u>	<u>812,424</u>	-
Current year's taxes collected			<u>\$ 35,016,989</u>	<u>\$ 30,616,385</u>	<u>\$ 4,400,604</u>
Current levy collection percentage			<u>97.73%</u>	<u>97.42%</u>	<u>100.00%</u>

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

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	100
Real Property	\$ 2,741,126,275
Personal Property ³	1,360,309,597
Public Service Companies ²	115,997,264
Total Assessed Valuation	<u>4,217,433,136</u>
Tax Rate per \$100	0.845
Levy (includes discoveries, releases and abatements) ³	<u><u>\$ 35,829,413</u></u>

In addition to the County-wide rate, the following table lists the levies by the County on behalf and fire protection districts and the Global Transpark for the fiscal year ended June 30:

Fire Protection Districts	\$ 1,348,321
Global Transpark	98,004

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes penalties and multi-rate for motor vehicles.

**LENOIR COUNTY, NORTH CAROLINA
GENERAL GOVERNMENT EXPENDITURES BY FUNCTION**

LAST TEN FISCAL YEARS

Table 1

Fiscal Year Ended June 30	General Government	Public Safety	Human Services	Economic & Community Development	Education	Debt Service	Cultural and Recreational	Sanitation	Total
2021	\$ 7,709,779	\$ 22,229,325	\$ 14,497,980	\$ 768,065	\$ 12,562,985	\$ 6,443,389	\$ 1,599,085	\$ 176,848	65,987,456
2020	9,397,309	20,295,114	16,155,849	8,317,985	13,046,035	6,602,500	1,675,000	160,005	75,649,797
2019	7,897,511	21,049,900	15,569,220	3,749,918	13,844,844	6,929,870	1,660,500	158,834	70,860,597
2018	9,823,975	18,662,942	15,389,702	3,124,812	13,362,208	7,326,860	1,639,500	151,813	69,481,812
2017	7,861,534	18,897,352	17,520,877	3,948,026	13,035,078	7,489,186	1,639,500	127,130	70,518,683
2016	7,368,633	16,463,180	18,266,895	3,168,573	12,989,728	7,621,291	1,654,933	123,286	67,656,519
2015	6,869,307	20,013,409	18,446,125	4,836,484	13,346,696	8,042,959	1,596,030	114,008	72,547,981
2014	6,388,028	21,402,907	16,872,015	5,127,391	13,029,607	8,188,533	1,539,500	122,607	69,450,801
2013	5,992,523	18,193,320	17,273,975	4,569,002	13,259,765	8,611,637	1,550,579		81,446,515
2012	6,313,731	30,415,338	18,038,461	3,701,386	12,873,551	8,603,548	1,500,500		72,491,756

**LENOIR COUNTY, NORTH CAROLINA
GENERAL GOVERNMENT REVENUES BY SOURCE**

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Ad Valorem Taxes	Sales Taxes	Other Taxes & Licenses	Intergovernmental Revenues	Sales & Service	Miscellaneous	Total
2021	\$ 36,401,183	\$ 10,610,115	\$ 457,158	\$ 13,640,172	\$ 5,070,686	\$ 2,243,867	68,423,181
2020	36,565,655	12,107,050	322,095	20,608,025	5,136,408	1,417,081	76,156,314
2019	35,927,094	11,569,488	401,524	15,751,901	5,964,296	1,794,821	71,409,124
2018	35,960,982	11,091,777	443,749	15,581,108	5,187,369	1,669,278	69,934,263
2017	37,309,026	10,316,594	412,714	16,074,682	4,840,539	2,301,343	71,254,898
2016	36,208,891	9,046,541	407,555	15,129,416	4,975,162	1,125,695	66,893,260
2015	36,210,329	8,744,842	352,502	18,899,197	5,147,319	1,325,194	70,679,383
2014	37,393,051	8,403,223	1,871,244	21,258,902	3,199,930	1,410,383	73,536,733
2013	33,466,718	8,200,904	1,367,394	17,051,328	3,109,690	1,715,712	64,911,746
2012	33,116,483	8,278,337	1,274,974	18,037,119	3,384,395	1,734,556	65,825,864

Source: Lenoir County Finance Department
Schedule includes general, special revenue and capital project funds.

**LENOIR COUNTY, NORTH CAROLINA
ASSESSED VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Table 2

Fiscal Year Ended June 30	Tax Levy Year	Real Property	Personal Property	Public Service Company Property	Total Assessed Value	County Tax Rate	Ratio of Assessed Value to Estimated Actual Value
2021	2020	\$ 2,741,126,275	\$ 1,411,821,646	\$ 115,997,264	\$ 4,268,945,185	0.845	102.10%
2020	2019	2,731,607,064	1,311,724,639	115,447,968	4,158,779,671	0.845	99.47%
2019	2018	2,732,240,364	1,276,245,500	110,623,246	4,119,109,110	0.835	98.23%
2018	2017	2,704,232,809	1,276,336,012	106,216,004	4,086,784,825	0.835	99.36%
2017	2016	2,908,633,064	1,252,067,456	105,236,845	4,265,937,365	0.835	99.36%
2016	2015	2,872,683,621	1,223,954,014	103,047,552	4,199,685,187	0.835	108.61%
2015	2014	2,863,382,757	1,164,157,207	89,841,961	4,117,381,925	0.835	104.20%
2014	2013	2,843,365,809	1,230,454,832	94,710,427	4,168,531,068	0.835	100.95%
2013	2012	2,793,249,665	1,099,199,660	94,748,013	3,987,197,338	0.80	103.78%
2012	2011	2,784,107,196	1,065,715,911	93,916,424	3,943,739,531	0.80	108.35%

Notes: Assessed valuations are established by law at 100 percent of established market value.

A revaluation of real property is required by North Carolina General Statutes at least every eight years. The last revaluation was completed in 2017 for the 2018-2019 fiscal year.

LENOIR COUNTY, NORTH CAROLINA
PERCENTAGE GROWTH IN ASSESSED ACTUAL VALUE TO TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Table 3

Fiscal Year Ended June 30	Total Assessed Value ⁽¹⁾	Percentage of Assessed Value Growth
2021	4,268,945,185	2.65%
2020	4,158,779,671	0.96%
2019	4,119,109,110	0.67%
2018	4,091,606,624	-4.09%
2017	4,265,937,365	1.52%
2016	4,201,874,480	2.07%
2015	4,116,736,223	-2.54%
2014	4,224,041,822	5.94%
2013	3,987,197,338	1.10%
2012	3,943,739,531	7.58%

Source: Lenoir County Finance Department
Lenoir County Tax Department

Note: ⁽¹⁾ Countywide values, excluding Fire Districts

LENOIR COUNTY, NORTH CAROLINA
PROPERTY TAX LEVIES AND COLLECTIONS - GENERAL FUND
LAST TEN FISCAL YEARS

Table 4

Fiscal Year Ended 30-Jun	Tax Levy Year	Total Original Tax Levy (1)	Current Tax Collections	Percent of Current Taxes Collected	Delinquent Tax Collections	Uncollected Balance 06/30/21	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2021	2020	\$ 35,829,413	\$ 35,016,989	97.73%	1,137,749	812,424	36,154,738	100.91%
2020	2019	35,129,386	34,145,174	97.20%	912,875	984,212	35,058,049	99.80%
2019	2018	30,367,314	29,421,894	96.89%	1,136,590	1,002,567	30,558,484	100.63%
2018	2017	30,498,676	29,392,234	96.37%	1,170,598	1,106,442	30,562,832	100.21%
2017	2016	31,901,734	30,817,756	96.60%	1,273,267	1,158,975	32,091,023	100.59%
2016	2015	35,670,977	34,562,114	96.89%	1,154,053	1,108,863	35,716,167	100.13%
2015	2014	34,501,550	33,358,114	96.69%	1,287,639	1,143,436	34,645,753	100.42%
2014	2013	35,389,627	34,015,156	96.12%	1,573,958	1,374,471	35,589,114	100.56%
2013	2012	32,106,588	30,352,731	94.54%	1,452,307	1,753,857	31,805,038	99.06%
2012	2011	31,609,205	29,976,680	94.84%	1,535,939	1,632,525	31,512,619	99.69%

Note: (1) This schedule includes data from only the General Fund county-wide property tax levy.

LENOIR COUNTY, NORTH CAROLINA
PROPERTY TAX RATES - DIRECT AND ALL OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Table 5

<u>Fiscal Year Ended June 30</u>	<u>Tax Levy Year</u>	<u>Lenoir County</u>	<u>City of Kinston</u>	<u>Town of LaGrange</u>	<u>Town of Pink Hill</u>	<u>Town of Grifton</u>
2021	2020	0.845	0.73	0.532	0.55	0.63
2020	2019	0.845	0.73	0.532	0.55	0.63
2019	2018	0.830	0.70	0.532	0.55	0.63
2018	2017	0.835	0.70	0.532	0.55	0.63
2017	2016	0.835	0.70	0.532	0.55	0.63
2016	2015	0.835	0.66	0.470	0.55	0.63
2015	2014	0.835	0.66	0.450	0.55	0.60
2014	2013	0.835	0.66	0.450	0.55	0.60
2013	2012	0.800	0.66	0.450	0.55	0.60
2012	2011	0.800	0.66	0.450	0.55	0.60

Source: Lenoir County Tax Department

LENOIR COUNTY, NORTH CAROLINA
FIRE DISTRICTS - PROPERTY TAX RATES
LAST TEN FISCAL YEARS

Table 6

<u>Fiscal Year Ended June 30</u>	<u>Tax Levy Year</u>	<u>Southwood Fire Tax</u>	<u>North Lenoir Fire Tax</u>	<u>Seven Springs Fire Tax</u>	<u>Sandy Bottom Fire Tax</u>	<u>Deep Run Fire Tax</u>	<u>Hugo Fire Tax</u>	<u>Sand Hill Fire Tax</u>	<u>Cherry Tree Fire Tax</u>	<u>Moseley Hall Fire Tax</u>	<u>Wyse Fork Fire Tax</u>	<u>Grifton Fire Tax</u>	<u>GTP Fire Tax</u>
2021	2020	0.085	0.055	0.04	0.08	0.06	0.06	0.07	0.08	0.04	0.08	0.06	0.045
2020	2019	0.085	0.0575	0.04	0.08	0.06	0.06	0.07	0.08	0.04	0.08	0.06	0.045
2019	2018	0.085	0.0575	0.04	0.08	0.06	0.06	0.07	0.08	0.04	0.065	0.06	0.045
2018	2017	0.085	0.0575	0.04	0.08	0.06	0.05	0.07	0.08	0.04	0.065	0.05	0.045
2017	2016	0.085	0.0575	0.04	0.08	0.06	0.05	0.07	0.08	0.04	0.065	0.05	0.045
2016	2015	0.07	0.0575	0.04	0.08	0.06	0.04	0.07	0.08	0.04	0.065	0.03	0.045
2015	2014	0.07	0.045	0.04	0.08	0.06	0.04	0.07	0.08	0.04	0.065	0.03	0.045
2014	2013	0.07	0.045	0.04	0.08	0.06	0.04	0.07	0.08	0.04	0.065	0.03	0.045
2013	2012	0.07	0.045	0.04	0.08	0.06	0.04	0.07	0.08	0.04	0.065	0.03	0.045
2012	2011	0.07	0.045	0.04	0.08	0.04	0.04	0.07	0.08	0.04	0.065	0.03	0.045

Note: Lenoir County does not have a County-wide fire tax rate

Source: Lenoir County Tax Department
Lenoir County Finance Office

LENOIR COUNTY, NORTH CAROLINA
PROPERTY TAX RATES AND LEVIES - COUNTY OF LENOIR AND CITY OF KINSTON
LAST TEN FISCAL YEARS

Table 7

Tax Rates				Tax Levies		
Fiscal Year Ended June 30	City of Kinston	County of Lenoir	Total	City of Kinston	County of Lenoir	Total
2021	0.73	0.845	1.575	\$ 9,091,106	\$ 31,428,809	\$ 40,519,915
2020	0.73	0.845	1.575	9,979,280	31,273,256	41,252,536
2019	0.70	0.830	1.530	9,636,199	30,424,461	40,060,660
2018	0.70	0.835	1.535	9,621,661	30,498,676	40,120,337
2017	0.66	0.835	1.495	10,166,157	31,926,229	42,092,386
2016	0.66	0.835	1.495	10,215,605	34,777,735	44,993,340
2015	0.66	0.835	1.495	10,371,023	31,076,852	41,447,875
2014	0.66	0.835	1.495	9,885,310	35,389,627	45,274,937
2013	0.66	0.80	1.460	9,701,086	32,106,588	41,807,674
2012	0.66	0.80	1.460	9,603,868	31,609,205	41,213,073

Source: City of Kinston
Lenoir County Finance Department

**LENOIR COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS
LAST TEN FISCAL YEARS**

Table 8

		<u>2020 Assessed Value</u>	<u>Tax Levy (2)</u>	<u>Percentage of Total Assessed Valuation (1)</u>
Spirit Aerosystems NC, Inc.	Manufacturing	\$ 194,607,760	\$ 1,644,436	4.69%
Sanderson Farms, Inc.	Meat Products	\$ 116,756,681	\$ 986,594	2.81%
Smithfield Packing	Meat Products	\$ 81,508,324	\$ 688,745	1.96%
Dupont Specialty Products	Manufacturing	\$ 79,734,318	\$ 673,755	1.92%
Electrolux Home Products, Inc.	Manufacturing	\$ 59,146,410	\$ 499,787	1.42%
Duke Energy Center	Energy Provider	\$ 56,368,940	\$ 476,318	1.36%
West Pharmaceutical	Manufacturing	\$ 47,513,860	\$ 401,492	1.14%
Pactiv LLC	Manufacturing	\$ 45,081,272	\$ 380,917	1.09%
Kinston, LLC	Manufacturing	\$ 25,725,438	\$ 217,380	0.62%
Masterbrand Cabinets Inc.	Manufacturing	\$ 23,320,127	\$ 197,055	0.56%
		<u>\$ 729,763,130</u>	<u>\$ 6,166,479</u>	<u>17.57%</u>

(1) Total Assessed Valuation \$4152297478

(Includes value of motor vehicles through NCVTS)

(2) County Portion of Levy Only (Value x .00845)

**LENOIR COUNTY, NORTH CAROLINA
TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS**

Table 9

Fiscal Year Ended June 30	Ad Valorem (2)	Sales	Occupancy	Motor Vehicle Rentals (3)	Licenses & Permits	Total
2021	36,401,183	10,610,115	250,917	37,211	151,630	47,451,056
2020	35,012,470	9,429,577	188,607	29,914	148,412	44,808,980
2019	34,392,069	8,932,595	237,471	31,619	146,258	43,740,012
2018	34,418,856	7,788,483	257,303	43,392	147,703	42,655,737
2017	35,770,366	8,383,166	245,573	64,812	102,329	44,566,246
2016	34,806,373	6,744,705	203,354	63,154	141,047	41,958,633
2015	34,929,337	6,513,425	192,705	37,212	173,887	41,846,566
2014	36,058,954	6,338,238	225,693	30,177	155,386	42,808,448
2013	32,211,250	6,353,635	191,730	23,877	179,438	38,959,930
2012	31,909,965	6,316,737	200,127	24,423	189,708	38,640,960

Source: Lenoir County Finance Office

(1) General Fund Only

(2) Includes penalties & interest

3) Lenoir County began collecting this tax in August 2000

LENOIR COUNTY, NORTH CAROLINA
CONSTRUCTION/BUILDING PERMIT ACTIVITY
LAST TEN FISCAL YEARS

Table 10

Fiscal Yr Ended 30-Jun	Single Family	Units	Multi- Family	Units	Additions/ Alterations	Total Residential Houses	New Commercial	Additions/ Alterations	Total Commercial	Total Value
2021	13,142,466	58	80,000	1	2,463,466	15,685,932	42,373,309	365,650	42,738,959	58,424,891
2020	6,948,703	39	3,937,752	24	1,563,203	12,449,658	18,503,841	27,000	18,530,841	30,980,499
2019	6,587,470	41	-	0	1,272,816	7,860,285	5,511,858	90,000	5,601,858	13,462,144
2018	3,350,665	21	-	0	949,636	4,300,301	4,241,298	50,000	4,291,298	8,591,599
2017	4,911,989	34	280,000	1	1,924,457	7,116,446	9,911,401	21,500	9,932,901	17,049,347
2016	6,752,360	33	473,000	2	1,026,204	8,251,564	4,860,002	108,940	4,968,942	13,220,506
2015	5,878,280	34	-	0	2,263,509	8,141,789	69,608,929	382,248	69,991,177	78,132,966
2014	5,062,958	29	175,000	2	1,332,578	6,570,536	12,854,330	432,000	13,286,330	19,856,866
2013	5,588,475	31	-	0	2,218,931	7,807,406	42,487,725	44,480	42,532,205	50,339,611
2012	5,652,463	33	300,000	1	1,615,630	7,568,093	11,617,748	1,974,900	13,592,648	21,160,741

Source: Lenoir County Inspections Department

LENOIR COUNTY, NORTH CAROLINA
RATIO OF BONDED DEBT TO ASSESSED VALUE AND BONDED DEBT PER CAPITA
 LAST TEN FISCAL YEARS

Table 11

Fiscal Year Ended June 30	Population Estimate (1)	Taxable Property Assessed Value (2)	8% Debt Limit	Bonded Debt (3)	Ratio of Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2021	56,756	\$ 4,268,945,185	341,515,615	28,910,000	0.68%	509.37
2020	55,963	4,091,606,624	327,328,530	32,778,000	0.80%	585.71
2019	56,856	3,659,451,408	292,756,113	36,670,000	1.00%	644.96
2018	59,531	4,091,606,624	327,328,530	40,585,000	0.99%	681.75
2017	59,531	3,818,733,251	305,498,660	44,509,000	1.17%	747.66
2016	58,338	4,155,857,725	332,468,618	48,423,000	1.17%	830.04
2015	58,826	4,117,381,925	329,390,554	50,385,000	1.22%	856.51
2014	59,063	4,168,531,068	333,482,485	54,065,000	1.30%	915.38
2013	59,401	3,987,197,338	318,975,787	57,870,000	1.45%	974.23
2012	59,314	3,943,739,531	315,499,162	60,600,000	1.54%	1,021.68

Source: (1) NC State Demographics Website - July 2020 estimate

(2) Lenoir County Tax Department - Does not include Fire Districts or Enterprise Fund

(3) Lenoir County Finance Department

LENOIR COUNTY, NORTH CAROLINA
COMPUTATION OF LEGAL DEBT MARGIN
 JUNE 30, 2020

Total Assessed Value		<u>\$ 4,268,945,185</u>
Debt limitation - 8% of total assessed value		341,515,615
Debt applicable to limitation		
Total bonded debt	\$ 28,910,000	
Installment purchase	\$ 11,654,272	
Capital Leases	<u>90,421</u>	
Total debt applicable to limitation		<u>40,654,693</u>
Legal debt margin		<u>\$ 300,860,922</u>

LENOIR COUNTY, NORTH CAROLINA
RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR GENERAL OBLIGATION BOND
LAST TEN FISCAL YEARS

Table 12

Fiscal Year Ended June 30	Principal	Interest on Bonds	Total Debt Service	Total General Government Expend.	Ratio of Debt Service to Total General Government Expend.
2021	\$ 3,868,000	\$ 980,061	\$ 4,848,061	\$ 66,010,133	7.34%
2020	3,892,000	1,102,850	4,994,850	65,663,848	7.61%
2019	3,915,000	1,226,203	5,141,203	65,105,290	7.90%
2018	3,924,000	1,403,208	5,327,208	61,948,286	8.60%
2017	3,914,000	1,577,091	5,491,091	66,123,021	8.30%
2016	26,280,000	1,880,121	28,160,121	67,656,519	41.62%
2015	3,680,000	2,074,200	5,754,200	73,284,516	7.85%
2014	3,680,000	2,219,800	5,899,800	72,547,981	8.13%
2013	3,600,000	2,609,650	6,209,650	69,450,802	8.94%
2012	3,600,000	2,744,150	6,344,150	81,446,515	7.79%

Source: Lenoir County Finance Office

Source: Lenoir County Finance Office

LENOIR COUNTY, NORTH CAROLINA
DEBT TO TOTAL GENERAL GOVERNMENTAL EXPENDITURES
June 30, 2021

Table 13

		Net General Obligation Bonded Debt (1)	Percent Applicable To County	Amount Applicable To County
		<hr/>	<hr/>	<hr/>
Direct:				
	Lenoir County	\$ 28,910,000	100%	\$ 28,910,000
Underlying:				
	City of Kinston	\$ -	0%	\$ -
	Town of Lagrange	\$ -	0%	\$ -
	Town of Pink Hill	\$ -	0%	\$ -

(1) North Carolina State Treasurer's Website

LENOIR COUNTY, NORTH CAROLINA
COMPUTATION OF DIRECT AND UNDERLYING BOND DEBT GENERAL OBLIGATION BONDS
LAST TEN FISCAL YEARS

Table 14

Fiscal Year Ended June 30	County Population	County Per Capita Income	County Unemployment Rate	City and County School Enrollment	County Retail Sales	Bank Deposits
	(1)	(3)	(3)	(4)	(5) (6)	(2)
2021	56,756	41,752	5.00%	8,394	\$ 673,035,931	850,329,000
2020	55,963	40,922	7.50%	8,492	594,280,804	895,272,000
2019	57,118	40,922	3.60%	8,520	575,571,694	736,975,000
2018	57,934	37,515	4.10%	8,646	560,289,966	741,000,000
2017	59,531	(7)	5.63%	8,707	538,835,363	803,317,000
2016	58,338	38,559	5.97%	8,953	504,752,172	760,407,000
2015	58,826	37,442	6.58%	9,158	480,986,201	740,166,000
2014	59,063	35,882	7.82%	9,193	482,444,693	744,155,000
2013	59,401	35,990	9.93%	9,079	475,880,806	746,893,000
2012	59,314	34,630	10.80%	9,097	493,184,939	761,918,000

Note: (7) Information not presently available

Source: (1) NC Department of Demographics Website-estimate
State Reference Library Website, Bureau of Economic Analysis through 2001.
(3) NC Department of Commerce Website - AccessNC
(4) Lenoir County Board of Education
(5) NC Department of Revenue - Tax Research Division
(6) Beginning July 2005, the State no longer reports total retail sales, only gross collections and taxable sales are reported. Post July 2005 figures can not be compared to prior years' figures
(2) First Citizens Bank & Trust Company - Cash Management Division through 2002
F.D.I.C. website 2003 & Forward

LENOIR COUNTY, NORTH CAROLINA
MISCELLANEOUS STATISTICS SCHEDULE
June 30, 2020

Table 15
Page 1 of 2

Population	56,756
Date of Establishment	1792
Form of Government	Commission/Manager
Area - Square Miles ⁽¹⁾	401.96
Elevation: Feet above sea level	44
Miles of streets and roads ⁽¹⁾	892.69
Employees:	
Full-time, permanent	388
Other	401
County Seat:	Kinston
Fire Protection:	
Lenoir County - Number of volunteer departments	10
Number of fireman/officers	340
City of Kinston - Number of stations	3
Number of fireman/officers	51
Law Enforcement:	
Sheriff's Department - officer/support personnel (includes 60 for jail)	137
Kinston Police Department - officers/support personnel	85
LaGrange Police Department - 0 full time / 0 part time	0
Pink Hill Police Department - 1 full time / 3 part time	3
Hos (Not included in primary government)	
Number of hospitals	1
Number of patient beds ⁽²⁾ (Licensed as of 12-21-99)	261
Inspections:	
Building permits issued ⁽³⁾	1,982

Contd. next page

Miscellaneous Statistics - continued

Cultural and recreational:

Libraries	3
Number of volumes - (At June 30, 2020) (4)	118,643
Theatres (Includes 1 seven (7) plex theatre)	1
Number of seats	1,383
Number of parks (County wide)	14
Park acreage (County wide)	332
Golf Courses (2 private 18 hole, 1 public 9 hole, Par 3)	3
Disc Golf Courses	2
Swimming pools - public (County wide)	4
Tennis courts (County wide)	14
Museum	2
Planetarium	1
Baseball stadiums	1
Number of seats	4,200
Athletic Skill Center/ Fitness Center/ Indoor Baseball Cages	2
Visitor and Information Center	1
Community Centers	8
Campgrounds	1

Education: (5)

Number of Elementary Schools	9
Number of Elementary School Teachers	301
Number of Intermediate and Secondary Schools	8
Number of Intermediate and Secondary School Teachers	291
Number of Alternative Schools	1
Number of Alternative School Teachers	12
Community Colleges	1
Number of Instructors - Curriculum - (Full time-92, Part time-32)	120
Non Curriculum - (Full time-16, Part time-164)	218
Enrollment - (2019-2020)	
Curriculum	3,309
Non Curriculum	9,082

Notes: (1) Includes cities of Kinston, LaGrange, Pink Hill

(5) Numbers are based on School year

Sources: (2) Lenoir Memorial Hospital

(3) Lenoir County Building Inspections Office (Fiscal Year 2018-2019)

(4) Kinston-Lenoir County Public Library

(5) Lenoir County Board of Education and Lenoir Community College

Other Statistics - Lenoir County Finance Office, NC Dept of Demographics

City of Kinston, Town of LaGrange, Town of Pink Hill

Lenoir County Recreation Department

Office of Budget & Management Website

COMPLIANCE SECTION



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

Independent Auditor's Report

To the Board of County Commissioners
Lenoir County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Lenoir County, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises the Lenoir County's basic financial statements, and have issued our report thereon dated January 31, 2022. Our report includes a reference to other auditors who audited the financial statements of the Lenoir County ABC Board and the Kinston-Lenoir TDA, as described in our report on Lenoir 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 Lenoir County ABC and Kinston-Lenoir TDA Board were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to

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

Our consideration of internal control was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs 2021-003 that we consider to be significant deficiencies.

Compliance and Other Matters

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

Lenoir County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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
January 31, 2022



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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
Lenoir County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Lenoir 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 Lenoir County's major federal programs for the year ended June 30, 2021. Lenoir 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 Lenoir County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, the OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Lenoir 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 Lenoir County's compliance.

Opinion on Each Major Federal Program

In our opinion, Lenoir County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2021 – 001 and 2021 – 002. Our opinion on each major federal program is not modified with respect to these matters.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2021 – 001 and 2021 – 002 that we consider to be significant deficiencies.

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

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

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

Wilmington, North Carolina

January 31, 2022



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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
Lenoir County, North Carolina

Report on Compliance for Each Major State Program

We have audited Lenoir 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 Lenoir County's major state programs for the year ended June 30, 2021. Lenoir 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 Lenoir 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 Lenoir 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 Lenoir County's compliance.

Opinion on Each Major State Program

In our opinion, Lenoir County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Lenoir 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 Lenoir 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

January 31, 2022

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

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? Yes X No

Significant Deficiency(s) identified? X Yes None Reported

Noncompliance material to financial statements noted? Yes X No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes X No

Significant Deficiency(s) identified? X 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)? X Yes No

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
93.778	Medical Assistance Program
97.039	Hazard Mitigation Grant
93.563	Child Support Enforcement

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

Auditee qualified as low-risk auditee? Yes X No

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? Yes X No
- Significant deficiency(s) identified that are not considered to be a material weakness. Yes X None Reported

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

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

Identification of major State programs:

<u>Program Name</u>
Juvenile Crime Prevention Programs
Public School Building Capital Fund

State match of Hazard Mitigation Grant audited.

State match of Medical Assistance also audited per LGC requirement. Program findings must be submitted to the NC Department of Health and Human Services.

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

Section II. Financial Statement Findings

Significant Deficiency/Noncompliance

Finding: 2021 – 003

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget ordinance unless the budget ordinance includes an appropriation authorizing the obligation and an unencumbered balance remains in the the transaction for the current fiscal year. appropriation sufficient to pay in the current fiscal year the sums obligated by by the transaction for the current fiscal year.

Condition: The County expended more for the General Fund, Fire District Funds, and Employee Insurance Internal Service Fund than was appropriated for in the annual budget ordinance.

Effect: Monies were spent that had not been obligated and appropriated.

Cause: The County exceeded budget expenditures in the General Fund, Fire District Funds, and Employee Insurance Internal Service Fund while budget amendments were not adopted.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Views of responsible officials and planned corrective actions: The County agrees with this finding. The County will continue to monitor the budgets monthly to ensure compliance.

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

Section III. Federal Award Findings and Questioned Costs

Significant Deficiency/Noncompliance

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

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

CFDA # 93.778

Finding: 2021 - 001

Eligibility

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

Condition: There was one error discovered during our procedures that inaccurate information was entered when determining eligibility. One applicant/beneficiary received assistance for which the recipient was not eligible.

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

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

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

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

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

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

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

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

Significant Deficiency

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

Finding: 2021 – 002

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 fifty (50) technical errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. The errors were as follows: Eight (8) cases did not have accurate resource calculations, Eleven (11) cases did not have accurate budget calculations, Twenty-Six (26) cases had a failure to complete at least one compliance component, Two (2) cases lacked proper documentation, Three (3) case contained household composition errors.

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

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

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

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

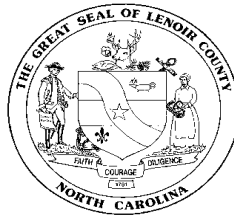
Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

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

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

Section IV. State Award Findings and Questioned Costs

None Reported.



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

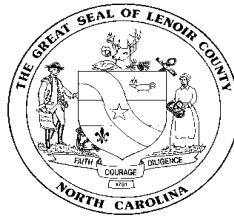
Section II. Financial Statement Findings

2021 - 003 Noncompliance with Budget

Name of contact Person: Sandra Barss, Finance Director

Corrective Action: When obligations arise that exceed the amount in the approved budget ordinance, amendments to the budget will be created. These amendments will be brought to the Board when they arise for transparency and to ensure compliance.

Proposed Completion Date: Immediately



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Section III. Federal Award Findings and Questioned Costs

2020 – 001 Eligibility

Name of contact Person: Jeff Harrison, Director of Social Services

Corrective Action: This finding is listed as a repeat finding from the previous audit 2020-001 for eligibility determination. Training was conducted on 8/3/2021 and 11/9/2021 to cover this finding. The Root Cause of this finding was due to action being completed incorrectly by non-Medicaid workers. The other departments have been cross-trained on these findings as well and have been trained on how to handle Medicaid tasks received appropriately.

- “ Maintain the required accuracy standards rate of 96.8% or higher when determining eligibility for case actions, approvals, terminations and denials.
- “ Being transparent – Providing staff with the knowledge of the audit information, the performance improvement plan and what staff expectations are.
- “ Be Proactive on case findings – Run log reports on case actions completed by IMC workers and randomly complete three or more 2nd party reviews per day .

- “ Cross train other departments to ensure that tasks associated with Medicaid are directed to the correct workers. Ensure that workers from other departments, (FNS, WFFA, Daycare, Etc.), know how to handle tasks correctly and within policy standards.

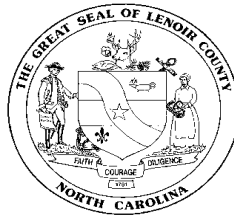
- “ Complete 100% 2nd party reviews on all new workers and pull findings within month of completion. New workers should be released from 100% 2nd party review process and move to process listed above when accuracy rating meets 98% for three consecutive months.

- “ Lead Workers turn in 2nd party reviews at least once or twice a week to be evaluated for error trends.

- “ Monthly trainings held –review error trends findings of 2nd party reviews completed with staff.

- “ Trainings conducted to remedy policy misinterpretations, by conducting weekly meetings, one-on-one conferences, and completion of remedial testing either through the Learning Gateway or unit created tests.

Proposed Completion Date: Lead Worker Unit Developed - A Lead Worker Unit was established with a new Supervisor and was effective January 1, 2022. New Supervisor is creating/updating training plans for all programs and all new hires will be trained under her supervision until ready to move to complete eligibility work requirements.



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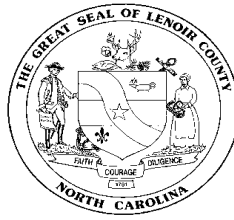
2021 - 002 Eligibility

Name of contact Person: Jeff Harrison, Director of Social Services

Corrective Action: This finding is listed as a repeat finding on Technical Errors cited finding in previous audit 2020-002. The primary root causes of these findings were due to limited or inexperienced staff, worker errors and policy misinterpretation. Limited Staff was caused by increased vacancies, inexperienced staff with less than 1 year of employment, retirement and promotions. Several trainings, staff meetings, and conferences have been conducted to streamline these errors and ensure that workers are applying policy to case actions correctly.

- " Maintain the required accuracy standards rate of 96.8% or higher when determining eligibility for case actions, approvals, terminations and denials.
- " Being transparent – Providing staff with the knowledge of the audit information, the performance improvement plan and what staff expectations are.
- " Be Proactive on case findings – Run log reports on case actions completed by IMC workers and randomly complete three or more 2nd party reviews per day.
- " Cross train other departments to ensure that tasks associated with Medicaid are directed to the correct workers. Ensure that workers from other departments, (FNS, WFFA, Daycare, Etc.), know how to handle tasks correctly and within policy standards.
- " Complete 100% 2nd party reviews on all new workers and pull findings within month of completion. New workers should be released from 100% 2nd party review process and move to process listed above when accuracy rating meets 98% for three consecutive months.
- " Lead Workers turn in 2nd party reviews at least once or twice a week to be evaluated for error trends
- " Meetings held with Lead Workers, Medicaid Supervisors, Staff Development Specialist and Administrator to evaluate error trends. Monthly trainings held –review error trends findings of 2nd party reviews completed with staff.
- " Trainings conducted to remedy policy misinterpretations, by conducting weekly meetings, one-on-one conferences, and completion of remedial testing either through the Learning Gateway or unit created tests.

Proposed Completion Date: Lead Worker Unit Developed - A Lead Worker Unit was established with a new Supervisor and was effective January 1, 2022. New Supervisor is creating/updating training plans for all programs and all new hires will be trained under her supervision until ready to move to complete eligibility work requirements. Workers will complete self-checks, 2nd party review of case actions starting February 1, 2022.



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Section IV. State Award Findings and Questioned Costs

None Reported.

**LENOIR COUNTY
KINSTON, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2021

Status:	2020-001	Still occurring.
	2020-002	Still occurring.
	2019-001	Corrected.
	2019-002	Corrected.
	2019-003	Still occurring.
	2019-004	Still occurring.

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		678,276	-	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration: WIC Special Supplemental Nutrition Program for Women, Infants, & Children Total U.S. Department of Agriculture	10.557		373,749 1,052,025	- -	- -
<u>U.S. Dept. of Transportation</u>					
Passed-through the N.C. Department of Transportation: Community Transportation Program (Public Transportation for Nonurbanized Areas) Community Transportation Program (Public Transportation for Nonurbanized Areas) Community Transportation Program (Public Transportation for Nonurbanized Areas) Community Transportation Program (Public Transportation for Nonurbanized Areas) Total U.S. Dept. of Transportation	20.509 20.509 20.509 20.509	36233.66.21.1 36233.66.22.1 36233.66.22.3 49233.36.1.2	49,491 148,879 40,435 444,038 682,843	- - - -	- - - -
<u>U.S. Dept. of Treasury</u>					
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund Passed-through the N.C. State Board of Elections: CARES Act Supplemental Passed-through the N.C. Department of Agriculture Farmers Market & Food Hub COVID Relief Program 2020 Passed-through the N.C. Department of Public Safety HB1105 COVID Grant Passed-through NC Dept. of Health and Human Services Division of Public Health Coronavirus Relief Fund Total U.S. Dept. of Treasury	21.019 21.019 21.019 21.019 21.019		2,232,946 28,500 3,616 100,000 82,049 2,447,111	- - - - -	610,781 - - - 610,781
<u>U. S. Department of Elections</u>					
Passed-through N.C. Dept. Administration: HAVA CARES Act Grant Total U. S. Department of Elections	90.404		98,347 98,347	- -	- -
<u>U.S. Dept. of Health & Human Services</u>					
Passed-through N.C. Department of Health and Human Services: Passed-through Eastern Carolina Council of Governments: Division of Aging and Adult Services: <u>Aging Cluster:</u> Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers Special Programs for the Aging - Title III C Nutrition Services Congregate Meals Home Delivered Meals Nutrition Services Incentive Program Total Aging Cluster	93.044 93.045 93.045 93.053		35,600 (13,699) 91,893 17,431 131,225	2,094 (806) 5,405 6,693	- - - -
Division of Social Services: Temporary Assistance for Needy Families Cluster TANF - TEA Child Welfare Services TANF - Work First Division of Public Health TANF - Work First Total TANF Cluster	93.558 93.558 93.558		21,476 460,449 14,800 496,725	- - -	- - -
AFDC Payments & Penalties	93.560		(84)	(23)	-
<u>Foster Care and Adoption Cluster (Note 4 & 5)</u>					
Foster Care - Title IV-E Foster Care Adoption Assistance Total Foster Care and Adoption Cluster (Note 4 & 5)	93.658 N/A 93.659		517,497 87 4,147 521,731	108,077 - - 108,077	- - - -
Child Support Enforcement	93.563		1,083,287	1,004	-
Low-Income Home Energy Assistance: Administration Energy Assistance Payments Crisis Intervention Program Low Income Energy Assistance - COVID 19 Total Low-Income Home Energy Assistance	93.568 93.568 93.568		70,334 394,119 110,085 217,563 792,100	- - - -	- - - -
Stephanie Tubbs Jones Child Welfare Services Program: - Permanency Planning - Families for Kids Total Stephanie Tubbs Jones Child Welfare Services Program	93.645		7,050 7,050	- -	- -
John H. Chafee Foster Care Program for Successful Transition to Adulthood	93.674		13,401	2,714	-

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

Grantor/Pass-through <u>Grantor/Program Title</u>	Federal CFDA <u>Number</u>	State/ Pass-through Grantor's <u>Number</u>	Federal (Direct & Pass-through) <u>Expenditures</u>	State <u>Expenditures</u>	Provided to <u>Subrecipients</u>
CPS TANF to SSBG	93.667		519	-	-
SSBG - Other Service and Training	93.667		372,429	-	-
Division of Aging and Adult Services:					
Division of Social Services:					
SSBG - State In Home Service Fund	93.667		45,797	-	-
SSBG - Adult Protective Care	93.667		7,808	-	-
Total Social Service Block Grant			<u>426,554</u>	<u>-</u>	<u>-</u>
<u>Division of Child Development and Early Education:</u>					
Subsidized Child Care (Note 5)					
Child Care Development Fund Cluster:					
Division of Social Services:					
Child Care Development Mandatory and Match Fund-Administration	93.596		90,047	-	-
Total Child Care Fund Cluster			<u>90,047</u>	<u>-</u>	<u>-</u>
Total Subsidized Child Care (Note 4)			<u>90,047</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Health Benefits:					
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program	93.778		1,700,887	11,235	-
Total Medical Assistance Program			<u>1,700,887</u>	<u>11,235</u>	<u>-</u>
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice	93.767		22,009	1,336	-
Total State Children's Insurance Program - N.C. Health Choice			<u>22,009</u>	<u>1,336</u>	<u>-</u>
Passed-through the N.C. Dept. of Insurance:					
Medicare Enrollment Assistance Program	93.071		3,720	-	-
Total Medicare Enrollment Assistance Program			<u>3,720</u>	<u>-</u>	<u>-</u>
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		31,539	-	-
Project Grants and Cooperative Agreements for					
Tuberculosis Control Program	93.116		30,031	-	-
Family Planning Services	93.217		48,207	-	-
Immunization Cooperation Agreements	93.268		40,423	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		80,729	-	-
COVID-19 Public Health Emergency Response: Cooperative Agreement					
for Emergency Response: Public Health Crisis Response	93.354		76,347	-	-
Cancer Prevention and Control Programs for State, Territorial					
and Tribal Organizations	93.898		7,525	-	-
Preventive Health Services: Sexually Transmitted Diseases Control Grants	93.977		58	-	-
Preventive Health and Health Services Block Grant	93.991		26,717	-	-
Maternal and Child Health Services Block Grant	93.994		77,712	41,998	-
Total U.S. Dept. of Health and Human Services			<u>5,707,942</u>	<u>173,034</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Public Safety:					
Emergency Service Performance Grant	97.042		19,689	19,689	-
Hazard Mitigation Grant	97.039		766,142	255,381	-
Total U. S. Department of Homeland Security			<u>785,831</u>	<u>275,069</u>	<u>-</u>
Total federal awards			<u>10,774,099</u>	<u>448,103</u>	<u>610,781</u>
State Awards:					
<u>N.C. Dept. of Administration</u>					
Division of Veterans Affairs:					
Veterans Services			-	2,084	-
Total N.C. Dept. of Administration			<u>-</u>	<u>2,084</u>	<u>-</u>
<u>N.C. Dept. of Agriculture and Consumer Services</u>					
Administered by County Department of Soil Conservation					
Stream Debris Removal			-	9,200	-
Total N.C. Dept. of Agriculture and Consumer Services			<u>-</u>	<u>9,200</u>	<u>-</u>
<u>N.C. Department of Environmental Quality</u>					
Division of Waste Management					
Soil Conservation State Match			-	3,600	-
Electronic Management Program			-	323	-
Scrap Tire Program			-	8,800	-
NC Agriculture Cost Share - Technical Assistance			-	36,409	-
Total Division of Waste Management			<u>-</u>	<u>49,132</u>	<u>-</u>
Total N.C. Dept. Environmental Quality			<u>-</u>	<u>49,132</u>	<u>-</u>
<u>N.C. Dept. of Commerce</u>					
Industrial Development Fund / Utility Fund		U-498-01	-	297,194	-
Total N.C. Dept. of Commerce			<u>-</u>	<u>297,194</u>	<u>-</u>
<u>N.C. Dept. of Health and Human Services</u>					
Division of Aging and Adult Services					
State Appropriation - Access			-	3,759	-
State Appropriation - In-Home Services			-	288,003	-
State Appropriation - Home Delivered Meals			-	105,941	-
State Appropriations			-	(37,111)	-
Total Division of Aging and Adult Services			<u>-</u>	<u>360,592</u>	<u>-</u>

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Division of Social Services					
ST Child Welfare/CPS/CS LD			-	36,610	-
APS/CPS Care COVID 19			-	50,220	-
Energy Assistance			-	5,887	-
AFDC Incent/Prog Integrity			-	45	-
State Foster Home			-	163,074	-
Total Division of Social Services			-	255,837	-
Division of Public Health					
Other Receipts / State Supported Expenditures					
Food and Lodging Fees			-	11,337	-
Aid-to-Counties			-	134,586	-
General Communicable Disease Control			-	7,270	-
Healthy Communities			-	3,747	-
Child Health			-	20,457	-
HIV/STD State			-	500	-
STD Drugs			-	430	-
Breast and Cervical Cancer Control			-	2,925	-
School Nursing Funding Initiative			-	150,000	-
Family Planning - State			-	54,652	-
Maternal Health			-	15,271	-
Women Health Service Fund			-	4,764	-
TB Control			-	23,992	-
Total Division of Public Health			-	429,931	-
Total N. C. Department of Health and Human Services			-	1,046,360	-
<u>N.C. Dept. of Insurance</u>					
SHIIP Grant			-	6,714	-
Total N.C. Dept. of Insurance			-	6,714	-
<u>N.C. State Board of Elections</u>					
One-Stop Voting Worker Bonus			-	18,699	-
Total N.C. State Board of Elections			-	18,699	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds			-	665,040	-
Total N.C. Dept. of Public Instruction			-	665,040	-
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs			-	350,417	-
State Acquisition Relocation Funds			-	180,090	-
Governor's Crime Commission			-	35,000	-
Total N. C. Department of Public Safety			-	565,507	-
<u>N.C. Dept. of Transportation</u>					
Public Transportation Division					
PTD # 20-CT-034 Admin		36233.66.21.1	-	3,093	-
PTD # 20-CT-034 Admin		36233.66.22.1	-	9,305	-
PTD # 20-CT-034 Capital		36233.66.22.3	-	5,054	-
Total Public Transportation Division			-	17,452	-
Total N.C. Dept. of Transportation			-	17,452	-
<u>Administrative Office of the Courts</u>					
Safe Roads Act			-	3,966	-
Total State awards			-	2,681,348	-
Total federal and State awards			\$ 10,774,099	\$ 3,129,451	\$ 610,781

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Notes to the Schedule of Expenditures of Federal and State Financial Awards:					

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Lenoir County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Lenoir County, it is not intended to and does not present the financial position, changes in net position or cash flows of Lenoir County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

Note 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and Children	10.557	1,327,798	-
Supplemental Nutrition Assistance Program	10.551	34,222,079	-
Temporary Assistance for Needy Families	93.558	370,898	-
Adoption Assistance	93.659	268,715	47,704
Family Preservation	93.556	10,763	-
Medical Assistance Program	93.778	100,947,920	39,546,008
Children's Health Insurance Program	93.767	1,700,823	338,629
Child Welfare Services Adoption	N/A	-	45,705
SAA/SAD HB 1030	N/A	-	294,215
SC/SA Domiciliary Care	N/A	-	442,850
State / County Special Assistance program	N/A	6,093	-