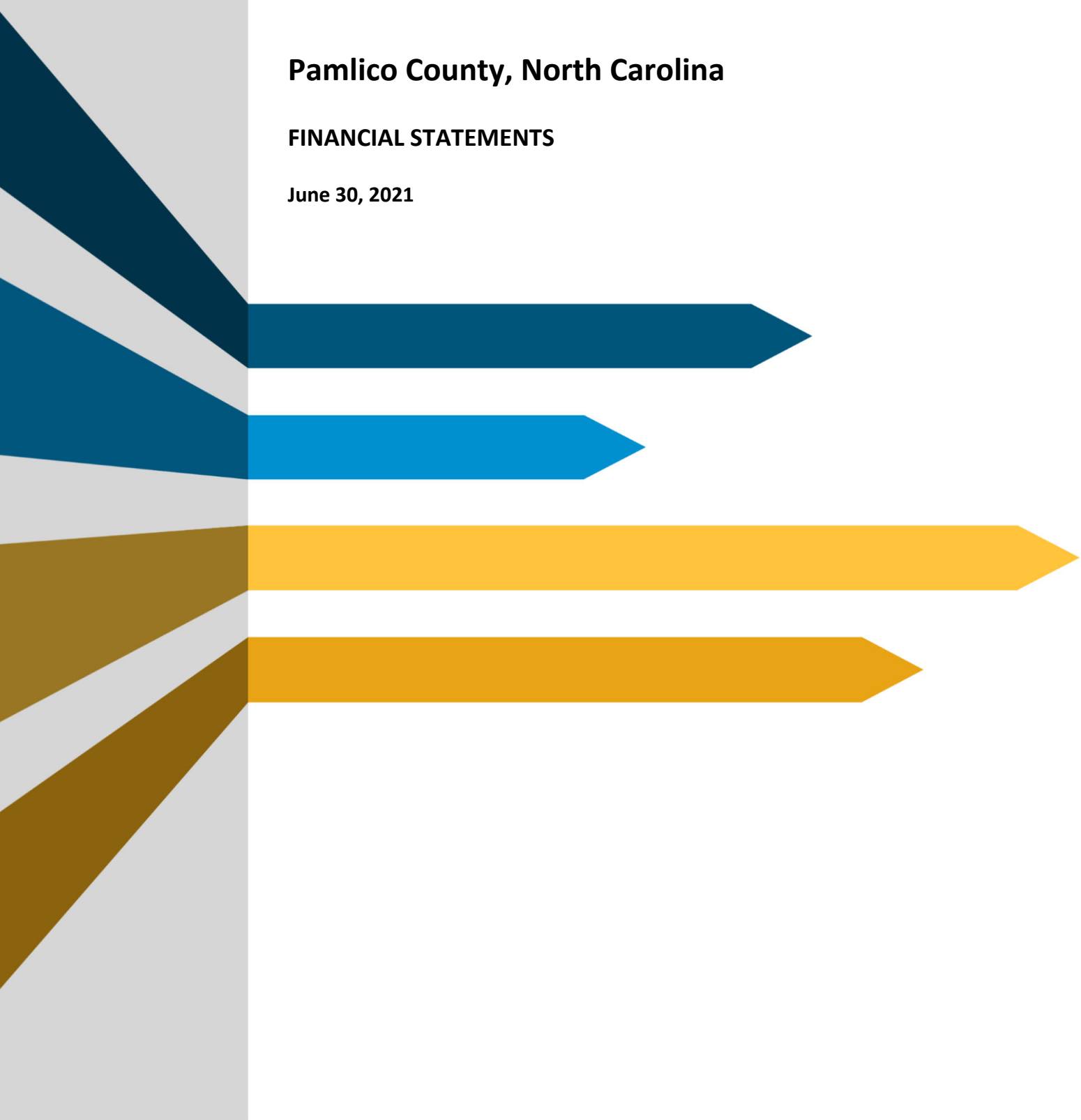


# Pamlico County, North Carolina

## FINANCIAL STATEMENTS

June 30, 2021



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**FINANCIAL STATEMENTS**

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## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Pamlico County, North Carolina

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico County, North Carolina, as of and for the year then ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Pamlico County's basic financial statements as listed in the table of contents.

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

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Pamlico County ABC Board, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Pamlico County ABC Board is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Pamlico County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

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

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

### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in Note X to the financial statements, Pamlico County, North Carolina adopted *Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities*. The adoption of the new standard resulted in a cumulative effect of change in accounting principles of \$53,849 to the June 30, 2020 net position. Our opinions are not modified with respect to this matter.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 14, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability (Asset) and County Contributions on pages 78 and 79, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Liability (Asset) and Schedule of County Contributions on pages 80 and 81, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 82 and 83, and the Other Postemployment Benefits' Schedule of Changes in Total OPEB Liability and Related Ratios on page 84 presented to supplement the basic financial statements.



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

#### *Supplementary and Other Information*

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

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 23, 2021 on our consideration of Pamlico County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pamlico County's internal control over financial reporting and compliance.

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

New Bern, North Carolina  
November 23, 2021

## Pamlico County, North Carolina Management's Discussion and Analysis

As management of Pamlico County (the "County"), we offer readers of the County's 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 the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$25,020,443 (*net position*).
- The government's total net position increased by \$159,849, after restatement, primarily due to the governmental funds.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$11,369,061, an increase of \$1,079,884, in comparison with the prior year. Approximately 23.01% of this total amount or \$2,616,002 is restricted, committed, or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,489,859, or 35.62% of total general fund expenditures of \$21,028,080 for the fiscal year.
- The County's total debt decreased by \$1,053,411 or 8.92% during the current fiscal year.
- Tax collection rate was 97.27% for FY 2020-2021. This represents a slight increase from last year.

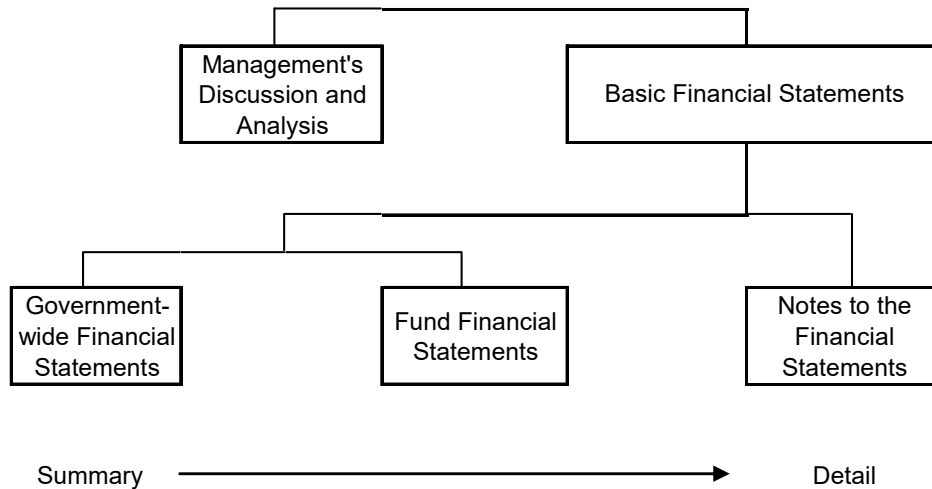
### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (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 County.

## Pamlico County, North Carolina Management's Discussion and Analysis

### Required Components of Annual Financial Report

Figure 1



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's major and non-major governmental funds, with the non-major funds added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the **required supplemental information**. This section contains funding information about the County's pension plans and other postemployment benefits.

## Pamlico County, North Carolina Management's Discussion and Analysis

### Government-wide Financial Statements

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

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

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

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

### Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

## Pamlico County, North Carolina Management's Discussion and Analysis

The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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 water operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has three custodial funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 29 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the County's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees. Required supplementary information can be found beginning on page 78 of this report.

### Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$25,020,443 as of June 30, 2021. The County's net position increased by \$159,849, after restatement, for the fiscal year ended June 30, 2021. One of the largest portions \$13,032,783 (52.09%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment).

## Pamlico County, North Carolina Management's Discussion and Analysis

The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position \$2,601,896 (10.40%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$9,385,764 is unrestricted.

### Pamlico County's Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 12,863,851	\$ 12,065,864	\$ 4,037,929	\$ 4,390,559	\$ 16,901,780	\$ 16,456,423
Capital assets	11,335,544	11,879,060	12,018,212	12,363,856	23,353,756	24,242,916
Deferred outflows of resources	1,922,703	1,581,461	126,548	102,144	2,049,251	1,683,605
Total assets and deferred outflows of resources	26,122,098	25,526,385	16,182,689	16,856,559	42,304,787	42,382,944
Long-term liabilities	12,549,680	12,489,679	3,351,484	3,651,862	15,901,164	16,141,541
Other liabilities	688,686	784,095	125,427	169,684	814,113	953,779
Deferred inflows of resources	539,787	405,561	29,280	21,469	569,067	427,030
Total liabilities and deferred inflows of resources	13,778,153	13,679,335	3,506,191	3,843,015	17,284,344	17,522,350
Net position:						
Net investment in capital assets	4,048,664	4,185,277	8,984,119	8,982,821	13,032,783	13,168,098
Restricted	2,601,896	2,701,037	-	-	2,601,896	2,701,037
Unrestricted	5,693,385	4,960,736	3,692,379	4,030,723	9,385,764	8,991,459
Total net position	\$ 12,343,945	\$ 11,847,050	\$ 12,676,498	\$ 13,013,544	\$ 25,020,443	\$ 24,860,594

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

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

## Pamlico County, North Carolina Management's Discussion and Analysis

### Pamlico County's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 2,111,474	\$ 1,907,692	\$ 2,678,122	\$ 2,570,954	\$ 4,789,596	\$ 4,478,646
Operating grants	5,070,254	7,993,051	-	-	5,070,254	7,993,051
Capital grants	-	-	-	-	-	-
General revenues:						
Property taxes	12,786,158	11,716,646	-	-	12,786,158	11,716,646
Local option sales tax	3,500,482	2,992,332	-	-	3,500,482	2,992,332
Other	987,244	595,238	-	92,042	987,244	687,280
Investment earnings	6,497	117,663	637	38,619	7,134	156,282
Total revenues	24,462,109	25,322,622	2,678,759	2,701,615	27,140,868	28,024,237
Expenses:						
General government	3,510,072	3,218,100	-	-	3,510,072	3,218,100
Public safety	7,474,546	6,945,097	-	-	7,474,546	6,945,097
Economic & physical development	1,938,061	2,404,476	-	-	1,938,061	2,404,476
Environmental protection	463,108	409,819	-	-	463,108	409,819
Human services	4,571,653	4,384,443	-	-	4,571,653	4,384,443
Cultural and recreation	638,518	656,808	-	-	638,518	656,808
Education	5,212,594	4,893,414	-	-	5,212,594	4,893,414
Interest on long-term debt	328,986	346,532	-	-	328,986	346,532
Water and sewer	-	-	2,897,330	2,624,478	2,897,330	2,624,478
Total expenses	24,137,538	23,258,689	2,897,330	2,624,478	27,034,868	25,883,167
Increase in net position before transfers	324,571	2,063,933	(218,571)	77,137	106,000	2,141,070
Transfers	118,475	122,000	(118,475)	(122,000)	-	-
Change in net position	443,046	2,185,933	(337,046)	(44,863)	106,000	2,141,070
Net position, July 1	11,847,050	9,661,117	13,013,544	13,058,407	24,860,594	22,719,524
Prior period restatement	53,849	-	-	-	53,849	-
Net position, July 1 restated	11,900,899	9,661,117	13,013,544	13,058,407	24,914,443	22,719,524
Net position, June 30	\$ 12,343,945	\$ 11,847,050	\$ 12,676,498	\$ 13,013,544	\$ 25,020,443	\$ 24,860,594



## Pamlico County, North Carolina Management's Discussion and Analysis

**Governmental activities.** Governmental activities increased the County's net position by \$496,895, after restatement. Key elements of this increase are as follows:

- Increases in ad valorem taxes and sales tax revenues

**Business-type activities:** Business-type activities decreased the County's net position by \$337,046. Key elements of this decrease are as follows:

- Increased operating expenses

### Financial Analysis of the County's Funds

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

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

The General fund is the chief operating fund of the County. At the end of the current fiscal year, the County's fund balance available in the General Fund was \$7,489,859, while total fund balance reached \$10,612,207. The County currently has an available fund balance of 35.62% of general fund expenditures, while total fund balance represents 50.47% of that same amount.

At June 30, 2021, the governmental funds of the County reported a combined fund balance of \$11,369,061, a 10.50% increase over last year.

**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

**Proprietary Funds.** The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. At the end of the fiscal year, unrestricted net position of the Water Fund equaled \$3,692,379. There was a decrease in net position of \$337,046. Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

## Pamlico County, North Carolina Management's Discussion and Analysis

### Capital Asset and Debt Administration

**Capital assets.** The County's capital assets for its governmental and business – type activities as of June 30, 2021, totals \$23,353,756 (net of accumulated depreciation). These assets include buildings, land, equipment, and vehicles.

Major capital asset transactions during the year include:

- Courthouse improvements
- HVAC replacement for the DSS building
- Public Safety vehicles
- Elections equipment

#### Pamlico County's Capital Assets

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 334,634	\$ 334,634	\$ 70,286	\$ 70,286	\$ 404,920	\$ 404,920
Construction in progress	-	-	2,159,435	1,988,816	2,159,435	1,988,816
Buildings and improvements	14,067,470	14,034,768	7,262,585	7,162,585	21,330,055	21,197,353
Plant	-	-	10,591,548	10,519,767	10,591,548	10,519,767
Equipment and vehicles	4,999,893	5,224,933	2,586,666	2,519,734	7,586,559	7,744,667
Subtotal	19,401,997	19,594,335	22,670,520	22,261,188	42,072,517	41,855,523
Less: accumulated depreciation	(8,066,453)	(7,715,275)	(10,652,308)	(9,897,332)	(18,718,761)	(17,612,607)
Total assets	\$ 11,335,544	\$ 11,879,060	\$ 12,018,212	\$ 12,363,856	\$ 23,353,756	\$ 24,242,916

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

**Long-term Debt.** As of June 30, 2021, the County had total debt outstanding of \$15,901,164, all of which is backed by the full faith and credit of the County.

## Pamlico County, North Carolina Management's Discussion and Analysis

### Pamlico County's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Installment notes	\$ 7,726,890	\$ 8,433,359	\$ 3,034,093	\$ 3,381,035	\$ 10,760,983	\$ 11,814,394
Compensated absences	411,305	396,231	28,016	34,511	439,321	430,742
Net pension liability (LGERS)	2,872,245	2,433,758	215,195	176,730	3,087,440	2,610,488
Total pension liability (LEOSSA)	551,791	381,712	-	-	551,791	381,712
Total OPEB liability	987,449	844,619	74,180	59,586	1,061,629	904,205
Total	\$ 12,549,680	\$ 12,489,679	\$ 3,351,484	\$ 3,651,862	\$ 15,901,164	\$ 16,141,541

The County's total bonded debt decreased by \$1,053,411 (8.92%) during the past fiscal year, primarily due to scheduled loan pay downs.

The County's total long-term liabilities decreased by \$240,377 (1.49%) during the past fiscal year, primarily due to debt repayments and pension liability increases.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the County is \$141,393,804.

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

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

- The County's unemployment rate for August 2021 was projected at 4.1%, down from the 5.2% level estimated in 2020. The State unemployment rate for August 2021 was 4.3%.
- Median household income for 2021 was projected at \$46,728, up from the 2020 estimate of \$46,447. In comparison, the State's median household income for 2021 (latest data available) was reported at \$54,602.

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

## Pamlico County, North Carolina Management's Discussion and Analysis

### Budget Highlights for the Fiscal Year Ending June 30, 2022

**Governmental Activities:** The approved General Fund budget is balanced at \$22,806,413 with a tax rate of \$.625 per \$100. The tax rate remained at the 2021 level. At the rate of \$.625 per \$100, estimated fiscal year 2021-2022 tax collections are budgeted at \$10,841,698, including collections from prior years. Revenue from motor vehicle collections is budgeted at \$1,000,000. A fund balance allocation of \$1,639,334 is included in the final budget.

A 4% cost of living adjustment is included in the budget for all employees, as well as recommended other salary adjustments.

Total Board of Education allocation is budgeted at \$4,375,000. Current expense is funded at \$4,000,000, with capital outlay at \$375,000. Pamlico Community College funding is allocated at \$716,151.

**Business – type Activities:** Water rates for the fiscal year 2021-2022 are budgeted to increase to the levels as summarized below:

- Water usage rate - \$4.85/1,000 gallons (2 inch meters and less)
- Water usage rate - \$6.90/1,000 gallons (3 inch meters and up)
- Flat rate monthly charge for ¾ inch meter - \$16.50
- Flat rate monthly charge for 1 inch meter - \$16.50
- Flat rate monthly charge for 2 inch meter - \$41.50
- Flat rate monthly charge for 3 inch meter - \$120
- Flat rate monthly charge for 4 inch meter - \$190
- Flat rate monthly charge for 6 inch meter - \$360
- Flat rate monthly charge for 8 inch meter - \$560
- Customer deposits remain at \$75

In order to spread the cost of maintenance evenly over time, the County has entered into a fifteen year maintenance contract. Other capital items funded include: (1) Anticipated purchase of two water trucks (\$64,000), and (2) replace 8 inch main at Vandemere and Mill Pond plants (\$80,000).

### Requests for Information

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

County Finance Officer

P.O. Box 776

Bayboro, North Carolina 28515

**Pamlico County, North Carolina**  
**Statement of Net Position**  
**June 30, 2021**  
**Exhibit 1**

				Component Unit
	Governmental Activities	Business-type Activities	Total	Pamlico County ABC Board
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,232,275	\$ 1,259,074	\$ 2,491,349	\$ 405,660
Investments	8,902,423	2,262,683	11,165,106	-
Taxes receivable, net	763,624	-	763,624	-
Accounts receivable, net	1,917,729	343,516	2,261,245	-
Inventories	-	112,381	112,381	290,306
Prepaid items	2,880	-	2,880	6,194
Restricted cash and cash equivalents	14,226	60,275	74,501	-
Net pension asset	30,694	-	30,694	-
Capital assets:				
Land and construction in progress	334,634	2,229,721	2,564,355	36,749
Other capital assets, net	11,000,910	9,788,491	20,789,401	95,660
Total assets	24,199,395	16,056,141	40,255,536	834,569
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	1,922,703	126,548	2,049,251	-
<b>LIABILITIES</b>				
Accounts payable	605,002	65,152	670,154	255,654
Accrued interest payable	83,684	-	83,684	-
Deferred revenues	-	-	-	-
Customer deposits	-	60,275	60,275	-
Long-term liabilities:				
Due within one year	859,655	358,942	1,218,597	-
Due in more than one year	11,690,025	2,992,542	14,682,567	-
Total liabilities	13,238,366	3,476,911	16,715,277	255,654
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	95,470	-	95,470	-
Pension and OPEB deferrals	444,317	29,280	473,597	-
Total deferred inflows of resources	539,787	29,280	569,067	-
<b>NET POSITION</b>				
Net investment in capital assets	4,048,664	8,984,119	13,032,783	132,409
Restricted for:				
Stabilization by State Statute	1,917,729	-	1,917,729	-
Other purposes	684,167	-	684,167	259,382
Unrestricted	5,693,385	3,692,379	9,385,764	187,124
Total net position	\$ 12,343,945	\$ 12,676,498	\$ 25,020,443	\$ 578,915

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

**Pamlico County, North Carolina**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 2**

Net (Expense) Revenue and Changes in Net Position								Component
Functions/ Programs	Expenses	Program Revenues			Primary Government			Unit
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Pamlico County ABC Board
Primary government:								
Governmental activities:								
General government	\$ 3,510,072	\$ 131,282	\$ 86,272	\$ -	\$ (3,292,518)	\$ -	\$ (3,292,518)	
Public safety	7,474,546	1,490,818	477,911	-	(5,505,817)	-	(5,505,817)	
Environmental protection	463,108	110,139	28,736	-	(324,233)	-	(324,233)	
Economic and physical development	1,938,061	201,261	1,051,125		(685,675)	-	(685,675)	
Human services	4,571,653	177,869	3,426,210	-	(967,574)	-	(967,574)	
Cultural and recreation	638,518	105	-	-	(638,413)	-	(638,413)	
Education	5,212,594	-	-	-	(5,212,594)	-	(5,212,594)	
Interest on long-term debt	328,986	-	-	-	(328,986)	-	(328,986)	
Total governmental activities	24,137,538	2,111,474	5,070,254	-	(16,955,810)	-	(16,955,810)	
Business-type activities:								
Water	2,897,330	2,678,122	-	-	-	(219,208)	(219,208)	
Total primary government	\$ 27,034,868	\$ 4,789,596	\$ 5,070,254	\$ -	(16,955,810)	(219,208)	(17,175,018)	
Component Unit:								
Pamlico County ABC Board	\$ 2,233,816	\$ 2,223,887	\$ -	\$ -				\$ 9,929
General revenues:								
Taxes:								
Property taxes, levied for general purposes					12,786,158	-	12,786,158	-
Local option sales tax					3,500,482	-	3,500,482	-
Other taxes					823,678	-	823,678	-
Investment earnings					6,497	637	7,134	55
Gain on sale of capital asset					86,994	-	86,994	-
Miscellaneous					76,572	-	76,572	16
Total general revenues					17,280,381	637	17,281,018	71
Transfers					118,475	(118,475)	-	-
Change in net position					443,046	(337,046)	106,000	10,000
Net position - beginning					11,847,050	13,013,544	24,860,594	568,915
Prior period restatement					53,849	-	53,849	-
Net position - beginning as restated					11,900,899	13,013,544	24,914,443	568,915
Net position - ending					\$ 12,343,945	\$ 12,676,498	\$ 25,020,443	\$ 578,915

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

**Pamlico County, North Carolina**  
**Reconciliation of the Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**  
**Exhibit 3**

	<u>Major Fund</u>			Other Non-major	
	General		Governmental	Total Governmental	
			Funds	Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 919,729	\$	688,680	\$	1,608,409
Investments	8,902,423		-		8,902,423
Taxes receivable, net	694,241		69,383		763,624
Accounts receivable, net	1,482,854		434,875		1,917,729
Prepaid items	160		2,720		2,880
Restricted cash and cash equivalents	-		14,226		14,226
Total assets	\$ 11,999,407	\$	1,209,884	\$	13,209,291
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 597,489	\$	7,513	\$	605,002
Deferred revenues	-		-		-
Cash overdraft	-		376,134		376,134
Total liabilities	597,489		383,647		981,136
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property tax receivable	694,241		69,383		763,624
Prepaid taxes	95,470		-		95,470
Total deferred inflows of resources	789,711		69,383		859,094
<b>FUND BALANCES</b>					
Non-spendable	160		2,720		2,880
Restricted					
Stabilization of State Statute	1,482,854		434,875		1,917,729
Public safety	-		336,552		336,552
Economic development	-		273,227		273,227
Register of Deeds	-		10,690		10,690
Education	-		6		6
Health services	-		63,692		63,692
Committed					
Tax Revaluation	-		11,226		11,226
Assigned					
Subsequent year's expenditures	1,639,334		-		1,639,334
Unassigned	7,489,859		(376,134)		7,113,725
Total fund balances	10,612,207		756,854		11,369,061
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,999,407	\$	1,209,884	\$	13,209,291

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

**Pamlico County, North Carolina**  
**Reconciliation of the Governmental Funds**  
**to the Statement of Net Position**  
**June 30, 2021**  
**Exhibit 3**

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

Total fund balances - governmental funds	\$	11,369,061
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		
Gross capital assets at historical cost	19,401,997	
Accumulated depreciation	<u>(8,066,453)</u>	11,335,544
Net pension asset		30,694
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		555,247
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		30,821
Deferred inflows of resources for taxes receivable in fund statements		763,624
Benefit payments and pension administration costs for LEOSSA and deferred outflows of resources on the Statement of Net Position		10,568
Net pension liability		(2,872,245)
Total pension liability		(551,791)
Total OPEB liability		(987,449)
Pension related deferrals		991,363
OPEB related deferrals		(109,613)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore, not reported in the funds.		(8,221,879)
Net position of governmental funds	\$	<u>12,343,945</u>

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



**Pamlico County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance – Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 4**

	<u>Major Fund</u>		
	General	Other Non-major Governmental Funds	Total Governmental Funds
<b>REVENUES</b>			
Ad valorem taxes	\$ 12,131,488	\$ 858,581	\$ 12,990,069
Local option sales tax	3,500,482	-	3,500,482
Other taxes and licenses	511,398	181,075	692,473
Unrestricted intergovernmental	1,640,720	-	1,640,720
Restricted intergovernmental	3,347,073	1,704,484	5,051,557
Permits and fees	396,415	-	396,415
Sales and services	224,031	210	224,241
Investment earnings	6,474	23	6,497
Miscellaneous	76,572	-	76,572
Total revenues	21,834,653	2,744,373	24,579,026
<b>EXPENDITURES</b>			
Current:			
General government	3,191,390	42,671	3,234,061
Public safety	5,533,799	1,418,520	6,952,319
Environmental protection	462,437	-	462,437
Economic and physical development	852,305	1,073,386	1,925,691
Human servicess	4,128,934	196,169	4,325,103
Cultural and recreation	611,693	-	611,693
Education	5,212,594	-	5,212,594
Debt service:			
Interest	328,459	-	328,459
Principal	706,469	-	706,469
Total expenditures	21,028,080	2,730,746	23,758,826
Excess (deficiency) of revenues over expenditures	806,573	13,627	820,200
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	87,360	-	87,360
Transfer to other funds	(15,722)	-	(15,722)
Transfer from other funds	118,475	15,722	134,197
Total other financing sources (uses)	190,113	15,722	205,835
Net change in fund balance	996,686	29,349	1,026,035
Fund balances - beginning	9,648,608	640,569	10,289,177
Prior period restatement	(33,087)	86,936	53,849
Fund balances - beginning as restated	9,615,521	727,505	10,343,026
Fund balances - ending	\$ 10,612,207	\$ 756,854	\$ 11,369,061

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

**Pamlico County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balance – Governmental Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 5**

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

Net change in fund balances - governmental funds		\$ 1,026,035
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period.		
Capital outlay expenditures which were capitalized	202,681	
Depreciation expense for governmental assets	<u>(745,831)</u>	(543,150)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis		(368)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.		555,247
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position		30,821
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position		10,568
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(203,911)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principal payments on long-term debt	706,469	
Increase in accrued interest payable	<u>(527)</u>	705,942
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.		(1,138,138)
Total changes in net position of governmental activities		<u>\$ 443,046</u>

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

**Pamlico County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance – General Fund – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 6**

	General Fund			Variance with
	Original	Final Budget	Actual	Final Budget -
	Budget		Amounts	Positive
				(Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 11,682,871	\$ 12,091,871	\$ 12,131,488	\$ 39,617
Local option sales tax	2,300,000	3,327,000	3,500,482	173,482
Other taxes and licenses	104,400	452,900	511,398	58,498
Unrestricted intergovernmental	1,461,200	1,579,200	1,640,720	61,520
Restricted intergovernmental	2,836,342	3,930,977	3,347,073	(583,904)
Permits and fees	259,400	356,400	396,415	40,015
Sales and services	137,221	194,458	224,031	29,573
Investment earnings	25,000	25,000	6,474	(18,526)
Miscellaneous	60,000	16,192	76,572	60,380
Total revenues	18,866,434	21,973,998	21,834,653	(139,345)
<b>EXPENDITURES</b>				
Current:				
General government	2,233,662	3,937,917	3,191,390	746,527
Public safety	5,450,146	6,469,931	5,533,799	936,132
Environmental protection	508,920	594,545	462,437	132,108
Economic and physical development	1,094,651	1,183,335	852,305	331,030
Human services	4,700,131	5,702,807	4,128,934	1,573,873
Cultural and recreation	689,726	725,340	611,693	113,647
Education	5,125,594	5,232,594	5,212,594	20,000
Debt service				
Principal	721,881	712,881	706,469	6,412
Interest	328,459	328,459	328,459	-
Total expenditures	20,853,170	24,887,809	21,028,080	3,859,729
Revenues over (under) expenditures	(1,986,736)	(2,913,811)	806,573	3,720,384
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of assets	-	-	87,360	87,360
Transfer to other funds	-	(438,951)	(15,722)	423,229
Transfer from other funds	122,000	122,000	118,475	(3,525)
Total other financing sources (uses)	209,360	(316,951)	190,113	507,064
Fund balance appropriated	1,864,736	3,230,762	-	(3,230,762)
Net change in fund balance	\$ -	\$ -	996,686	\$ 996,686
Fund balances - beginning			8,646,925	
Prior period restatement			(33,087)	
Fund balances - beginning as restated			8,613,838	
Fund balance - ending			\$ 9,610,524	

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

**Pamlico County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance – General Fund – Budget and Actual**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 6**

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

Ending Fund Balance	\$ 9,610,524
FEMA Fund	
Restricted intergovernmental revenues	-
Expenditures	-
Fund balance, beginning	1,001,683
	1,001,683
Fund balances - ending (Exhibit 4)	\$ 10,612,207

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

**Pamlico County, North Carolina**  
**Statement of Net Position – Proprietary Funds**  
**June 30, 2021**  
**Exhibit 7**

	<b>Water Fund</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 1,259,074
Investments	2,262,683
Accounts receivable, net	343,516
Inventories	112,381
Restricted cash and cash equivalents	60,275
Total current assets	4,037,929
Noncurrent assets:	
Capital assets:	
Land and construction in progress	2,229,721
Capital assets, net of depreciation	9,788,491
Total capital assets	12,018,212
Total assets	16,056,141
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	<b>126,548</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	65,152
Compensated absences	12,000
Current portion of long-term debt	346,942
Customer deposits payable from restricted assets	60,275
Total current liabilities	484,369
Noncurrent liabilities:	
Compensated absences	16,016
Installment purchases payable	2,687,151
Net pension liability	215,195
Total OPEB liability	74,180
Total noncurrent liabilities	2,992,542
Total liabilities	3,476,911
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>29,280</b>
<b>NET POSITION</b>	
Net investment in capital assets	8,984,119
Unrestricted	3,692,379
Total net position	\$ 12,676,498

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

**Pamlico County, North Carolina**  
**Statement of Revenues, Expenses and Changes in Fund Net Position –**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 8**

	<b>Water Fund</b>
<b>OPERATING REVENUES</b>	
Charges for services	\$ 2,492,470
Water taps	104,020
Other operating revenues	81,632
<b>Total operating revenues</b>	<b>2,678,122</b>
<b>OPERATING EXPENSES</b>	
Water operations	2,135,846
Depreciation	754,976
<b>Total operating expenses</b>	<b>2,890,822</b>
Operating income (loss)	(212,700)
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Investment earnings	637
Interest on long-term debt	(6,508)
<b>Total nonoperating revenues</b>	<b>(5,871)</b>
Income (loss) before contributions and transfers	(218,571)
Transfer to other funds	(118,475)
Change in net position	(337,046)
Total net position, beginning	13,013,544
<b>Total net position, ending</b>	<b>\$ 12,676,498</b>

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

**Pamlico County, North Carolina**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 9**

	<b>Water Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Cash received from customers	\$ 2,675,204
Cash paid for goods and services	(1,553,450)
Cash paid to or on behalf of employees	(623,698)
Customer deposits received	6,230
Customer deposits returned	(5,130)
Net cash provided by operating activities	499,156
<b>CASH FLOWS FROM NON CAPITAL FINANCING ACTIVITIES</b>	
Transfer to other funds	(118,475)
Net cash used by non capital financing activities	(118,475)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Acquisition of capital assets	(409,332)
Reimbursements received	-
Installment purchase obligation issued	-
Principal paid on long-term debt	(346,942)
Interest paid on long-term debt	(6,508)
Net cash used by capital and financing activities	(762,782)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Redemption of investments	349,559
Investment earnings	637
Net cash provided by investing activities	350,196
Net decrease in cash and cash equivalents	(31,905)
Cash, beginning of year	1,351,254
Cash, ending of year	\$ 1,319,349

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

**Pamlico County, North Carolina**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2021**  
**Exhibit 9**

Reconciliation of operating income to net cash provided by operating activities:

Operating income (loss)	\$ (212,700)
Adjustments to reconcile income (loss) to cash provided by operations:	
Depreciation	754,976
(Increase) decrease in accounts receivable	(2,918)
(Increase) decrease in inventory	(25,916)
(Increase) decrease in deferred outflows of resources for pensions	(17,227)
(Increase) decrease in deferred outflows of resources for OPEB	(7,177)
Increase (decrease) in accounts payable	(45,357)
Increase (decrease) in accrued vacation	(6,495)
Increase (decrease) in customer deposits	1,100
Increase (decrease) in net pension liability	38,465
Increase (decrease) in total OPEB liability	14,594
Increase (decrease) in deferred inflows of resources for OPEB	(818)
Increase (decrease) in deferred inflows of resources for pensions	8,629
Total adjustments	711,856
Net cash provided by operating activities	\$ 499,156
Reconciliation of cash - ending:	
Cash	\$ 1,259,074
Restricted cash	60,275
Total cash	\$ 1,319,349

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



**Pamlico County, North Carolina**  
**Statement of Fiduciary Net Position – Fiduciary Funds**  
**June 30, 2021**  
**Exhibit 10**

	<b>Custodial Funds</b>
<b>ASSETS</b>	
Current assets:	
Cash and cash equivalents	\$ 141,994
Taxes receivable for other government (net)	48,376
Accounts receivable (net)	200,656
<b>Total assets</b>	<b>391,026</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued liabilities	5,040
Due to other governments	10,480
<b>Total liabilities</b>	<b>10,480</b>
<b>NET POSITION</b>	
Restricted for:	
Individuals, organizations, and other governments	375,506
<b>Total fiduciary net position</b>	<b>\$ 375,506</b>

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

**Pamlico County, North Carolina**  
**Statement of Changes in Fiduciary Net Position – Fiduciary Funds**  
**For the Year Ended June 30, 2021**  
**Exhibit 11**

	<b>Custodial Funds</b>
<b>ADDITIONS</b>	
Collections on behalf of inmates	\$ 294,665
Ad valorem taxes for other governments	928,625
Sewer charges collected for other other government	1,387,333
Total additions	2,610,623
<b>DEDUCTIONS</b>	
Payments on behalf of inmates	281,982
Payments on behalf of other government	1,305,020
Tax distributions to other governments	948,579
Total deductions	2,535,581
Net increase (decrease) in fiduciary net position	75,042
Net position, beginning	-
Prior period restatement	300,464
Net position, beginning as restated	300,464
Net position, ending	\$ 375,506

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

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

#### **I. Summary of Significant Accounting Policies**

The accounting policies of Pamlico County (the "County") and its component unit conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

##### **A. Reporting Entity**

The County, which is governed by a seven-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, a legally separate entity for which the County is financially accountable. The discretely presented component unit presented below is reported in a separate column in the County's financial statements in order to emphasize that it is legally separate from the County.

##### *Pamlico County ABC Board*

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

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

##### **Basis of Presentation, Measurement Focus – Basis of Accounting**

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

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

## Pamlico County, North Carolina Notes to the Financial Statements

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

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

The County reports the following major governmental fund:

*General Fund.* This is the County's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The FEMA Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 is it consolidated in the General Fund. The General Fund is a major fund for fund financial reporting purposes.

The County reports the following major enterprise fund:

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

The County reports the following fund types:

*Custodial Funds.* Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Jail Inmate Fund, which holds cash deposits made to inmates as payment for work performed while incarcerated as well as cash collections for the benefit of inmates from their friends and families; the Bay River Metropolitan Sewer District, which accounts for funds held for sewer services billed and collected by the County on behalf of the sewer district; and the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County but that are not revenues to the County.

## Pamlico County, North Carolina Notes to the Financial Statements

*Nonmajor Funds.* The County maintains seventeen legally budgeted nonmajor governmental funds. The Fire Districts Fund, the Reappraisal Fund, the Emergency Telephone System Fund, the CDBG Scattered Sites Fund; the Register of Deeds Enhancement and Preservation Fund; the 4-H Fund; the Electronic Management Fund; the FMA-SRL Grant Fund; the FMA-RL Grant Fund; the NCHFA Grant Fund; the FY16-008 FMA Grant; the Hazard Mitigation Grant; the ESFRL17 Fund; the CARES Fund; the Golden Leaf Fund; and the DSS Representative Payee Fund are reported as nonmajor special revenue funds. The PCC Roof project fund is reported as nonmajor capital project fund.

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

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

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

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

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

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

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

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

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

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

#### **C. Budgetary Data**

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

## Pamlico County, North Carolina

### Notes to the Financial Statements

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the department level for the General Fund, special revenue funds, and the Water Fund, and the object level for the multi-year special revenue funds and capital project funds. The County Manager is authorized to transfer any appropriations within a fund. The governing board must approve all amendments that increase total revenues or expenditures of a fund. The budget ordinance must be adopted by July 1 of the fiscal year, or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. During the year, several amendments to the original budget were necessary.

#### **D. Use of Estimates**

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

#### **E. Recently Issued Accounting Pronouncements**

The Government Accounting Standards Board has issued statements that will become effective in future years. These statements are as follows:

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset.

Under this Statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020.

## Pamlico County, North Carolina Notes to the Financial Statements

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. The requirements should be applied retroactively, except for the provisions related to (1) reporting a majority equity interest in a component unit and (2) reporting a component unit if the government acquires a 100 percent equity interest. Those provisions should be applied on a prospective basis.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In May 2020, the GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The objectives of this Statement are to address financial reporting issues that result from the replacement of an Interbank Offered Rate (IBOR) by providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment and clarification of the hedge accounting termination provisions when a hedged item is amended to replace the reference rate; replacing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of an interest rate swap with a Secured Overnight Financing Rate or the Effective Federal Funds Rate; and providing exceptions to the lease modifications guidance in Statement 87 for lease contracts that are amended solely to replace an IBOR used to determine variable payments. The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2022. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.



## Pamlico County, North Carolina Notes to the Financial Statements

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans.

The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In May 2020, the GASB issued GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Assets and liabilities resulting from SBITAs should be recognized and measured using the facts and circumstances that existed at the beginning of the fiscal year in which this Statement is implemented. Governments are permitted, but are not required, to include in the measurement of the subscription asset capitalizable outlays associated with the initial implementation stage and the operation and additional implementation stage incurred prior to the implementation of this Statement.

The County is evaluating the requirements of the above statements and the impact on reporting.

## Pamlico County, North Carolina Notes to the Financial Statements

### **F. Assets, Liabilities, Deferred Inflows and Outflows of Resources, and Fund Equity**

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

All deposits of the County and Pamlico County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

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

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

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

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents. The ABC Board considers demand deposits and investments with a maturity date of 90 days or less at a time of purchase to be cash and cash equivalents.

Under GASB Codification 150: *Investments*, if a participant has an investment in a qualifying external investment pool that measures for financial reporting purposes all of its investments at amortized cost it should disclose the presence of any limitations or restrictions on withdrawals (such as redemption notice periods, maximum transaction amounts, and the qualifying external investment pool's authority to impose liquidity fees or redemption gates) in notes to the financial statements. As of June 30, 2021, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's access to 100 percent of their account value in either external investment pool.

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

#### **3. Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the services for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150.

#### **4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2020.

#### **5. Allowances for Doubtful Accounts**

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

#### **6. Inventory and Prepaid Items**

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

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

#### **7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Capital assets are defined by the County as assets with an initial, individual cost greater than \$5,000 and an estimated useful life greater than two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Pamlico County Board of Education and Pamlico Community College properties, which have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs.

## Pamlico County, North Carolina

### Notes to the Financial Statements

Agreements between the County, the Board of Education, and Community College give the Board of Education and Community College full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education and Community College once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as fixed assets in the financial statements of the Pamlico County Board of Education and Pamlico Community College.

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

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

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

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

#### **8. Deferred outflows/inflows of resources**

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

#### **9. Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

## Pamlico County, North Carolina

### Notes to the Financial Statements

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

#### **10. Compensated Absences**

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

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

#### **11. Net Position/Fund Balances**

##### **Net Position**

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

##### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

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

Restricted for Stabilization of State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were

## Pamlico County, North Carolina

### Notes to the Financial Statements

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

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

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

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

Restricted for Education – portion of fund balance that is restricted by revenue sources for education purposes.

Restricted for Health Services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program.

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

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

**Assigned Fund Balance** – This classification is the portion of fund balance that the County's governing board has budgeted.

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

## Pamlico County, North Carolina

### Notes to the Financial Statements

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

The County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and County funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The County has not adopted a formal fund balance policy.

#### **12. Defined Benefit Pension Plans**

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans.

#### **13. Other Postemployment Benefits**

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

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**G. Reconciliation of Government-wide and Fund Financial Statements**

**1. Explanation of certain differences between the governmental fund balance sheet and the government-wide Statement of Net Position.**

The governmental fund balance sheet includes a reconciliation between total fund balance - total governmental funds and net position for governmental activities as reported in the government-wide Statement of Net Position. The net adjustment of \$974,884 consists of several elements as follows:

Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds	\$ 19,401,997
Less accumulated depreciation	(8,066,453)
Net capital assets	11,335,544
Net pension asset	30,694
Contributions to pension plan in the current fiscal year	555,247
Benefit payments and pension administration costs for LEOSA	10,568
Contributions to OPEB plan in the current fiscal year	30,821
Deferred inflows of resources for taxes	763,624
Pension related deferrals	991,363
OPEB related deferrals	(109,613)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Installment financing	(7,726,890)
Compensated absences	(411,305)
Total OPEB liability	(987,449)
Net pension liability	(2,872,245)
Total pension liability	(551,791)
Accrued interest payable	(83,684)
Total adjustment	\$ 974,884



**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. There are several elements of that total adjustment of \$(582,989) as follows:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities	\$ 202,681
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the Statement of Activities but not in the fund statements	(745,831)
Cost of disposed capital assets not recorded on fund statement	(367)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements.	706,469
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	555,247
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	10,568
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	30,821
Expenses reported in the Statement of Activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(527)
Compensated absences	(15,074)
OPEB expense	(49,878)
Pension expense	(1,073,187)
Revenues reported in the Statement of Activities that do not provide current resources are not recorded in the fund statements.	
Decrease in deferred inflows of resources	(203,911)
<b>Total adjustment</b>	<b>\$ (582,989)</b>

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

#### **II. Detail Notes on All Funds**

##### **A. Assets**

##### **1. Deposits**

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

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

At June 30, 2021, the County's deposits had a carrying amount of \$2,706,557. The bank balances with financial institutions were \$3,259,323. Of these bank balances, \$250,000 was covered by federal depository insurance and \$3,009,323 was covered by collateral held under the Pooling Method.

At June 30, 2021, Pamlico County had \$1,287 cash on hand.

At June 30, 2021, the carrying amount of deposits for Pamlico County ABC Board was \$402,909 and the bank balance was \$392,049. Of these bank balances, \$250,000 was covered by federal depository insurance and \$142,049 was covered by collateral held under the Pooling Method.

At June 30, 2021, the ABC Board had \$2,751 cash on hand.

## Pamlico County, North Carolina Notes to the Financial Statements

### 2. Investments

As of June 30, 2021, the County had the following investments and maturities:

Investment Type	Valuation Measurement		Fair Value	Less than 6 months
	Method			
North Carolina Capital Management Trust -				
Government Portfolio	Fair Value - Level 1	\$	11,165,106	\$ 11,165,106

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAAMf by Moody's Investor Service.

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

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

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

*Credit Risk.* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSRO's). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2021. The County's investment in the NC Capital Management Trust Term Portfolio is unrated.

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

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**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	\$ 483,992	\$ 158,511	\$ 642,503
2019	477,075	113,308	590,383
2020	480,654	70,899	551,553
2021	554,348	31,877	586,225
Total	\$ 1,996,069	\$ 374,595	\$ 2,370,664

**4. Receivables**

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

	Taxes	Accounts	Total
<b>Governmental activities:</b>			
General	\$ 1,044,241	\$ 1,482,854	\$ 2,527,095
Other governmental	69,383	434,875	504,258
Total receivables	1,113,624	1,917,729	3,031,353
Allowance for doubtful accounts	(350,000)	-	(350,000)
Total governmental activities	\$ 763,624	\$ 1,917,729	\$ 2,681,353
<b>Business-type activities:</b>			
Water	\$ -	\$ 374,408	\$ 374,408
Allowance for doubtful accounts	-	(30,892)	(30,892)
Total business-type activities	\$ -	\$ 343,516	\$ 343,516

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

Local options sales tax	\$ 1,030,048
White goods disposal tax	1,842
Scrap tire tax	5,309
Total	\$ 1,037,199

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**5. Capital Assets**

**Primary Government**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 334,634	\$ -	\$ -	\$ 334,634
Total capital assets not being depreciated	334,634	-	-	334,634
<b>Capital assets being depreciated:</b>				
Buildings and improvements	14,034,768	32,702	-	14,067,470
Equipment and vehicles	5,224,933	169,979	395,019	4,999,893
Total capital assets being depreciated	19,259,701	202,681	395,019	19,067,363
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	4,059,750	320,957	-	4,380,707
Equipment and vehicles	3,655,525	424,874	394,653	3,685,746
Total accumulated depreciation	7,715,275	745,831	394,653	8,066,453
Total capital assets being depreciated, net	<u>11,544,426</u>			<u>11,000,910</u>
Governmental activities capital assets, net	<u>\$ 11,879,060</u>			<u>\$ 11,335,544</u>

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

General government	\$ 226,285
Public safety	401,706
Environmental protection	22,225
Human services	78,685
Cultural and recreation	16,930
Total depreciation expense	<u>\$ 745,831</u>

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Business-type activities</b>				
<b>Capital assets not being depreciated:</b>				
Land	\$ 70,286	\$ -	\$ -	\$ 70,286
Construction in progress	1,988,816	170,619	-	2,159,435
Total capital assets not being depreciated	2,059,102	170,619	-	2,229,721
<b>Capital assets being depreciated:</b>				
Buildings and improvements	7,162,585	100,000	-	7,262,585
Plant	10,519,767	71,781	-	10,591,548
Equipment and vehicles	2,519,734	66,932	-	2,586,666
Total capital assets being depreciated	20,202,086	238,713	-	20,440,799
<b>Less accumulated depreciation for:</b>				
Buildings and improvements	3,997,800	290,520	-	4,288,320
Plant	4,306,876	331,027	-	4,637,903
Equipment and vehicles	1,592,656	133,429	-	1,726,085
Total accumulated depreciation	9,897,332	754,976	-	10,652,308
Total capital assets being depreciated, net	10,304,754			9,788,491
Business-type activities capital assets, net	<u>\$ 12,363,856</u>			<u>\$ 12,018,212</u>

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**Discretely presented component units**

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

	Beginning Balances	Increases	Decreases	Ending Balances
<b>Capital assets not being depreciated:</b>				
Land	\$ 36,749	\$ -	\$ -	\$ 36,749
<b>Capital assets being depreciated:</b>				
Furniture and equipment	129,421	12,522	-	141,943
Buildings	309,989	-	-	309,989
Total capital assets being depreciated	439,410	12,522	-	451,932
<b>Less accumulated depreciation for:</b>				
Furniture and equipment	57,367	9,846	-	67,213
Buildings	287,285	1,774	-	289,059
Total accumulated depreciation	344,652	11,620	-	356,272
Total capital assets being depreciated, net	94,758			95,660
Governmental activities capital assets, net	<u>\$ 131,507</u>			<u>\$ 132,409</u>

**B. Liabilities**

**1. Payables**

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

Type of Payable	Governmental Activities	Business-type Activities	Total
Trade payables	\$ 412,356	\$ 52,255	\$ 464,611
Salaries payable	192,646	12,897	205,543
Total	<u>\$ 605,002</u>	<u>\$ 65,152</u>	<u>\$ 670,154</u>

## Pamlico County, North Carolina Notes to the Financial Statements

### **2. Pension Plan and Other Postemployment Obligations**

#### **a. Local Governmental Employees' Retirement System**

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in



## Pamlico County, North Carolina Notes to the Financial Statements

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 9.70% of compensation for law enforcement officers and 8.95% 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 \$594,205 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 \$3,087,440 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. 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 0.08640%, which was a decrease of 0.00919% from its proportion measured as of June 30, 2020 (measured June 30, 2019).

For the year ended June 30, 2021 the County recognized pension expense of \$1,041,107. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 389,890	\$ -
Changes of assumptions	229,766	-
Net difference between projected and actual earnings on pension plan investments	434,474	-
Changes in proportion and differences between County contributions and proportionate share of contributions	41,558	147,115
County contributions subsequent to the measurement date	594,205	-
<b>Total</b>	<b>\$ 1,689,893</b>	<b>\$ 147,115</b>

\$594,205 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 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	\$ 272,300
2023	357,028
2024	190,662
2025	128,583
2026	-
Thereafter	-

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

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

## Pamlico County, North Carolina Notes to the Financial Statements

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, 2021 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 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.

## Pamlico County, North Carolina Notes to the Financial Statements

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 6,264,079	\$ 3,087,440	\$ 447,429

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

### **b. Law Enforcement Officers' Special Separation Allowance**

#### ***1. Plan Description.***

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

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

Retirees receiving benefits	1
Active plan members	21
Total	22

#### ***2. Summary of Significant Accounting Policies.***

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

## Pamlico County, North Carolina Notes to the Financial Statements

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

### **3. Actuarial Assumptions**

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

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	1.93 percent

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

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, 2019.

*Mortality Assumption:* All mortality rates use Pub-2010 amount-weighted tables.

*Mortality Projection:* All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

*Deaths After Retirement (Healthy):* Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

*Deaths Before Retirement:* Mortality rates are based on the Safety Mortality Table for Employees.

*Deaths After Retirement (Beneficiary):* Mortality rates are based on the Below-median Teachers Mortality Table for Contingent Survivors. Rates for male members are Set Forward 3 years. Rates for female members are Set Forward 1 year. Because the contingent survivor tables have no rates prior to age 45, the Below-median Teachers Mortality Table for Employees is used for ages less than 45.

*Deaths After Retirement (Disabled):* Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

## Pamlico County, North Carolina Notes to the Financial Statements

### 4. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay-as-you-go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$10,568 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 \$551,791. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$62,781.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,302	\$ 63,213
Change of assumptions	173,991	12,768
County benefit payments and plan administrative expenses made subsequent to the measurement date	10,568	-
Total	\$ 198,861	\$ 75,981

\$10,568 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease to the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Year ended June 30:</b>		
2022		\$ 20,246
2023		20,994
2024		17,991
2025		14,243
2026		15,344
Thereafter		23,494

## Pamlico County, North Carolina Notes to the Financial Statements

*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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total pension liability	\$ 615,768	\$ 551,791	\$ 494,043

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

	<b>2021</b>
Beginning Balance	\$ 381,712
Service cost	30,263
Interest on the total pension liability	12,272
Change of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(37,923)
Change of assumptions or other inputs	176,035
Benefit payments	(10,568)
Other changes	-
Ending balance of the total pension liability	<u>\$ 551,791</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, 2019 valuation were based on the results of an actuarial experience study as of December 31, 2014.

## Pamlico County, North Carolina Notes to the Financial Statements

### **c. Supplemental Retirement Income Plan for Law Enforcement Officers**

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

*Funding Policy.* Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$56,260 which consisted of \$49,174 from the County and \$7,086 from the law enforcement officers.

The County has adopted the Supplemental Retirement Plan of North Carolina 401(k) for its non-law enforcement employees. The County does not contribute to the plan; however, employees may make voluntary contributions to the plan. The total contributions by the employees for the year ended June 30, 2021 was \$67,036.

### **d. Registers of Deeds' Supplemental Pension Fund**

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



## Pamlico County, North Carolina

### Notes to the Financial Statements

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

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,378 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$30,694 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset 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 asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 0.134%, which was an increase of 0.0886% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the County recognized pension benefit of \$359. 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	\$ -	\$ 625
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,626
Changes in proportion and differences between County contributions and proportionate share of contributions	967	1,122
County contributions subsequent to the measurement date	1,378	-
<b>Total</b>	<b>\$ 2,345</b>	<b>\$ 4,373</b>

## Pamlico County, North Carolina Notes to the Financial Statements

\$1,378 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	\$ (534)
2023	(1,025)
2024	(1,185)
2025	(662)
2026	-
Thereafter	-

*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 as of December 31, 2014.

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

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

## Pamlico County, North Carolina Notes to the Financial Statements

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)	\$ (26,071)	\$ (30,694)	\$ (34,606)

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

### **e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019.

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

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:

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
Proportionate share of Net Pension Liability (Asset)	\$3,087,440	\$ (30,694)	N/A	\$3,056,746
Proportion of the Net Pension Liability (Asset)	0.08640%	0.13000%	N/A	
Total Pension Liability	-	-	551,791	551,791
Pension Expense	1,041,107	(359)	62,781	1,103,529

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

	<b>LGERS</b>	<b>ROD</b>	<b>LEOSSA</b>	<b>Total</b>
<b>Deferred Outflows of Resources</b>				
Difference between expected and actual experience	\$ 389,890	\$ -	\$ 14,302	\$ 404,192
Changes of assumptions	229,766	-	173,991	403,757
Net difference between projected and actual earnings on pension plan investments	434,474	-	-	434,474
Changes in proportion and differences between County contributions and proportionate share of contributions	41,558	967	-	42,525
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	594,205	1,378	10,568	606,151
<b>Deferred Inflows of Resources</b>				
Differences between expected and actual experience	\$ -	\$ 625	\$ 63,213	\$ 63,838
Changes of assumptions	-	-	12,768	12,768
Changes in proportion and differences between County contributions and proportionate share of contributions	147,115	1,122	-	148,237
Net difference between projected and actual earnings on pension plan investments	-	2,626	-	2,626

## Pamlico County, North Carolina

### Notes to the Financial Statements

#### **f. Other Postemployment Benefit**

##### **Healthcare Benefits**

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

*Benefits Provided.* The County provides healthcare benefits to retirees of the County under the North Carolina Local Governmental Employees' Retirement System or the North Carolina Law Enforcement Officers' Local Governmental Employees' Retirement System who have their last five years of continuous service with the County at the time of retirement. The County has elected to contribute 2% of the cost of retiree health insurance to the plan, for each year of service. The benefits are available until the retiree reaches their 65<sup>th</sup> birthday, or obtains Medicare, whichever comes first. Retirees can purchase coverage for their dependents at the County's group rates until the retiree reaches age 65, or until the retiree obtains Medicare, whichever comes first. The County purchases healthcare coverage through private insurers. A separate report was not issued for the plan.

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

	<b><u>Employees</u></b>
Inactive members or beneficiaries currently receiving benefits	5
Active plan members	<u>102</u>
Total	<u><u>107</u></u>

##### *Total OPEB Liability*

The County's total OPEB liability of \$1,061,629 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

*Actuarial Assumptions and Other Inputs.* The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

## Pamlico County, North Carolina Notes to the Financial Statements

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases, including wage inflation	
General Employees	3.50 to 7.75 percent
Law Enforcement Officers	3.50 to 7.35 percent
Municipal Bond Index Rate	
Prior Measurement Date	3.50 percent
Measurement Date	2.21 percent
Health Care Cost Trend	
Pre-Medicare	7.00 percent for 2019 decreasing to an ultimate rate of 4.50 percent by 2026
Dental	4.00 percent

The County selected a Municipal Bond Index Rate equal to the Bond Buyer 20-year General Obligation Bond Index published at the last Thursday of June by The Bond Buyer, and the Municipal Bond Index Rate as of the measurement date as the discount rate used to measure the TOL.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2010 – December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2019 valuation were based on a review of recent plan experience done concurrently with the June 30, 2019 valuation.

### *Changes in the Total OPEB Liability*

Beginning balance	\$ 904,205
Changes for the year:	
Service cost	48,916
Interest on TOL and Cash Flows	32,815
Changes of benefit terms	-
Difference between expected and actual experience	(5,682)
Changes of assumptions or other inputs	112,743
Benefit payments and implicit subsidy credit	(31,368)
<b>Total OPEB liability, ending</b>	<b>\$ 1,061,629</b>

## Pamlico County, North Carolina

### Notes to the Financial Statements

*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 (2.21 percent) or 1-percentage point higher (4.21 percent) than the current discount rate:

	<b>1% Decrease (1.21%)</b>	<b>Current Discount Rate (2.21%)</b>	<b>1% Increase (3.21%)</b>
Total OPEB liability	\$ 1,158,751	\$ 1,061,629	\$ 973,035

*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:

	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Total OPEB liability	\$ 935,742	\$ 1,061,629	\$ 1,212,487

#### *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 \$54,852. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 16,691	\$ 191,462
Changes of assumptions or other inputs	110,640	54,666
Benefit payments and administrative costs made subsequent to the measurement date	30,821	-
<b>Total</b>	<b>\$ 158,152</b>	<b>\$ 246,128</b>

\$30,821 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, 2022.

## Pamlico County, North Carolina

### Notes to the Financial Statements

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ (26,879)
2023	(26,879)
2024	(26,879)
2025	(25,338)
2026	(19,335)
Thereafter	6,513

#### **g. Other Employment Benefits**

The County has elected to provide death benefits to law enforcement officers through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits.

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



**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**3. Deferred Outflows and Inflows of Resources**

Deferred inflows of resources at year-end is comprised of the following:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pensions - difference between expected and actual experience		
LGERS	\$ 389,890	\$ -
ROD	-	625
LEOSSA	14,302	63,213
Pensions - difference between projected and actual investment earnings		
LGERS	434,474	-
ROD	-	2,626
Pensions - change in assumptions		
LGERS	229,766	-
ROD	-	-
LEOSSA	173,991	12,768
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	41,558	147,115
ROD	967	1,122
Contributions to pension plan in current fiscal year		
LGERS	594,205	-
ROD	1,378	-
OPEB - difference between expected and actual experience	16,691	191,462
OPEB - Change in assumptions	110,640	54,666
Benefit payments for the OPEB plan paid subsequent to the measurement date	30,821	-
Benefit payments and admin costs paid subsequent to the measurement date (LEOSSA)	10,568	-
Prepaid taxes not yet earned (General)	-	95,470
Total	<u>\$ 2,049,251</u>	<u>\$ 569,067</u>

## Pamlico County, North Carolina

### Notes to the Financial Statements

#### **4. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence, auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers compensation coverage up to the statutory limits. All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County.

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

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

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

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

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The Finance Officer and Tax Collector are each individually bonded for \$50,000 each. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**5. Contingent Liabilities**

At June 30, 2021 the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters cannot be determined at this time due to uncertainty in the application of relevant laws to the pending litigation.

**6. Long-Term Obligations**

**a. Installment Purchase Obligation**

*Serviced by the General Fund:*

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

\$ 440,010

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

1,789,509

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

4,852,779

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

145,424

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

204,176

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

155,199

\$230,000 note for the purchase of law enforcement vehicles; issued August 2019, interest at 2.62% payable in semi-annual principal and interest payments of \$47,823, final payment August 2022; secured by equipment

139,793

Total direct borrowings \$ 7,726,890

## Pamlico County, North Carolina Notes to the Financial Statements

### *Serviced by the Water Districts*

\$1,513,819 State Revolving Loan, issued September 2007, interest at 2.305%, payable in annual installments of \$94,109, plus interest, final payment May 2023; secured by Southeast Water Tower \$ 188,219

\$3,888,793 State Revolving Loan, issued March 2012, interest at 0%, payable in annual installments ranging from \$214,489 to \$192,212, final payment May 2032; secured by system assets 2,114,332

\$1,712,410 Reelsboro Elevated Water Tank loan, issued January 2019, interest at 0%, payable in annual installments of \$60,621 beginning May 2020, final payment May 2039; secured by the Reelsboro Elevated Water Tank. As of June 30, 2020, the County had drawn down \$792,163, remainder to be drawn in future years as construction progresses. 731,542  
Total direct borrowings \$ 3,034,093

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

Year Ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 709,655	\$ 311,923	\$ 346,942	\$ 4,338
2023	524,771	290,216	346,942	2,169
2024	339,007	275,640	252,832	-
2025	177,114	264,067	252,832	-
2026	184,709	256,472	252,832	-
2027-2031	1,049,383	1,156,522	1,264,162	-
2032-2036	1,294,574	911,331	317,551	-
2037-2041	1,597,100	608,805	-	-
2042-2046	1,850,577	235,554	-	-
Total	\$ 7,726,890	\$ 4,310,530	\$ 3,034,093	\$ 6,507

Installment purchase obligations from direct borrowings in the amount of \$10,760,983 include a provision that if the County is determined to be in default, the full amount of the obligations could become due immediately, at the discretion of the lender.

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**b. Long-Term Obligation Activity**

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

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<b>Governmental activities:</b>					
Installment notes - direct borrowings	\$ 8,433,359	\$ -	\$ 706,469	\$ 7,726,890	\$ 709,655
Compensated absences	396,231	168,910	153,836	411,305	150,000
Total OPEB liability	844,619	142,830	-	987,449	-
Net pension liability (LGERs)	2,433,758	438,487	-	2,872,245	-
Total pension liability (LEOSSA)	381,712	170,079	-	551,791	-
Governmental activity long-term liabilities	\$ 12,489,679	\$ 920,306	\$ 860,305	\$ 12,549,680	\$ 859,655
<b>Business-type activities:</b>					
Installment notes - direct borrowings	\$ 3,381,035	\$ -	\$ 346,942	\$ 3,034,093	\$ 346,942
Compensated absences	34,511	4,168	10,663	28,016	12,000
Net pension liability (LGERs)	176,730	38,465	-	215,195	-
Total OPEB liability	59,586	14,594	-	74,180	-
Business-type long-term liabilities	\$ 3,651,862	\$ 57,227	\$ 357,605	\$ 3,351,484	\$ 358,942

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

**C. Net Investment in Capital Assets**

	Governmental Activities	Business-type Activities
Capital assets	\$ 11,335,544	\$ 12,018,212
Total long-term debt	7,726,890	3,034,093
Pamlico County Board of Education debt:		
High school cafeteria	(440,010)	-
Long-term debt related to capital assets	7,286,880	3,034,093
Net investment in capital assets	\$ 4,048,664	\$ 8,984,119

**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

**D. Fund Balance**

Pamlico County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The finance officer will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-County funds, and County funds.

For purposes of fund balance classification, expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance and, lastly, unassigned fund balance. The County has not adopted a formal fund balance policy.

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

<b>Total fund balance - General Fund</b>	<b>\$ 10,612,207</b>
Less:	
Prepays	(160)
Stabilization by State Statute	(1,482,854)
Appropriated Fund Balance in 2022 budget	(1,639,334)
<b>Remaining Fund Balance</b>	<b>\$ 7,489,859</b>

**E. Interfund Balances and Activity**

Transfers to/ from other funds at June 30, 2021 consist of the following:

Transfer from the Water Fund to General Fund for administrative purposes	\$ 118,475
Transfer from the General Fund to the Emergency Telephone System Fund for professional services	817
Transfer from the General Fund to the CDBG Scattered Site Fund for local match	10,000
Transfer from the General Fund to the CARES Fund for professional services	4,905
Transfer from the Water Fund to the Kershaw/Grantsboro Water Project for construction purposes	284,542
Transfer from Water Fund to Reelsboro Elevated Tank Project Fund for administrative purposes	100,000
<b>Total</b>	<b>\$ 518,739</b>

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

#### **III. Related Organizations**

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

#### **IV. Joint Ventures**

The County, in conjunction with Carteret County and Craven County, participates in the Coastal Regional Solid Waste Management Authority. The County appoints two members of the seven-member Board. The Authority is a joint venture established to provide solid waste management within these counties. The County has an ongoing financial responsibility for the Authority because it and the other counties are legally obligated under the intergovernmental agreement that created the Authority to honor any deficiencies in the event that proceeds from other sources are insufficient. The County paid \$21,689 to the Authority during the fiscal year ended June 30, 2021, which represents the Scrap Tire Disposal tax collected by the County. The participating governments did not have any equity interest in the joint venture, so no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the Authority can be obtained from the Authority's administrative offices at 7400 Old Highway 70 West, P.O. Box 128, Cove City, North Carolina 28560.

The County participates in a joint venture to operate Trillium Health Resources with twenty three other counties. Each county appoints two members to the Regional Advisory Board and one county Commissioner from each advisory board is appointed to the governing board. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' funding in conjunction with funding from the State of North Carolina. None of the participating governments have any equity interest in the Center; therefore, no equity interest has been reflected in the financial statements at June 30, 2021. Money received from the ABC Board designated for alcohol education is passed through to the Center. Complete financial statements for the Center may be obtained from the Center's offices at 144 Community College Road, Ahoskie, North Carolina 27910.

The County, in conjunction with the State of North Carolina and the Pamlico County Community College trustees, participates in a joint venture to operate Pamlico County Community College. The County appoints four members of the twelve member Board of Trustees of the Community College. The Community College is included as a component unit of the State of North Carolina. The County has an ongoing financial responsibility to providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. The County contributed \$837,594 to the Community College 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 financial statements at June 30, 2021. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Highway 306 South, Grantsboro, NC 28529.

## Pamlico County, North Carolina Notes to the Financial Statements

### **V. Jointly Governed Organizations**

*Craven-Pamlico-Carteret Regional Library.* The County, in conjunction with two other counties, governs the operations of the Craven-Pamlico-Carteret Regional Library. Each of the participating governments appoints three Board members to the nine member Board. For the year ended June 30, 2021, the County contributed \$281,958 to the operating budget. The library is dependent upon future funding of Pamlico County and the State of North Carolina's continued funding.

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

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

### **VI. 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.



**Pamlico County, North Carolina**  
**Notes to the Financial Statements**

	<b>Federal</b>	<b>State</b>
Medicaid	\$ 14,352,509	\$ 5,667,074
NC Health Choice	103,705	21,935
Food Stamp Program	4,366,425	-
Women, Infants, and Children	164,649	-
Temporary Assistance for Needy Families	34,290	-
Foster Care	32,569	6,866
Adoption Assistance	70,046	12,596
CWS Adoption Subsidy	-	46,543
SC/SA Domicillary Care Payment	-	114,845
SFHF Maximization	-	4,063
State Foster Home	-	5,978
<b>Total</b>	<b>\$ 19,124,193</b>	<b>\$ 5,879,900</b>

**VII. Component Unit Transactions**

In the fiscal year 2021, the County and Pamlico County ABC Board, its component unit, reported the following transactions:

<b>Purpose</b>	<b>Amount</b>
Profit distribution	\$ 79,279
ABC law enforcement	1,484
<b>Total</b>	<b>\$ 80,763</b>

## **Pamlico County, North Carolina**

### **Notes to the Financial Statements**

#### **VIII. Summary Disclosure of Significant Commitments and Contingencies**

##### **Federal and State Assisted Programs**

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

##### **IX. Uncertainty**

In March 2020, the World Health Organization made the assessment that the outbreak of a novel coronavirus (COVID-19) can be characterized as a pandemic. As a result, certain operations of the County have been affected. The ability of some residents to make tax and/or utility payments has and may at times be impacted by the effects of the pandemic, as well as, state shared revenues, local, state, and federal grant funding. In response to this event, the County, through Executive Order of the Governor, suspended its cut-off policies for non-payment of utilities and/or extended due dates and payment options of utilities and property taxes for residents. Continued effects of the pandemic may result in uncertainties and a negative impact on operating activities and results of the County. The occurrence and extent of such an impact will depend on future developments, including (i) the duration and spread of the virus, (ii) government quarantine measures, (iii) voluntary and precautionary restrictions on travel or meetings, (iv) the effects on the financial markets, and (v) the effects on the economy overall, all of which are uncertain.

##### **X. Change in Accounting Principles**

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 statements 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.

## Pamlico County, North Carolina Notes to the Financial Statements

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as follows:

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)	
				Cash received under the Social Security Administration's Representative Payee Program net of liabilities owed for payment on behalf of beneficiaries were reclassified out of 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 was restated as fund balance.
\$ 86,936	\$ -	\$ 86,936	\$ -	
				Cash related to funds held on behalf of incarcerated inmates was reclassified from the General Fund into fiduciary net position in a newly created Jail Inmate Custodial Account
(33,087)	(33,087)	-	33,087	
				Cash, taxes receivable and liabilities related to ad valorem and vehicle property taxes collected by the County on behalf of various municipalities were reclassified out of into a newly created Municipal Tax Custodial Fund. The taxes receivable at the beginning of the year less beginning liabilities was restated as custodial net position.
-	-	-	68,330	
				Cash, accounts receivable, and liabilities related to sewer charges collected by the County on behalf of the Bay River Metropolitan Sewer District was reclassified out of the Agency Fund into a newly created Private-Purpose Trust Fund. The portion of liabilities in the Agency Fund attributable to accounts receivable at the beginning of the year were restated as custodial net position.
-	-	-	199,047	
<u>\$ 53,849</u>	<u>\$ (33,087)</u>	<u>\$ 86,936</u>	<u>\$ 300,464</u>	

**Pamlico County, North Carolina**  
**Schedule of the County's Proportionate Share of the**  
**Net Pension Liability (Asset)**  
**Local Governmental Employee's Retirement System**  
**Required Supplemental Information**  
**Last Eight Fiscal Years \***

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.086%	0.096%	0.091%	0.090%	0.082%	0.077%	0.074%	0.075%
County's proportion of the net pension liability (asset) (\$)	\$ 3,087,440	\$ 2,610,488	\$ 2,160,966	\$ 1,372,201	\$ 1,732,036	\$ 343,776	\$ (437,945)	\$ 901,627
County's covered payroll	\$ 6,059,996	\$ 6,296,176	\$ 5,919,991	\$ 5,603,577	\$ 5,646,584	\$ 5,306,399	\$ 5,180,842	\$ 4,840,003
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.95%	41.46%	36.50%	24.49%	30.67%	6.48%	-8.45%	18.63%
Plan fiduciary net position as a percentage of the total pension liability	92.00%	94.18%	91.47%	98.09%	98.79%	102.64%	94.35%	98.22%

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

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

**Pamlico County, North Carolina**  
**Schedule of the County Contributions**  
**Local Governmental Employee's Retirement System**  
**Required Supplemental Information**  
**Last Eight Fiscal Years \***

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually required contribution	\$ 594,205	\$ 547,992	\$ 496,684	\$ 444,756	\$ 407,987	\$ 328,151	\$ 326,080	\$ 311,843
Contributions in relation to the contractually required contribution	<u>594,205</u>	<u>547,992</u>	<u>496,684</u>	<u>444,756</u>	<u>407,987</u>	<u>328,151</u>	<u>326,080</u>	<u>311,843</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 6,230,738	\$ 6,059,996	\$ 6,296,176	\$ 5,919,991	\$ 5,603,577	\$ 5,646,584	\$ 5,306,399	\$ 5,180,842
Contributions as a percentage of covered payroll	9.54%	9.04%	7.89%	7.51%	7.28%	5.81%	6.15%	6.02%

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

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

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.13%	0.13%	0.14%	0.14%	0.157%	0.143%	0.148%	0.136%
County's proportion of the net pension liability (asset) (\$)	\$ (30,694)	\$ (24,691)	\$ (22,368)	\$ (24,100)	\$ (29,285)	\$ (32,318)	\$ (33,516)	\$ (28,996)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%	189.65%

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

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

**Pamlico County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Required Supplemental Information**  
**Last Eight Fiscal Years \***

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,378	\$1,429	\$ 1,416	\$ 5,162	\$ 5,705	\$ 1,280	\$ 3,218	\$ 1,207
Contributions in relation to the contractually required contribution	<u>1,378</u>	<u>1,429</u>	<u>1,416</u>	<u>5,162</u>	<u>5,705</u>	<u>1,280</u>	<u>3,218</u>	<u>1,207</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

**Pamlico County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplemental Information**  
**For the Year Ended June 30, 2021**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning Balance	\$ 381,712	\$ 377,749	\$ 361,492	\$ 285,431	\$ 276,577
Service cost	30,263	27,730	27,999	24,847	20,620
Interest on the total pension liability	12,272	13,558	11,241	10,790	9,634
Change of benefit terms	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	(37,923)	(42,797)	8,771	24,408	-
Change of assumptions or other inputs	176,035	16,040	(20,232)	27,824	(7,981)
Benefit payments	(10,568)	(10,568)	(11,522)	(11,808)	(13,419)
Other changes	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 551,791</u>	<u>\$ 381,712</u>	<u>\$ 377,749</u>	<u>\$ 361,492</u>	<u>\$ 285,431</u>

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

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



**Pamlico County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**Required Supplemental Information**  
**For the Year Ended June 30, 2021**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total pension liability	\$ 551,791	\$ 381,712	\$ 377,749	\$ 361,492	\$ 285,431
Covered payroll	1,062,258	1,043,156	1,031,255	1,061,206	873,603
Total pension liability as a percentage of covered payroll	51.95%	36.59%	36.63%	34.06%	32.67%

Notes to the schedule:

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

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

**Pamlico County, North Carolina**  
**Schedule of Changes in the Total OPEB**  
**Liability and Related Ratios**  
**Required Supplemental Information**  
**For the Year Ended June 30, 2021**

<b>Total OPEB Liability</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Service cost	\$ 48,916	\$ 90,263	\$ 92,493	\$ 98,554
Interest	32,815	43,923	37,797	30,758
Changes of benefit terms	-	(98,228)	-	-
Differences between expected and actual experience	(5,682)	(254,999)	20,524	8,401
Changes of assumptions	112,743	17,812	(39,157)	(62,996)
Benefit payments	(31,368)	(46,928)	(41,631)	(28,243)
Net change in total OPEB liability	157,424	(248,157)	70,026	46,474
Total OPEB liability - beginning	904,205	1,152,362	1,082,336	1,035,862
Total OPEB liability - ending	<u>\$ 1,061,629</u>	<u>\$ 904,205</u>	<u>\$ 1,152,362</u>	<u>\$ 1,082,336</u>
Covered payroll	\$ 4,121,569	\$ 4,121,569	\$ 4,967,384	\$ 4,967,384
Total OPEB liability as a percentage of covered payroll	25.76%	21.94%	23.20%	21.79%

**Notes to schedule:**

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The following are the discount rates used in each period:

<b>Fiscal Year</b>	<b>Rate</b>
2018	3.56%
2019	3.89%
2020	3.50%
2021	2.21%

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Ad valorem taxes			
Taxes		\$ 11,993,772	
Penalties and interest		137,716	
Total	\$ 12,091,871	12,131,488	\$ 39,617
Local option sales tax			
Article 39 and 44		1,762,731	
Article 40		1,039,026	
Article 42		698,725	
Total	3,327,000	3,500,482	173,482
Other taxes and licenses			
Documentary stamps		143,399	
Scrap tire disposal tax		21,689	
White goods disposal tax		7,047	
Medicaid hold harmless		322,625	
Other taxes		16,638	
Total	452,900	511,398	58,498
Unrestricted intergovernmental			
Beer and wine tax		33,561	
ABC profit distribution		116,341	
School resource officer		88,001	
Sheriff & Jail fees		1,390,529	
Facility fees		12,288	
Total	1,579,200	1,640,720	61,520
Restricted intergovernmental			
Federal and State grants		3,336,076	
Controlled substance tax		7,516	
ABC bottle tax		3,481	
Total	3,930,977	3,347,073	(583,904)

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Permits and fees			
Building permits		201,051	
Register of Deeds		85,225	
Other permits and fees		110,139	
Total	356,400	396,415	40,015
Sales and services			
Rents and concessions		46,057	
Recreation fees		105	
Patient Fees - Nursing Home & Health Dept.		5,250	
Senior Citizens fees		800	
Other fees		171,819	
Total	194,458	224,031	29,573
Investment earnings	25,000	6,474	(18,526)
Miscellaneous	16,192	76,572	60,380
Total revenues	21,973,998	21,834,653	(139,345)
<b>EXPENDITURES</b>			
General government			
Governing board			
Salaries and benefits		81,375	
Operating expenditures		732,538	
Total	880,530	813,913	66,617
County manager			
Salaries and benefits		173,245	
Operating expenditures		13,884	
Total	248,244	187,129	61,115
Personnel			
Salaries and benefits		164,011	
Operating expenditures		12,288	
Total	231,954	176,299	55,655
Finance			
Salaries and benefits		305,479	
Operating expenditures		34,132	
Total	429,192	339,611	89,581

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Tax Administrator			
Salaries and benefits		382,982	
Operating expenditures		230,479	
Total	694,936	613,461	81,475
Board of Elections			
Salaries and benefits		140,486	
Operating expenditures		77,056	
Total	334,154	217,542	116,612
Register of Deeds			
Salaries and benefits		120,084	
Operating expenditures		32,702	
Total	195,031	152,786	42,245
Data processing	136,000	87,868	48,132
Public Buildings			
Salaries and benefits		168,983	
Operating expenditures		399,024	
Capital outlay		34,774	
Total	787,876	602,781	185,095
Total general government	3,937,917	3,191,390	746,527
Public safety			
Sheriff			
Salaries and benefits		1,327,689	
Operating expenditures		507,957	
Capital outlay		100,529	
Total	2,268,892	1,936,175	332,717
Jail			
Salaries and benefits		1,082,689	
Operating expenditures		719,322	
Total	2,162,453	1,802,011	360,442

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Dispatch			
Salaries and benefits		425,250	
Operating expenditures		1,052	
Total	489,774	426,302	63,472
Medical examiner	31,000	12,900	18,100
Emergency management			
Salaries and benefits		125,152	
Operating expenditures		191,569	
Fire Departments		90,791	
Rescue Squads		948,899	
Total	1,517,812	1,356,411	161,401
Total public safety	6,469,931	5,533,799	936,132
Environmental protection			
Recycling			
Salaries and benefits		111,791	
Operating expenditures		179,184	
Capital outlay		31,450	
Total	381,073	322,425	58,648
Landfill monitoring	35,258	11,258	24,000
Animal control			
Salaries and benefits		59,331	
Operating expenditures		69,423	
Total	178,214	128,754	49,460
Total environmental protection	594,545	462,437	132,108
Economic & physical development			
Planning			
Salaries and benefits		60,219	
Operating expenditures		47,115	
Total	248,288	107,334	140,954

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Building inspections			
Salaries and benefits		195,413	
Operating expenditures		26,210	
<b>Total</b>	<b>263,109</b>	<b>221,623</b>	<b>41,486</b>
Soil conservation			
Salaries and benefits		95,195	
Operating expenditures		228,786	
<b>Total</b>	<b>445,303</b>	<b>323,981</b>	<b>121,322</b>
Cooperative extension	131,635	111,249	20,386
Forrestry	95,000	88,118	6,882
<b>Total economic &amp; physical development</b>	<b>1,183,335</b>	<b>852,305</b>	<b>331,030</b>
Human services			
Senior Center			
Salaries and benefits		195,227	
Operating expenses		38,154	
Small home repair		3,721	
NRCOG Nutrition		83,263	
Senior health insurance info		3,305	
<b>Total</b>	<b>521,897</b>	<b>323,670</b>	<b>198,227</b>

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Health department			
Salaries and benefits		212,350	
Operating expenses		88,723	
Bioterrorism		183	
Tuberculosis		5,789	
Communicable disease		10,986	
Immunization action plan		15,040	
Primary care		20,451	
Breast cervical cancer		12,821	
COVID 19		142,657	
ELC enhancing detection		122,973	
Child health		17,542	
Maternal health		1,672	
Women preventive health		29,981	
Health promotion		36,892	
Environmental health		124,437	
Mosquito control		1,000	
HIV/STD		16,604	
Food and lodging		73,495	
Woman, infant and children		75,672	
Capital outlay		22,066	
Total	1,603,900	1,031,334	572,566
East Carolina Behavioral Health	51,200	34,491	16,709
Social services			
Salaries and benefits		1,930,005	
Operating expenditures		202,490	
Capital outlay		10,862	
Medicaid transportation		84,300	
Special Assistance for Adults		70,087	
Child support		744	
Emergency foster care		15	
State foster care		21,105	
AFDC/TANF foster care		67,485	
Aid to the blind		784	
Adoption assistance		25,465	
Crisis intervention program		99,076	
Child care services		1,976	
Aging services		66,743	
Duke Energy utility program		7,122	
Transportation		20,394	
NRCOG chore services		29,721	
Total	3,349,996	2,638,374	711,622



**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Veterans services	20,955	14,015	6,940
Department of Juvenile Justice Partnership			
Task Force Certification		18,637	
Intervention - delinquency		68,413	
Total	154,859	87,050	67,809
Total human services	5,702,807	4,128,934	1,573,873
Cultural and recreation			
Salaries and benefits		255,859	
Operating expenditures		70,876	
Capital outlay		3,000	
Total	390,390	329,735	60,655
Libraries	334,950	281,958	52,992
Total cultural and recreation	725,340	611,693	113,647
Education			
Pamlico County Board of Education			
Current		4,000,000	
Capital		375,000	
Total	4,380,000	4,375,000	5,000
Pamlico Community College	852,594	837,594	15,000
Total education	5,232,594	5,212,594	20,000
Debt service			
Principal		706,469	
Interest		328,459	
Total debt service	1,041,340	1,034,928	6,412
Total expenditures	24,887,809	21,028,080	3,859,729
Revenues over (under) expenditures	(2,913,811)	806,573	3,720,384

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Sale of capital assets	-	87,360	87,360
Transfer to Emergency Telephone System Fund	(5,817)	(817)	5,000
Transfer to FY16-008 FMA Grant	(398,134)	-	398,134
Transfer to CARES Fund	(5,000)	(4,905)	95
Transfer to CDBG Scattered Site	(30,000)	(10,000)	20,000
Transfer from Water Fund	122,000	118,475	(3,525)
Total other financing sources	(316,951)	190,113	507,064
Fund balance appropriated	3,230,762	-	(3,230,762)
Net change in fund balance	\$ -	996,686	\$ 996,686
Fund balance, beginning		8,646,925	
Prior period restatement		(33,087)	
Fund balance, beginning as restated		8,613,838	
Fund balance, ending		\$ 9,610,524	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**FEMA Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 2,000,000	\$ -	\$ (2,000,000)
<b>EXPENDITURES</b>			
Debt service	3,633,062	-	3,633,062
Principal	2,000,000	-	2,000,000
Total expenditures	5,633,062	-	5,633,062
Revenue over (under) expenditures	(3,633,062)	-	3,633,062
<b>OTHER FINANCING SOURCES:</b>			
Installment purchase obligation issued	2,000,000	-	(2,000,000)
Transfer from General Fund	1,633,062	-	(1,633,062)
Total other financing sources	3,633,062	-	(3,633,062)
Revenues and other financing sources over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		1,001,683	
Fund balance, ending		<u>\$ 1,001,683</u>	

**Pamlico County, North Carolina**  
**Combining Balance Sheet**  
**Non-major Governmental Funds**  
**June 30, 2021**

	Special Revenue Funds																		Capital Project Fund	
	Fire District Funds	Reappraisal Fund	Emergency Telephone System Fund	CDBG Scattered Site Fund	Register of Deeds Enhancement & Preservation	4H Fund	Electronic Management Fund	FMA-SRL Grant Fund	FMA-RL Grant Fund	NCHFA Grant Fund	FY16-008 FMA Grant	Hazard Mitigation Grant	ESFRL17	CARES Fund	Golden Leaf Grant	DSS Representative Payee	PCC Roof Replacement Project	Total Non- Major Governmental Funds		
ASSETS																				
Cash and cash equivalents	\$ 31,189	\$ -	\$ 305,059	\$ 6,219	\$ 10,690	\$14,118	\$ 6,633	\$ 158,380	\$ 51,907	\$ -	\$ -	\$ 36,021	\$ -	\$ 4,766	\$ -	\$ 63,692	\$ 6	\$ 688,680		
Accounts receivable	-	-	36,741	-	-	-	-	-	-	-	398,134	-	-	-	-	-	-	434,875		
Taxes receivable, net	69,383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,383		
Prepaid items	-	-	-	-	-	2,720	-	-	-	-	-	-	-	-	-	-	-	2,720		
Restricted cash and cash equivalents	-	14,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,226		
Total assets	\$ 100,572	\$ 14,226	\$ 341,800	\$ 6,219	\$ 10,690	\$16,838	\$ 6,633	\$ 158,380	\$ 51,907	\$ -	\$ 398,134	\$ 36,021	\$ -	\$ 4,766	\$ -	\$ 63,692	\$ 6	\$ 1,209,884		
LIABILITIES																				
Accounts payable	\$ -	\$ 3,000	\$ 4,462	\$ -	\$ -	\$ 51	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	7,513		
Deferred revenues	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Cash overdraft	-	-	-	-	-	-	-	-	-	-	376,134	-	-	-	-	-	-	376,134		
Total liabilities	-	3,000	4,462	-	-	51	-	-	-	-	376,134	-	-	-	-	-	-	383,647		
DEFERRED INFLOWS OF RESOURCES																				
Property taxes receivable	69,383	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,383		
FUND BALANCES																				
Non-spendable	-	-	-	-	-	2,720	-	-	-	-	-	-	-	-	-	-	-	2,720		
Restricted																				
Stabilization by State Statute	-	-	36,741	-	-	-	-	-	-	-	398,134	-	-	-	-	-	-	434,875		
Public Safety	31,189	-	300,597	-	-	-	-	-	-	-	-	-	-	4,766	-	-	-	336,552		
Economic and physical development	-	-	-	6,219	-	14,067	6,633	158,380	51,907	-	-	36,021	-	-	-	-	-	273,227		
Register of deeds	-	-	-	-	10,690	-	-	-	-	-	-	-	-	-	-	-	-	10,690		
Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6	6		
Health services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	63,692	-	63,692		
Committed	-	11,226	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,226		
Unassigned	-	-	-	-	-	-	-	-	-	-	(376,134)	-	-	-	-	-	-	(376,134)		
Total fund balances	31,189	11,226	337,338	6,219	10,690	16,787	6,633	158,380	51,907	-	22,000	36,021	-	4,766	-	63,692	6	756,854		
Total liabilities, deferred inflows of resources																				
and fund balances	\$ 100,572	\$ 14,226	\$ 341,800	\$ 6,219	\$ 10,690	\$16,838	\$ 6,633	\$ 158,380	\$ 51,907	\$ -	\$ 398,134	\$ 36,021	\$ -	\$ 4,766	\$ -	\$ 63,692	\$ 6	\$ 1,209,884		

**Pamlico County, North Carolina**  
**Combining Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance**  
**Non-major Governmental Funds**  
**For The Fiscal Year Ended June 30, 2021**

	Special Revenue Funds																Capital Project Fund		
	Fire District Funds	Reappraisal Fund	Emergency Telephone System Fund	CDBG Scattered Site Fund	Register of Deeds Enhancement & Preservation	4H Fund	Electronic Management Fund	FMA-SRL Fund	FMA-RL Fund	NCHFA Grant Fund	FY16-008 FMA Grant	Hazard Mitigation Grant	ESFRL17	CARES Fund	Golden Leaf Grant	DSS Representative Payee	PCC Roof Replacement Project	Total Non-Major Governmental Funds	
REVENUES																			
Ad valorem taxes	\$ 807,390	\$ 51,191	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 858,581	
Restricted intergovernmental	19,170	-	161,818	-	10,039	-	-	-	-	231,375	185,701	-	161,810	289,407	472,239	172,925	-	1,704,484	
Other taxes and license	181,075	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	181,075	
Sales and service	-	-	-	-	-	210	-	-	-	-	-	-	-	-	-	-	-	210	
Investment earnings	-	23	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total revenues	1,007,635	51,214	161,818	-	10,039	210	-	-	-	231,375	185,701	-	161,810	289,407	472,239	172,925	-	2,744,373	
EXPENDITURES																			
Current																			
General government	-	42,671	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,671	
Public safety	1,001,569	-	127,405	-	-	-	-	-	-	-	-	-	-	289,546	-	-	-	1,418,520	
Economic & physical development	-	-	-	3,781	2,950	2,982	-	-	-	231,375	198,249	-	161,810	-	472,239	-	-	1,073,386	
Human services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	196,169	-	196,169	
Total expenditures	1,001,569	42,671	127,405	3,781	2,950	2,982	-	-	-	231,375	198,249	-	161,810	289,546	472,239	196,169	-	2,730,746	
Excess (deficiency) of revenues over expenditures	6,066	8,543	34,413	(3,781)	7,089	(2,772)	-	-	-	-	(12,548)	-	-	(139)	-	(23,244)	-	13,627	
OTHER FINANCING SOURCES																			
Transfer from General Fund	-	-	817	10,000	-	-	-	-	-	-	-	-	-	4,905	-	-	-	15,722	
Net change in fund balances	6,066	8,543	35,230	6,219	7,089	(2,772)	-	-	-	-	(12,548)	-	-	4,766	-	(23,244)	-	29,349	
Fund balance, beginning as previously reported	25,123	2,683	302,108	-	3,601	19,559	6,633	158,380	51,907	-	34,548	36,021	-	-	-	-	6	640,569	
Prior period restatement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,936	-	86,936	
Fund balance, beginning as restated	25,123	2,683	302,108	-	3,601	19,559	6,633	158,380	51,907	-	34,548	36,021	-	-	-	86,936	6	727,505	
Fund balances, ending	\$ 31,189	\$ 11,226	\$ 337,338	\$ 6,219	\$ 10,690	\$ 16,787	\$ 6,633	\$ 158,380	\$ 51,907	\$ -	\$ 22,000	\$ 36,021	\$ -	\$ 4,766	\$ -	\$ 63,692	\$ 6	\$ 756,854	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures**  
**and Changes in Fund Balance – Budget and Actual**  
**Fire District Funds**  
**For The Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes	\$ 1,250,000	\$ 807,390	\$ (442,610)
Other taxes	119,200	181,075	61,875
Restricted intergovernmental	19,170	19,170	-
Total revenues	1,388,370	1,007,635	(380,735)
<b>EXPENDITURES</b>			
Public safety			
Operating expenditures	1,388,370	1,001,569	386,801
Revenues over (under) expenditures	\$ -	6,066	\$ 6,066
Fund balance, beginning		25,123	
Fund balance, ending		\$ 31,189	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures,**  
**and Changes in Fund Balance – Budget and Actual**  
**Reappraisal Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Ad valorem taxes	\$ 45,000	\$ 51,191	\$ 6,191
Investment earnings	-	23	23
Total revenues	45,000	51,214	6,214
<b>EXPENDITURES</b>			
General government			
Operating expenditures	45,000	42,671	2,329
Revenues over (under) expenditures	\$ -	8,543	\$ 8,543
Fund balance, beginning		2,683	
Fund balance, ending		\$ 11,226	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Emergency Telephone System Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 135,000	\$ 161,818	\$ 26,818
<b>EXPENDITURES</b>			
Public safety			
Contracted services		127,405	
Total expenditures	155,817	127,405	28,412
Revenues over (under) expenditures	(20,817)	34,413	55,230
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	817	817	-
Fund balance appropriated	20,000	-	(20,000)
Revenues, other financing sources and fund balance appropriated over (under) expenditures	\$ -	35,230	\$ 35,230
Fund balance, beginning		302,108	
Fund balance, ending		\$ 337,338	



**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance- Budget and Actual**  
**CDBG Scattered Site Fund**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

	Project Authorization	Prior Year	Current Year	Total to Date	Variance Positive (Negative)
<b>REVENUES</b>					
Resticted revenues:					
CDBG Grants	\$ 3,037,872	\$ 440,342	\$ -	\$ 440,342	\$ (2,597,530)
<b>EXPENDITURES</b>					
Economic and physical development					
Clearance	139,569	16,267	-	16,267	123,302
Rehabilitation	685,261	202,448	-	202,448	482,813
Relocation	1,157,000	186,829	-	186,829	970,171
Administration	1,008,872	32,627	3,781	36,408	972,464
TEDG	75,000	-	-	-	75,000
Total expenditures	3,065,702	438,171	3,781	441,952	2,623,750
Revenues over (under) expenditures	(27,830)	2,171	(3,781)	(1,610)	26,220
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer from General Fund	30,000	-	10,000	10,000	(20,000)
Transfer to General Fund	(2,170)	(2,171)	-	(2,171)	(1)
Total other financing sources (uses)	27,830	(2,171)	10,000	7,829	(20,001)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	6,219	\$ 6,219	\$ 6,219
Fund balance, beginning			-		
Fund balance, ending			\$ 6,219		

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Register of Deeds Enhancement Preservation Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Other taxes and license			
Other taxes	\$ 3,061	\$ 10,039	\$ 6,978
<b>EXPENDITURES</b>			
Economic and physical development			
Operating expenditures		2,950	
Total expenditures	6,732	2,950	3,782
Revenues over (under) expenditures	(3,671)	7,089	10,760
Fund balance appropriated	3,671	-	(3,671)
Revenues and appropriated fund balance over (under) expenditures	\$ -	7,089	\$ 7,089
Fund balance, beginning		3,601	
Fund balance, ending		\$ 10,690	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**4-H Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Sales and service	\$ 350	\$ 210	\$ (140)
<b>EXPENDITURES</b>			
Economic and physical development			
Operating expenditures	17,600	2,982	14,618
Revenues over (under) expenditures	(17,250)	(2,772)	(14,758)
Fund balance appropriated	17,250	-	(17,250)
Revenues and appropriated fund balance over (under) expenditures	\$ -	(2,772)	\$ (2,772)
Fund balance, beginning		19,559	
Fund balance, ending		\$ 16,787	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Electronic Management Fund**  
**For the Fiscal Year Ended June 30, 2021**

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

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**FMA-SRL Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 58,703	\$ -	\$ (58,703)
<b>EXPENDITURES</b>			
Economic and physical development			
Soft costs		-	
Elevation		-	
Total expenditures	58,703	-	58,703
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		158,380	
Fund balance, ending		\$ 158,380	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**FMA-RL Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 234,748	\$ -	\$ (234,748)
<b>EXPENDITURES</b>			
Economic and physical development			
Soft costs	234,748	-	
Total expenditures	234,748	-	234,748
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		51,907	
Fund balance, ending		\$ 51,907	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**NCHFA Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Restricted intergovernmental	\$ 479,530	\$ 231,375	\$ (248,155)
<b>EXPENDITURES</b>			
Economic and physical development			
Soft costs		25,440	
Hard costs		205,935	
Total expenditures	479,530	231,375	248,155
Revenues over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**FY16-008 FMA Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 1,198,292	\$ 185,701	\$ (1,012,591)
<b>EXPENDITURES</b>			
Economic and physical development			
Soft costs		21,999	
Elevation cost		176,250	
Total expenditures	1,655,163	198,249	1,456,914
Revenues over (under) expenditures	(456,871)	(12,548)	444,323
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	456,871	-	(456,871)
Revenues and other sources over (under) expenditures	\$ -	(12,548)	\$ (12,548)
Fund balance, beginning		34,548	
Fund balance, ending		\$ 22,000	



**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Hazard Mitigation Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 15,857,836	\$ -	\$ (15,857,836)
<b>EXPENDITURES</b>			
Current:			
Economic and physical development	16,069,020	-	16,069,020
Revenues over expenditures	(211,184)	-	211,184
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	211,184	-	(211,184)
Revenues and other financing sources over (under) expenditures	\$ -	-	\$ -
Fund balances, beginning		36,021	
Fund balance, ending		\$ 36,021	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**ESFRL17 Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 160,000	\$ 161,810	\$ 1,810
<b>EXPENDITURES</b>			
Economic and physical development			
Soft costs		37,370	
Construction		124,440	
Total expenditures	177,280	161,810	15,470
Revenues over (under) expenditures	(17,280)	-	17,280
Fund balance appropriated	17,280	-	(17,280)
Revenues and appropriated fund balance over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**CARES Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 704,042	\$ 289,407	\$ (414,635)
<b>EXPENDITURES</b>			
Public safety			
Salaries and benefits		180,582	
CARES Act funding to Towns		104,658	
Operating expenditures		4,306	
Total expenditures	709,042	289,546	419,496
Revenues over (under) expenditures	(5,000)	(139)	4,861
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	5,000	4,905	(95)
Revenues and other financing sources over (under) expenditures	\$ -	4,766	\$ 4,766
Fund balance, beginning		-	
Fund balance, ending		\$ 4,766	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**Golden Leaf Grant Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 822,011	\$ 472,239	\$ (349,772)
<b>EXPENDITURES</b>			
Economic and physical development			
Training		472,239	
Total expenditures	909,563	472,239	437,324
Revenues over (under) expenditures	(87,552)	-	87,552
<b>OTHER FINANCING SOURCES</b>			
Transfer from General Fund	87,552	-	(87,552)
Revenues and other sources			
over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning		-	
Fund balance, ending		\$ -	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**DSS Representative Payee Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Restricted intergovernmental	\$ 235,422	\$ 172,925	\$ (62,497)
<b>EXPENDITURES</b>			
Human services			
Payments made for the benefit of beneficiaries	235,422	196,169	39,253
Total expenditures	235,422	196,169	39,253
Revenues over (under) expenditures	\$ -	(23,244)	\$ (23,244)
Fund balance, beginning as previously reported		-	
Prior period restatement - change in accounting principle		86,936	
Fund balance, beginning as restated		86,936	
Fund balance, ending		\$ 63,692	

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balance – Budget and Actual**  
**PCC Roof Replacement Project**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

		<b>Actual</b>			<b>Variance</b>
	<b>Project</b>			<b>Total to</b>	<b>Positive</b>
	<b>Authorization</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Date</b>	<b>(Negative)</b>
<b>REVENUES</b>					
Restricted Intergovernmental	\$ 50,000	\$ 11,607	\$ -	\$ 11,607	\$ (38,393)
Investment earnings	-	92	-	92	92
Total revenues	50,000	11,699	-	11,699	(38,301)
<b>EXPENDITURES</b>					
Economic and physical development					
Construction	456,000	442,832	-	442,832	13,168
Professional fees	12,121	11,001	-	11,001	1,120
Administration	22,850	1,900	-	1,900	20,950
Contingency	45,300	-	-	-	45,300
Debt Service	-	57,260	-	57,260	(57,260)
Total expenditures	536,271	512,993	-	512,993	23,278
Revenues over (under) expenditures	(486,271)	(501,294)	-	(501,294)	(15,023)
<b>OTHER FINANCING SOURCES</b>					
Transfer from General Fund	1,300	1,300	-	1,300	-
Installment purchase obligation issued	484,971	500,000	-	500,000	15,029
Total other financing sources	486,271	501,300	-	501,300	15,029
Revenues and other sources					
over (under) expenditures	\$ -	\$ 6	\$ -	\$ 6	\$ 6

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures and**  
**Budget and Actual (Non-GAAP)**  
**Water Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>			
Operating revenues			
Charges for services	\$ 2,500,000	\$ 2,492,470	\$ (7,530)
Taps and connection fees	70,000	104,020	34,020
Other operating revenue	31,600	81,632	50,032
Total revenues	2,601,600	2,678,122	76,522
<b>EXPENDITURES</b>			
Water operations			
Salaries and benefits		623,698	
Contract services		921,540	
Monitoring services		70,266	
Utilities		127,965	
Maintenance and repairs		30,807	
Supplies and materials		291,456	
Other operating expenditures		27,153	
Total	2,314,363	2,092,885	221,478
Capital outlay	355,400	238,713	116,687
Total expenditures	2,669,763	2,331,598	338,165
Revenues over (under) expenditures	(68,163)	346,524	414,687

**Pamlico County, North Carolina**  
**Schedule of Revenues, Expenditures and**  
**Budget and Actual (Non-GAAP)**  
**Water Fund**  
**For the Fiscal Year Ended June 30, 2021**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer to capital projects	(510,208)	(384,542)	125,666
Transfer to other funds	(118,475)	(118,475)	-
Total other financing sources (uses)	(628,683)	(503,017)	125,666
Appropriated fund balance	696,846	-	(696,846)
Revenues and other sources over (under)			
expenditures and other uses	\$ -	(156,493)	\$ (156,493)
Reconciliation from budgetary basis to full accrual:			
Reconciling items:			
Increase in accrued vacation		(6,495)	
Increase in total OPEB liability		(14,594)	
Capital reserve revenues		637	
Transfer to capital project		384,542	
Capital outlay		238,713	
Increase in deferred outflows of resources-pensions		17,227	
Increase in deferred outflows of resources - OPEB		7,177	
Increase in net pension liability		(38,465)	
Increase in deferred inflows of resources - pensions		(10,254)	
Decrease in deferred inflows of resources - OPEB		2,443	
Interest expense included in capital projects		(6,508)	
Depreciation		(754,976)	
Total reconciling items		(180,553)	
Change in net position		\$ (337,046)	



**Pamlico County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**Water Fund – Capital Reserve Fund**  
**For the Fiscal Year Ended June 30, 2021**

	Budget	Actual	Variance Positive (Negative)
<b>REVENUES</b>			
Non-operating revenues			
Investment earnings	\$ -	\$ 637	\$ 637
<b>EXPENDITURES</b>			
Debt service			
Principal	346,950	346,942	8
Interest	6,508	6,508	-
Total expenditures	353,458	353,450	8
Revenues over (under) expenditures	(353,458)	(352,813)	645
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer from Water Fund	125,666	-	(125,666)
Appropriated fund balance	227,792	-	(227,792)
Revenues and other sources over (under) expenditures and other uses	\$ -	\$ (352,813)	\$ (352,813)

**Pamlico County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**Minnesott Pressure Improvement Project**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

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

**Pamlico County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**Kershaw Water Treatment Plant Project**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

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

**Pamlico County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**Reelsboro Elevated Tank Project**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

		<b>Actual</b>			<b>Variance</b>
	<b>Project</b>	<b>Prior Year</b>	<b>Current Year</b>	<b>Total to Date</b>	<b>Positive</b>
	<b>Authorization</b>				<b>(Negative)</b>
<b>REVENUES</b>					
Restricted intergovernmental	\$ 500,000	\$ 500,000	\$ -	\$ 500,000	\$ -
<b>EXPENDITURES</b>					
Engineering	\$ 48,500	\$ 39,230	\$ 838	\$ 40,068	\$ 8,432
Administration	141,225	178,393	3,811	182,204	(40,979)
Legal	11,000	8,717	-	8,717	2,283
Environmental	30,000	22,578	-	22,578	7,422
Construction	1,142,304	1,149,795	-	1,149,795	(7,491)
Closing cost	18,975	18,975	-	18,975	-
Contingency	70,971	29,944	-	29,944	41,027
Total expenditures	1,462,975	1,447,632	4,649	1,452,281	10,694
Revenues over (under) expenditures	(962,975)	(947,632)	(4,649)	(952,281)	10,694
<b>OTHER FINANCING SOURCES</b>					
Transfer from Water Fund	179,000	79,000	100,000	179,000	-
Long-term debt proceeds	783,975	852,783	-	852,783	68,808
Total other financing sources	962,975	931,783	100,000	1,031,783	68,808
Revenues and other sources over (under) expenditures	\$ -	\$ (15,849)	\$ 95,351	\$ 79,502	\$ 79,502

**Pamlico County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non-GAAP)**  
**Kershaw / Grantsboro Water Project**  
**From Inception and for the Fiscal Year Ended June 30, 2021**

		<b>Actual</b>			<b>Variance</b>
	<b>Project</b>	<b>Prior Year</b>	<b>Current</b>	<b>Total to</b>	<b>Positive</b>
	<b>Authorization</b>		<b>Year</b>	<b>Date</b>	<b>(Negative)</b>
<b>REVENUES</b>					
Restricted intergovernmental	\$ 2,992,100	\$ -	\$ -	\$ -	\$ (2,992,100)
<b>EXPENDITURES</b>					
Engineering	192,500	65,927	46,631	112,558	79,942
Administration	20,000	-	1,013	1,013	18,987
Construction	2,615,542	231,897	-	231,897	2,383,645
Contingency	448,600	-	118,326	118,326	330,274
Total expenditures	3,276,642	297,824	165,970	463,794	2,812,848
Revenues over (under) expenditures	(284,542)	(297,824)	(165,970)	(463,794)	(179,252)
<b>OTHER FINANCING SOURCES</b>					
Transfer from Water Fund	284,542	432,162	284,542	716,704	432,162
Total other financing sources	284,542	432,162	284,542	716,704	432,162
Revenues and other sources over (under) expenditures	\$ -	\$134,338	\$ 118,572	\$ 252,910	\$ 252,910

**Pamlico County, North Carolina**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2021**

	Jail Inmate Fund	Bay River Metropolitan Sewer District	Municipal Tax Fund	Total
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 45,770	\$ 85,744	\$ 10,480	\$ 141,994
Taxes receivable for other governments, net	-	-	48,376	48,376
Accounts receivable	-	200,656	-	200,656
Total assets	45,770	286,400	58,856	391,026
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	-	5,040	-	5,040
Due to other governments	-	-	10,480	10,480
Total liabilities	-	5,040	10,480	15,520
<b>NET POSITION</b>				
Restricted for:				
Individuals, organizations, and other governments	45,770	281,360	48,376	375,506
Total net position	\$ 45,770	\$ 281,360	\$ 48,376	\$ 375,506

**Pamlico County, North Carolina**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2021**

	Jail Inmate Fund	Bay River Metropolitan Sewer District	Municipal Tax Fund	Total
<b>ADDITIONS</b>				
Collections on behalf of inmates	\$ 294,665	\$ -	\$ -	\$ 294,665
Ad valorem taxes for other governments	-	-	928,625	928,625
Sewer charges	-	1,387,333	-	1,387,333
Total additions	294,665	1,387,333	928,625	2,610,623
<b>DEDUCTIONS</b>				
Payments on behalf of inmates	281,982	-	-	281,982
Payments on behalf of other governments	-	1,305,020	-	1,305,020
Tax distributions to other governments	-	-	948,579	948,579
Total deductions	281,982	1,305,020	948,579	2,535,581
Net increase (decrease) in fiduciary net position	12,683	82,313	(19,954)	75,042
Net position, beginning	-	-	-	-
Prior period restatement	33,087	199,047	68,330	300,464
Net position, beginning as restated	33,087	199,047	68,330	300,464
Net position, ending	\$ 45,770	\$ 281,360	\$ 48,376	\$ 375,506

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

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2020</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2021</b>
2020-2021	\$ -	\$ 11,899,018	\$ 11,573,770	\$ 325,248
2019-2020	430,683	1,376	276,485	155,574
2018-2019	191,867	1,376	67,594	125,649
2017-2018	168,730	1,235	37,840	132,125
2016-2017	99,739	-	33,424	66,315
2015-2016	69,361	-	20,508	48,853
2014-2015	60,277	-	13,310	46,967
2013-2014	62,161	-	11,696	50,465
2012-2013	59,536	-	10,510	49,026
2011-2012	50,278	-	6,259	44,019
2010-2011	45,400	-	45,400	-
	<u>\$ 1,238,032</u>	<u>\$ 11,903,005</u>	<u>\$ 12,096,796</u>	<u>1,044,241</u>

Less: allowance for uncollectible amounts (350,000)

Ad valorem taxes receivable - net \$ 694,241

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 12,131,488
Ad valorem taxes - Reappraisal Fund	51,191
Penalties and interest	(137,716)
Tax garnishment fees collected	(31,685)
Taxes written off	<u>83,518</u>
Total collections and credits	<u><u>\$ 12,096,796</u></u>



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

				<b>Total Levy</b>	
	<b>Property Valuation</b>	<b>Rate</b>	<b>Total Levy</b>	<b>Property excluding Registered Motor Vehicles</b>	<b>Registered Motor Vehicles</b>
Property taxed at current	\$ 1,831,891,076	\$ 0.625	\$ 11,449,319	\$ 10,425,984	\$ 1,023,335
Less: Senior Citizens exemptions	(19,572,838)	0.625	(122,330)	(122,330)	-
Public utilities	41,347,284	0.625	258,421	258,421	-
Penalties	-		11,925	11,925	-
Discoveries	55,881,061	0.625	349,257	349,257	-
Abatements	(7,611,742)	0.625	(47,574)	(47,574)	-
Total property valuation	<u>\$ 1,901,934,841</u>				
Net levy			\$ 11,899,018	\$ 10,875,683	\$ 1,023,335
Uncollected taxes at June 30, 2021			<u>325,248</u>	<u>325,248</u>	<u>-</u>
Current year's tax collected			<u>\$ 11,573,770</u>	<u>\$ 10,550,435</u>	<u>\$ 1,023,335</u>
Current levy collection percentage			<u>97.27%</u>	<u>97.01%</u>	<u>100.00%</u>

**Pamlico County, North Carolina**  
**Analysis of Secondary Market Disclosures**  
**County-wide Levy**  
**For the Fiscal Year Ended June 30, 2021**

**Secondary Market Disclosures:**

**Assessed Valuation:**

Assessment ratio	100%
Real property	\$ 1,585,922,712
Personal property	274,664,845
Public service companies	41,347,284
Total assessed valuation	<u>\$ 1,901,934,841</u>
Tax rate per \$100	<u>\$ 0.625</u>
Levy (includes discoveries, releases and abatements)	<u>\$ 11,899,018</u>

**Pamlico County, North Carolina**  
**Ten Largest Taxpayers**  
**For the Fiscal Year Ended June 30, 2021**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Assessed Valuation</b>	<b>Percentage of Total Assessed Valuation</b>
Weyerhaeuser Co.	Timber Land	\$ 23,536,965	1.39%
River Dunes Development LLC	Real Estate Developer	21,408,028	1.26%
Reserveco Inc.	Real Estate Developer	11,744,535	0.69%
Burton Farm Development Co LLC	Real Estate Developer	10,839,589	0.64%
Hobucken Property LLC	Real Estate Developer	7,123,730	0.42%
River Dunes Land Holdings LLC	Real Estate Developer	6,836,073	0.40%
SPECTRUM Southeast LLC	Cable Company	6,590,742	0.39%
Fulcher Point LLC	Seafood Distributor	5,611,317	0.33%
Cutter Bay Development LLC	Real Estate Developer	5,006,042	0.30%
McCotter Farm LLC	Agriculture	4,905,076	0.29%
Wal-Mart Real Estate Business	Real Estate Business	4,294,201	0.25%
		<u>\$ 107,896,298</u>	<u>6.37%</u>



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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 Auditors' Report**

To the Board of Commissioners  
Pamlico County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pamlico County, North Carolina as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprises Pamlico County's basic financial statements, and have issued our report thereon dated November 23, 2021. Our report includes a reference to other auditors who audited the financial statements of the Pamlico County ABC Board, as described in our report on Pamlico County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Pamlico County ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Pamlico County's internal control over financial reporting (internal control) 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 Pamlico County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis.

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

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

#### Compliance and Other Matters

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

#### Purpose of this Report

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

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

New Bern, North Carolina  
November 23, 2021



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

**Independent Auditors' Report**

To the Board of Commissioners  
Pamlico County, North Carolina

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

We have audited Pamlico County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Pamlico County's major federal programs for the year ended June 30, 2021. Pamlico County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

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

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

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

New Bern, North Carolina

November 23, 2021





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

**Independent Auditors' Report**

To the Board of Commissioners  
Pamlico County, North Carolina

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

We have audited Pamlico County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Pamlico County's major state programs for the year ended June 30, 2021. Pamlico County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditors' Responsibility**

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

An audit includes examining, on a test basis, evidence about Pamlico County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

### **Opinion on Each Major State Program**

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

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

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

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

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

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

*Car, Riggs & Ingram, L.L.C.*

New Bern, North Carolina  
November 23, 2021

**Pamlico County, 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:*

- |  |               |
|--|---------------|
| 1. Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP | Unmodified    |
| 2. Internal control over financial reporting:  |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| c. Noncompliance material to the financial statements noted?   | No            |

*Federal Awards:*

- |  |               |
|--|---------------|
| 1. Type of auditors' report issued on compliance for major federal programs                                  | Unmodified    |
| 2. Internal control over major programs:   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| 3. Any audit findings disclosed that are required to be reported in accordance with 2CFR section 200.516(a)? | None reported |
| 4. Identification of major federal programs:   |               |

<u>Assistance Listing Number</u>	<u>Federal Program</u>
93.778	Medical Assistance Program (Medicaid Cluster)

- |   |           |
|---|-----------|
| 5. Dollar threshold used to distinguish between type A and type B programs: | \$750,000 |
| 6. Auditee qualified as low-risk auditee under 2 CFR 200.520?               | Yes       |

**Pamlico County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Fiscal Year Ended June 30, 2021**

*State Awards:*

- |  |               |
|--|---------------|
| 1. Type of auditors' report issued on compliance for major state programs  | Unmodified    |
| 2. Internal control over major programs:   |               |
| a. Material weaknesses identified?   | No            |
| b. Significant deficiencies identified?  | None reported |
| 3. Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act? | None reported |
| 4. Identification of major programs:   |               |

State Program Name  
Stream Debris Removal  
Golden Leaf Foundation

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – FEDERAL AWARD FINDINGS**

None reported

**SECTION IV – STATE AWARDS FINDINGS**

None reported

**Pamlico County, North Carolina  
Corrective Action Plan  
For the Fiscal Year Ended June 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – FEDERAL AWARD FINDINGS**

None reported

**SECTION IV – STATE AWARDS FINDINGS**

None reported

**Pamlico County, North Carolina  
Summary Schedule of Prior Audit Findings  
For the Fiscal Year Ended June 30, 2021**

**SECTION II – FINANCIAL STATEMENT FINDINGS**

None reported

**SECTION III – FEDERAL AWARD FINDINGS**

None reported

**SECTION IV – STATE AWARDS FINDINGS**

None reported

**Pamlico County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal AL#/ CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>
<b>Federal Awards:</b>					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program (SNAP) Cluster	10.561	XXXX	\$ 180,425	\$ -	\$ -
Passed-through the N.C. Dept. of Health and					
Human Services:					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for					
Women, Infants, & Children (Note 5)	10.557	XXXX	56,806	-	-
Total U.S. Department of Agriculture			237,231	-	-
<u>U.S. Department of Housing and Urban Development</u>					
Passed through N.C. Housing Finance Agency:					
Home Investment Partnerships Program	14.239	XXXX	161,810	-	-
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Deptment of Public Safety:					
Division of Emergency Management					
Emergency Management Performance Grants	97.042	XXXX	52,073	-	-
Disaster Grants - Public Assistance (Presidentially					
Declared Disasters)	97.036	XXXX	56,003	6,267	-
Flood Mitigation Assistance	97.029	XXXX	185,701	-	-
Homeland Security Grant Program	97.067	XXXX	100,987	-	-
Total U. S. Department of Homeland Security			394,764	6,267	-
<u>U.S. Election Assistance Commission</u>					
Help America Vote Act Requirements Payments	90.401	XXXX	26,754	5,480	-
<u>U.S. Department of Justice</u>					
Edward Byrne Memorial Justice Assistance					
Grant Program	16.738	XXXX	12,939	-	-



**Pamlico County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal AL#/ CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Federal (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>
<u>U.S. Department of Treasury</u>					
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office					
COVID-19 - Coronavirus Relief Fund (Note 6)	21.019	XXXX	557,971	-	104,658
<u>U.S. Dept. of Health &amp; Human Services</u>					
Passed-through the N.C. Dept. of Health and Human Services: Division of Aging and Adult Services					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III Part B					
Nutrition Services	93.045	XXXX	63,297	3,723	-
Nutrition Services Incentive Program	93.053	XXXX	13,070	-	-
Total Aging Cluster			76,367	3,723	-
Social Services Block Grant - In Home Services	93.667	XXXX	7,465	-	-
Division of Social Services					
<u>Temporary Assistance for Needy Families (Note 5)</u>					
Temporary Assistance for Needy Families (TANF) / Work First	93.558	XXXX	126,388	-	-
Division of Public Health					
Temporary Assistance for Needy Families (TANF)	93.558	XXXX	1,703	-	-
Total Temporary Assistance for Needy Families (Note 5)			128,091	-	-
<u>Foster Care and Adoption Cluster (Notes 4 &amp; 5)</u>					
Foster Care - Title IV-E	93.658	XXXX	114,856	10,021	-
Adoption Assistance	93.659	XXXX	4,381	-	-
Total Foster Care and Adoption Cluster (Notes 4&5)			119,237	10,021	-
MaryLee Allen Promoting Safe and Stable					
Families Program	93.556	XXXX	12,721	-	-
Child Support Enforcement	93.563	XXXX	162,030	-	-
Low-Income Home Energy Assistance:					
Administration	93.568	XXXX	57,713	-	-
COVID-19 Administration	93.568	XXXX	3,836	-	-
COVID-19 Low Income Energy Assistance Program	93.568	XXXX	38,848	-	-
Crisis Intervention Program	93.568	XXXX	10,614	-	-
Total Low-Income Home Energy Assistance			111,011	-	-

**Pamlico County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass-through</b>	<b>Federal</b>	<b>State/</b>	<b>Federal</b>		
<b><u>Grantor/Program Title</u></b>	<b><u>AL#/ CFDA</u></b>	<b><u>Pass-through</u></b>	<b><u>(Direct &amp;</u></b>	<b><u>State</u></b>	<b><u>Provided to</u></b>
	<b><u>Number</u></b>	<b><u>Number</u></b>	<b><u>Pass-through)</u></b>	<b><u>Expenditures</u></b>	<b><u>Subrecipients</u></b>
			<b><u>Expenditures</u></b>		
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services					
John H. Chafee Foster Care Program for Successful					
Transition to Adulthood	93.674	XXXX			
Stephanie Tubbs Jones Child Welfare Services Program	93.645	XXXX	8,160	-	-
Social Services Block Grant - Other Services and Training	93.667	XXXX	61,525	-	-
Division of Child Development:					
Subsidized Child Care					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the					
Child Care Development Fund - Administration	93.596	XXXX	79,931	-	-
Total Subsidized Child Care			79,931	-	-
Division of Health Benefits:					
Administration:					
Medical Assistance Program (Medicaid Cluster) (Note 5)	93.778	XXXX	714,088	-	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health					
Choice (Note 5)	93.767	XXXX	17,587	-	-
Division of Public Health:					
Public Health Emergency Response: Cooperative					
Agreement for Emergency Response: Public					
COVID-19 Health Crisis Response	93.354	XXXX	45,270	-	-
Public Health Emergency Preparedness	93.069	XXXX	2,823	-	-
Project Grants and Cooperative Agreements for					
Tuberculosis Control Programs	93.116	XXXX	50	-	-
Family Planning Services	93.217	XXXX	20,160	-	-
Cancer Prevention and Control Programs for State,					
Territorial and Tribal Organizations	93.898	XXXX	4,875	-	-
Preventive Health and Health Services Block Grant	93.991	XXXX	30,607	-	-
Immunization Cooperation Agreements	93.268	XXXX	70,667	-	-
Epidemiology and Laboratory Capacity for Infectious Disease					
Epidemiology and Laboratory Capacity for					
Infectious Diseases (ELC)	93.323	XXXX	105,165	-	-
COVID-19 Epidemiology and Laboratory Capacity for					
Infectious Diseases (ELC)	93.323	XXXX	14,923	-	-
Total Epidemiology and Laboratory Capacity for					
Infectious Disease			120,088	-	-
Sexually Transmitted Diseases (STD) Prevention					
and Control Grants	93.977	XXXX	58	-	-
Maternal and Child Health Services Block Grant					
to the States	93.994	XXXX	21,360	3,953	-
Total U.S. Department of Health and Human Services			1,814,171	17,697	-
Total Federal and State awards			3,205,640	29,444	104,658

**Pamlico County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass-through</b>	<b>Federal</b>	<b>State/</b>	<b>Federal</b>		
<b>Grantor/Program Title</b>	<b>AL#/ CFDA</b>	<b>Pass-through</b>	<b>(Direct &amp;</b>	<b>State</b>	<b>Provided to</b>
	<b>Number</b>	<b>Number</b>	<b>Pass-through)</b>	<b>Expenditures</b>	<b>Subrecipients</b>
			<b>Expenditures</b>	<b>Expenditures</b>	
<b>State Awards:</b>					
<u>N.C. Dept. of Administration</u>					
Veterans Service		XXXX	-	2,084	-
<u>N.C. Dept. of Agriculture</u>					
Stream Debris Removal		XXXX	-	227,095	-
<u>N.C. Housing Finance Agency</u>					
Single Family Rehab Loan Pool - DR		XXXX	-	231,375	-
<u>N.C. Department of Environmental Quality</u>					
Shallow Draft Navigation Channel Dredging and					
Aquatic Weed Fund		XXXX	-	8,993	-
<u>N.C. Dept. of Public Instruction</u>					
Public School Building Capital Fund - Lottery Proceeds		XXXX	-	111,895	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Aging and Adult Services					
Division of Social Services					
90% State Funds - In Home Services		XXXX	-	101,189	-
90% State Funds - Home Delivered Meals		XXXX	-	76,931	-
Energy Assistance Private Grant		XXXX	-	6,810	-
State Child Welfare		XXXX	-	18,272	-
Total Division of Social Service			-	203,202	-
Division of Public Health					
Child Health		XXXX	-	1,494	-
Aid to Counties		XXXX	-	71,725	-
General Communicable Disease Control		XXXX	-	10,077	-
Family Planning - State		XXXX	-	5,080	-
Food and Lodging Fees		XXXX	-	2,741	-
Healthy Community Activities		XXXX	-	3,747	-
Breast and Cervical Cancer Control		XXXX	-	2,275	-
Maternal Health		XXXX	-	2,191	-
HIV / STD State		XXXX	-	500	-
TB Control		XXXX	-	2,653	-
Total Division of Public Health			-	102,483	-
Total N. C. Department of Health and Human Services			-	305,685	-

**Pamlico County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

<b>Grantor/Pass-through Grantor/Program Title</b>	<b>Federal CFDA Number</b>	<b>State/ Pass-through Grantor's Number</b>	<b>Federal (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Provided to Subrecipients</b>
<u>N.C. Dept. of Public Safety</u>					
Juvenile Crime Prevention Programs		XXXX	-	78,333	-
Golden Leaf Foundation		XXXX	-	472,239	-
Total State awards			-	1,437,699	-
Total Federal and State awards			\$ 3,205,640	\$ 1,467,143	\$ 104,658

**Pamlico County, North Carolina**  
**Notes to the Schedule of Expenditures of**  
**Federal and State Awards**  
**For the Fiscal Year Ended June 30, 2021**

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Pamlico County under the programs of the federal government and the State of North Carolina for the year ended June 30, 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 Requirement for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Pamlico County, it is not intended to and does not present the financial position, changes in net position or cash flows of Pamlico County.

**Note 2: Summary of Significant Accounting Policies**

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

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

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

**Note 5: Benefit Payments Issued by the State**

The amounts listed below were paid directly to individual recipients by the State from federal and state moneys. County personnel are involved with certain functions, primarily eligibility determination that cause benefit payments to be issued by the State. These amounts disclosure this additional aid to County recipients.

Program Title	AL #/CFDA Number	Federal	State
Special Supplemental Nutrition Program for Women, Infant and Children	10.557	\$ 164,649	\$ -
Supplemental Nutrition Assistance Program	10.561	4,366,425	-
Temporary Assistance for Needy Families	93.558	34,290	-
Adoption Assistance	93.659	70,046	12,596
Foster Care - Title IV-E	93.658	32,569	6,866
Medical Assistance Program	93.778	14,352,509	5,667,074
Children's Health Insurance Program	93.767	103,705	21,935
Child Welfare Services Adoption		-	46,543
State Foster Home		-	5,978
SFHF Maximization		-	4,063
SC/SA Domiciliary Care		-	114,845

**Note 6: Noncash assistance**

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