

Pasquotank County

North Carolina



ANNUAL COMPREHENSIVE

FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2022

PASQUOTANK COUNTY, NORTH CAROLINA
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

PREPARED BY THE FINANCE DEPARTMENT
SHERI SMALL, FINANCE OFFICER

PASQUOTANK COUNTY, NORTH CAROLINA

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INTRODUCTORY SECTION

COMMISSIONERS
Charles Jordan, Chairman
Barry Overman, Vice-Chairman
Cecil Perry
Lloyd E. Griffin, III
Sean Lavin
Jonathan Meads



COUNTY MANAGER
Sparty Hammett
ASSISTANT COUNTY MANAGER
John Shannon
COUNTY ATTORNEY
R. Michael Cox
CLERK TO THE BOARD
Lynn B. Scott

The Board of County Commissioners
Pasquotank County, North Carolina

December 29, 2022

We are pleased to present the annual comprehensive financial report (ACFR) of Pasquotank County for the fiscal year ended June 30, 2022. The financial statements and supplemental schedules contained herein have been audited by the independent, certified public accounting firm of Thompson, Price, Scott, Adams & Co. P.A. and that firm's unmodified opinion is included in the financial section of this report. The County Finance Office; however, has prepared the report, and is responsible for the accuracy of the data and for the completeness and fairness of its presentation, including all disclosures. We believe that the data as presented is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

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

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

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

Description of the County

Pasquotank County is located in the northeastern section of North Carolina and is bordered on three sides by water: the Pasquotank River to the east, the Albemarle Sound to the south, and the Little River to the west. The City of Elizabeth City is the County seat and is centrally located within the County. Pasquotank Precinct was created in 1672 from Albemarle County, the original County of North Carolina. Pasquotank Precinct was named for a tribe of Native Americans who inhabited the area. Pasquotank Precinct became a County in 1738 and is one of the four oldest counties in North Carolina. In 1793, the General Assembly authorized a town at the narrows of the Pasquotank River to be known as Redding which later changed its name to Elizabeth City. The County is known for being the site of many first events in the state. In 1660, the first known land deed in North Carolina was executed and is preserved in the Pasquotank County Courthouse; in 1665, the first Grand Assembly (the precursor to today's General Legislative Assembly) in North Carolina convened in the County; the Culpepper Rebellion, the first armed revolt against England occurred in 1677; and the first public school in North Carolina was established in the County in 1705. Pasquotank County has a land area of 229 square miles and a population of 40,611.

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

Economic Conditions and Outlook

The economy of Pasquotank County remained about the same over the past year. The local unemployment rate was 4.8%, the state unemployment rate was 3.4% and the national rate was 3.6% at the end of fiscal year 2022. Major industries in Pasquotank County include Sentara Albemarle Medical Center, Hoffer Flow Controls, Inc., TCOM, J.W. Jones Lumber Company, and Universal Forest Products. The largest employers in Pasquotank County; however, continue to be government facilities such as the U.S. Coast Guard, the Elizabeth City-Pasquotank County Public School System, the Pasquotank Correctional Institute, Elizabeth City State University, College of the Albemarle, Pasquotank County, and Elizabeth City. Pasquotank County continues to have a diversified employment base, although it is somewhat dominated by governmental jobs.

Pasquotank County approved 17 new residential lots during the 2021-22 year. The total number of new home permits issued in the County were 93. Permits for new modular and manufactured homes issued in the County were 38.

Pasquotank County issued 23 commercial construction permits during this period consisting mainly of additions and renovations to existing buildings. Commercial construction included a new Family Dollar/Dollar Tree Store that was built in the Newland Township of the County.

Major Initiatives

The purchase of a portion of the South Mills Water System located in the northern part of the County for approximately \$1.4 million was completed. This added approximately 1,000 customers to the reverse osmosis system. A temporary booster pump station was completed, with plans to replace the temporary with a permanent station in the 2022-2023 fiscal year.

The second tranche of the American Rescue Plan Act funds were received in June of 2022. The County has received a total of \$7,735,345. The Board has elected to use the standard allowance for revenue replacement. A project ordinance was approved in July of 2022.

The sale of the former Elizabeth City Middle School to J.D. Lewis Construction Management, Inc. was completed. Construction to convert the property to approximately 84 market rate apartments is in progress.

The County completed the revaluation process for all real property. The new values will be effective as of January 1, 2022.

The County received \$92,740 in Opioid Settlement Funds in June of 2022. The County is projected to receive approximately \$2.4 million over the next eighteen years.

The master plan for the Newland Park has been completed and an application to the Parks and Recreation Trust Fund Grant (PARTF) was submitted and has been awarded in the amount of \$500,000 to assist in construction costs of amenities proposed in the plan.

A Water Rate Study was completed, and a rate increase is calculated into the 2022-2023 budget.

Financial Information

Accounting

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

Internal Control

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) safeguarding of assets against loss from unauthorized use or disposition; (2) reliability of financial records for preparing financial statements in conformity with generally accepted accounting principals and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of controls should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. We believe

that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit, the independent auditor performed a review of the County's internal control structure. The procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

Other Information

Independent Audit

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Pasquotank County for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the twenty-fourth year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Sparty Hammett
County Manager



Sheri Small
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pasquotank County
North Carolina**

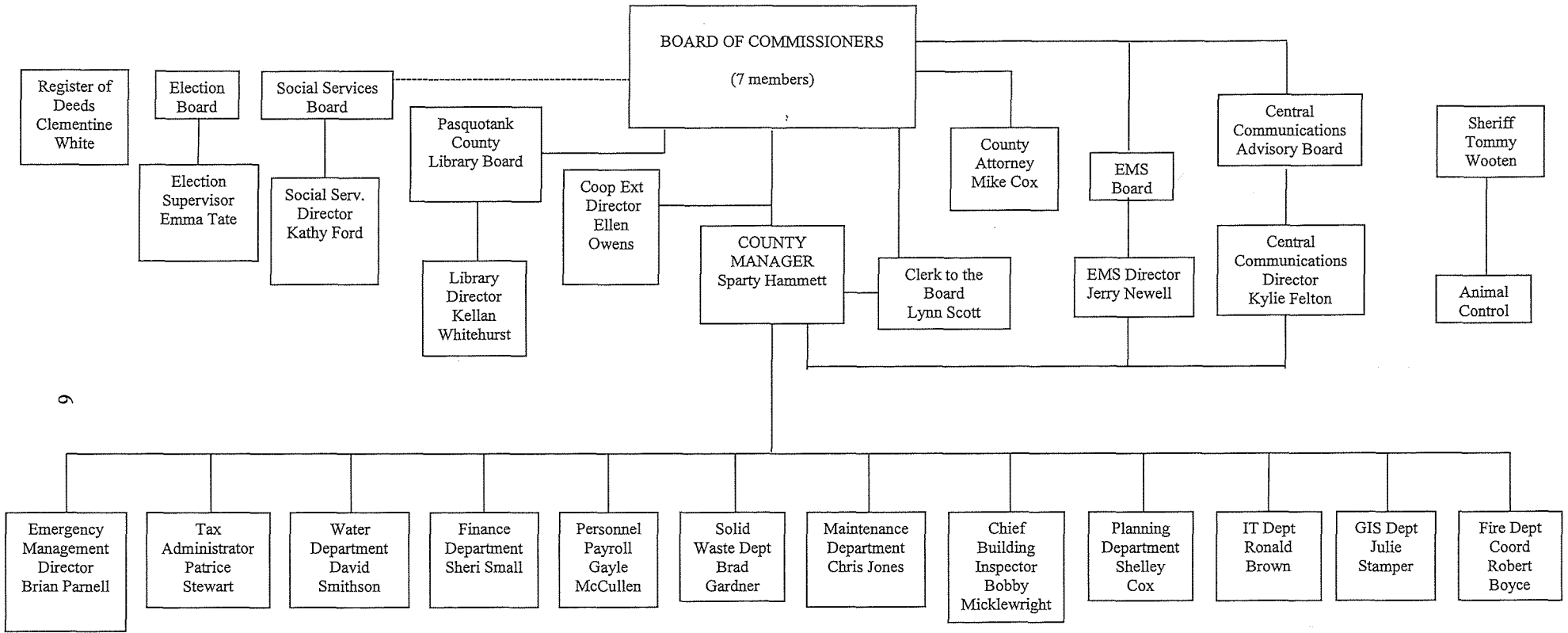
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO

PASQUOTANK COUNTY GOVERNMENT
FY 2021-22



PASQUOTANK COUNTY, NORTH CAROLINA

PRINCIPAL OFFICIALS
JUNE 30, 2022

BOARD OF COMMISSIONERS

Lloyd E. Griffin, III, Chairman

Charles Jordan, Vice-Chairman
Jonathan Meads
Barry Overman

William "Bill" Sterritt
Cecil Perry
Sean Lavin

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

Office of the County Manager
Sparty Hammett, County Manager

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

Patrice Stewart, Tax Administrator
Gayle McCullen, Human Resources Director
Sheri Small, Finance Officer
Ronald Brown, IT Manager
Bobby Micklewright, Building Inspector
Emma Tate, Election Supervisor
Shelley Cox, County Planner
Christopher Jones, Maintenance Supervisor
Kellen Whitehurst, Librarian,
Pasquotank County Library
Brad Gardner, Solid Waste Director
Robert Boyce, Fire Department
Coordinator

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co., P.A.
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Wilmington, North Carolina 28403
Telephone (910) 791-4872
Fax (910) 239-8294

Independent Auditor's Report

To the Board of County Commissioners
Pasquotank County, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Pasquotank County, North Carolina as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pasquotank County's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Pasquotank County as of June 30, 2022, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund and Grants Fund, and Elizabeth City-Pasquotank County Tourism Development Authority for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Pasquotank County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial Statements of the TDA were not audited in accordance with Governmental Auditing Standards.

Responsibilities of Management for the Audit of 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raises substantial doubt about the Pasquotank County's ability to continue as a going concern for the twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Governmental Auditing Standards* will always detect material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Governmental Auditing Standards* we

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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 Pasquotank County's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Pasquotank County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits Schedules of Changes in the Net OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the

County's Proportionate Share of the Net Pension Liability and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information is the responsibility of management, 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 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Pasquotank County. The combining and individual fund financial statements, budgetary schedules, other schedules, and component unit schedules as well as the accompanying schedule of expenditures of federal and state awards as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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. In our opinion, based on our audit, the procedures performed as described above, the combining and individual fund financial statements, budgetary schedules, other schedules component unit 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 December 29, 2022, on our consideration of the Pasquotank County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pasquotank County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pasquotank County's internal control over financial reporting and compliance.

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

Wilmington, North Carolina

December 29, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Pasquotank County (the "County"), we offer readers of Pasquotank County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

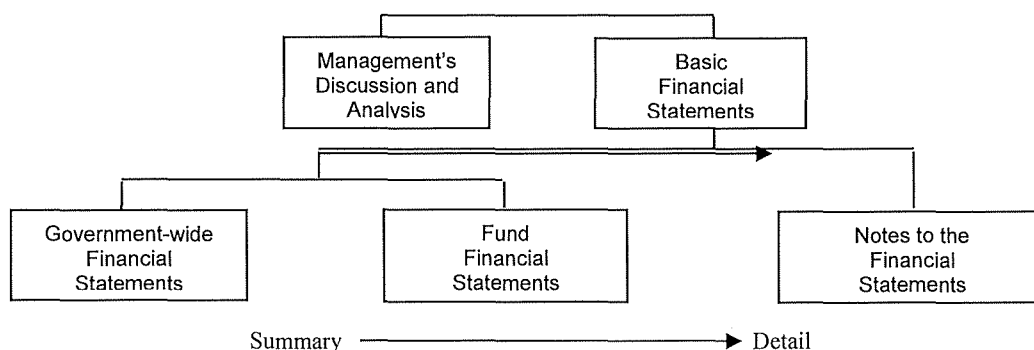
- The assets and deferred outflows of resources of Pasquotank County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$57,971,200 (net position).
- On the government-wide statements, assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources of the governmental activities at the close of the fiscal year by \$29,293,642. The governmental activities' net assets are impacted considerably by the certificates of participation (COPS) and the qualified school construction bonds (QSCB) that the County has issued on behalf of the Elizabeth City-Pasquotank County Board of Education to fund capital projects. Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funds, installment purchase, bank qualified debt, certificates of participation, and qualified school construction bonds. The assets are not reflected in the County's financial statements and the full amount of the long-term debt \$7,124,134, is reflected in the County's financial statements. Under North Carolina law, the County is also responsible for capital and maintenance cost at College of the Albemarle. As of June 30, 2022, the outstanding debt relating to the expansion of Building A totaled \$1,071,000. The assets are not reflected in the County's financial statements.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$36,866,309, an increase of \$5,266,844 in comparison with the prior year. Approximately 52 percent of this total amount or \$19,331,137 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$19,329,689 or approximately 35.04 percent of total general fund expenditures for the fiscal year. The County appropriated \$806,800 for the 2022-2023 budget.
- The County's total debt decreased by \$4,569,297 during the current fiscal year. No new debt was issued this fiscal year.
- The County has an "A+" bond rating (Standard & Poor's Investor Services) and a rating of 80 from North Carolina Municipal Council, Inc.
- The County implemented GASB Statement No. 87, Leases.

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.

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, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the required supplemental information. This section contains funding information about the County's pension plans.

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as general administration, taxation and records, human services, education, and public safety. Property and other taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water, sewer, and landfill services offered by the County. The final category is the component units. Although the component unit is legally separate from the County, the County appoints the majority of the board members on the Elizabeth City-Pasquotank County Tourism Development Authority.

The government-wide financial statements are on Pages 19 and 20 of this report.

Fund Financial Statements

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

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

The County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the Statement of Revenues, Expenditures and Changes in Fund Balance. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of others outside the government. The County has two fiduciary funds, both are 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 are on pages 33 – 76 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning The County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 of this report.

Government-wide Financial Analysis

Pasquotank County's Net Position

	Governmental Activities		Business-type Activities		Totals	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 53,927,112	\$ 40,355,042	\$ 16,762,124	\$ 16,925,754	\$ 70,689,236	\$ 57,280,796
Capital assets	39,165,883	35,977,242	23,745,816	22,899,518	62,911,699	58,876,760
Total assets	<u>93,092,995</u>	<u>76,332,284</u>	<u>40,507,940</u>	<u>39,825,272</u>	<u>133,600,935</u>	<u>116,157,556</u>
Total deferred outflows of resources	<u>9,889,633</u>	<u>8,325,270</u>	<u>1,103,868</u>	<u>918,222</u>	<u>10,993,501</u>	<u>9,243,492</u>
Long-term liabilities/schools	7,124,134	8,570,391	-	-	7,124,134	8,570,391
Long-term liabilities/other	16,917,824	19,074,081	7,604,579	8,514,331	24,522,403	27,588,412
Other Liabilities	37,241,879	36,347,879	3,084,925	3,500,208	40,326,804	39,848,087
Total liabilities	<u>61,283,837</u>	<u>63,992,351</u>	<u>10,689,504</u>	<u>12,014,539</u>	<u>71,973,341</u>	<u>76,006,890</u>
Total deferred inflows of resources	<u>12,405,149</u>	<u>2,300,022</u>	<u>2,244,746</u>	<u>214,574</u>	<u>14,649,895</u>	<u>2,514,596</u>
Net position:						
Net investment in capital assets	23,834,297	18,859,513	16,195,719	14,442,187	40,030,016	33,301,700
Restricted/Bonds	8,277,773	7,130,786			8,277,773	7,130,786
Unrestricted	<u>(2,818,428)</u>	<u>(7,625,118)</u>	<u>12,481,839</u>	<u>14,072,194</u>	<u>9,663,411</u>	<u>6,447,076</u>
Total net position	<u>\$ 29,293,642</u>	<u>\$ 18,365,181</u>	<u>\$ 28,677,558</u>	<u>\$ 28,514,381</u>	<u>\$ 57,971,200</u>	<u>\$ 46,879,562</u>

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of the County exceeded liabilities and deferred inflows of resources by \$57,971,200 as of June 30, 2022. The County's net position increased by \$11,091,638 for the fiscal year ended June 30, 2022. Net position is reported in three categories: Net investment in capital assets of \$40 million, Restricted of \$8.2 million and Unrestricted of \$9.6 million.

The net investment in capital assets is defined as the County's investment in County owned capital assets (e.g. land, buildings, automotive equipment, office and other equipment, infrastructure and right to use assets), less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. At June 30, 2022 the increase in this category of net position is due to a decrease in debt related to assets and the recording of a donated asset with a market value of \$3 million.

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

The final category of net position is unrestricted. This balance may be used to meet the government's ongoing obligations to citizens and creditors.

As with many counties in the State of North Carolina, the County's Governmental Activities show a deficit in unrestricted net position due primarily to the portion of the County's outstanding debt incurred for the Elizabeth City-Pasquotank County Board of Education (the "school system"). Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide the school system capital funding by using a mixture of County funds, certificates of participation, and qualified zone academy bonds. The assets are funded by the County; however, they are owned and utilized by the school system. Since the County, the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$7.1 million of the outstanding debt on the County's financial statements was related to assets included in the school system's financial statements. The school debt is collateralized by a deed of trust granting, among other things, a first lien of record on the Project, including the land constituting a part of the Project, all other buildings, structures, improvements and fixtures thereon and all appurtenances thereto of any nature whatsoever, excluding mobile or modular classrooms located on the Site at any time, subject to Permitted Encumbrances. Accordingly, the County makes installment payments under the Installment Financing Agreement for payment of the debt. Neither the certificates nor the County's obligation to make payments under the

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

The deficit in unrestricted net position in the Governmental Activities decreased this year by \$4,806,690 due primarily to the increase in sales tax and land transfer tax received. A portion of both sales tax and land transfer tax, \$3,820,775, was transferred to the Capital Reserve Fund for future school capital needs. The remaining amount of the difference can be attributed to the funding for school projects being deferred to the 2022-2023 year. The County's Governmental Funds showed an increase in fund balance by \$5,423,095. The decrease in the deficit is reflected below:

- The deferral of school projects to 2022-2023 by \$1.7 million
- Increase sales tax received over budget in the amount of \$2.1 million
- Increase in land transfer tax received in the amount of \$2.1 million
- Continued diligence in the collection of ad valorem taxes

Pasquotank County Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 7,912,830	\$ 7,749,364	\$ 11,995,001	\$ 11,294,055	\$ 19,907,831	\$ 19,043,419
Operating grants and contributions	8,155,324	9,447,970	237,790	219,231	8,393,114	9,667,201
Capital grants and contributions	346,021	55,990	206,050	106,800	552,071	162,790
General revenues:						
Property taxes	26,419,526	26,429,150			26,419,526	26,429,150
Other taxes	17,213,771	14,933,675			17,213,771	14,933,675
Other general revenues	4,794,053	931,698	150,926	110,044	4,944,979	1,041,742
Total revenues	64,841,525	59,547,847	12,589,767	11,730,130	77,431,292	71,277,977
Expenses:						
General government	6,170,252	7,025,991			6,170,252	7,025,991
Public safety	17,900,793	17,270,371			17,900,793	17,270,371
Environmental protection	4,915	7,500			4,915	
Economic and physical development	2,911,241	2,965,789			2,911,241	2,965,789
Human services	9,468,771	9,309,211			9,468,771	9,309,211
Cultural and recreational	2,237,837	2,244,835			2,237,837	2,244,835
Education	14,500,130	16,162,829			14,500,130	16,162,829
Interest on long-term debt	819,125	969,880			819,125	969,880
Water system			6,726,773	6,294,941	6,726,773	6,294,941
Landfill operations			5,599,817	5,509,220	5,599,817	5,509,220
Total expenses	54,013,064	55,956,406	12,326,590	11,804,161	66,339,654	67,753,067
Increase in net position before transfers	10,828,461	3,591,441	263,177	(74,031)	11,091,638	3,524,910
Transfers in (out)	100,000	100,000	(100,000)	(100,000)		
Increase (decrease) in net position	10,928,461	3,691,441	163,177	(174,031)	11,091,638	3,517,410
Net position--beginning	18,365,181	14,667,412	28,514,381	28,688,412	46,879,562	43,355,824
Restatement		6,328				6,328
Net position--beginning restated	18,365,181	14,673,740	28,514,381	28,688,412	46,879,562	43,362,152
Net position June 30	\$ 29,293,642	\$ 18,365,181	\$ 28,677,558	\$ 28,514,381	\$ 57,971,200	\$ 46,879,562

Governmental activities: Governmental activities increased the County's net position by \$10,928,461. Key elements of this increase are as follows:

- School capital projects in the amount of \$1.7 million were deferred to 2022-2023
- Land transfer tax collections came in higher than anticipated by approximately \$2.1 million, an increase of 50% over the prior year
- Sales tax receipts came in approximately \$2.1 million more than anticipated, an increase of 8% over the prior year

Business-type activities: Business-type activities increased the County's net position by \$163,177 as compared to a decrease of \$174,031 in the prior year. The difference between the two years of \$337,208 can be attributed to the following:

- The Utilities Department increased revenue as a result of the purchase of a private system that serves the northern part of the county. Some of the costs associated with this additional territory were paid for in the prior fiscal year.
- While both enterprise funds saw small increases in net position, the County will implement rate increases in both funds for future capital and operating needs.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, Pasquotank County's fund balance available in the General Fund was \$19,329,689 while total fund balance increased to \$36,411,964 from \$30,956,934 at June 30, 2022. The County currently has an available fund balance of approximately 35.04 percent of total General Fund expenses, while total fund balance represents approximately 66 percent of that same amount.

At June 30, 2022, the governmental funds of the County reported a combined fund balance of \$36,866,309, an approximate 17 percent increase from last year.

General Fund Budgetary Highlights: The County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues and expenditures by \$4,221,578 or approximately 7%. The increase is a result of funds in the amount of \$350,000 received from Perquimans and Camden counties, \$3 million for school capital projects transferred to Capital Reserve Fund, and approximately \$900,000 of school projects rolled over from the 2020-2021 year.

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Landfill Fund is \$2,267,947 at the end of the fiscal year and for the Utilities Fund equaled \$10,213,892. The increase in net position for the Landfill Fund was \$68,748. The increase in net position in the Utilities Fund was \$94,429.

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2022, totals \$62,658,319 (net of accumulated depreciation) an increase of \$3,781,559 from last year. These assets include construction in progress, land, buildings, automotive equipment, office and other equipment, and water and sewer lines. With the implementation of GASB 87, Leases; the amount of right to use assets (net of accumulated amortization) is \$253,380. The net increase in capital assets is a result of assets added that were more than annual depreciation. Additional information on the County's capital assets can be found in Note 3 pages 50 – 52.

Pasquotank County's Capital Assets

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Land	\$ 6,782,019	\$ 5,641,249	\$ 1,247,627	\$ 1,247,627	\$ 8,029,646	\$ 6,888,876
Buildings	27,128,707	26,006,717	9,453,350	9,773,890	36,582,057	35,780,607
Transfer station			204,596	189,375	204,596	189,375
Infrastructure	886,356	1,013,547	11,615,535	10,836,436	12,501,891	11,849,983
Furniture and fixtures	1,731,650	1,383,665			1,731,650	1,383,665
Machinery and equipment			306,331	266,530	306,331	266,530
Vehicles and motorized equipment	1,912,110	1,881,792	482,920	472,858	2,395,030	2,354,650
Construction in progress	527,564	50,272	379,554	112,802	907,118	163,074
Total net capital assets	\$ 38,968,406	\$ 35,977,242	\$ 23,689,913	\$ 22,899,518	\$ 62,658,319	\$ 58,876,760
Right to use assets, net	\$ 197,477		\$ 55,903		\$ 253,380	

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

Long-term Debt: As of June 30, 2022, the County has \$30,861,354 in outstanding debt that is related to the construction of a reverse osmosis water treatment facility, capital improvements, construction of a new library and public safety building, construction of a new jail, and additional schools built on behalf of the Elizabeth City-Pasquotank School Board. The County has several installment notes outstanding. A summary of total long-term debt is shown in below:

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

	Governmental		Business-type		Total	
	Activities		Activities			
	2022	2021	2022	2021	2022	2021
Revenue bonds	\$	\$	\$ 7,493,831	\$ 8,457,331	\$ 7,493,831	\$ 8,457,331
Direct borrowing installment purchase	18,603,819	21,224,347			18,603,819	21,224,347
Qualified School Construction Bonds	666,667	800,000			666,667	800,000
Advance Refundings	4,097,037	4,948,973			4,097,037	4,948,973
Total	\$ 23,367,523	\$ 26,973,320	\$ 7,493,831	\$ 8,457,331	\$ 30,861,354	\$ 35,430,651

During the past fiscal year, the County's total debt decreased by \$4,569,297 or 12.90%. The County did not issue any new debt in the 2021-2022 year.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the County is \$249,971,678. Additional information regarding the County's long-term debt can be found in Note 3 on pages 68 - 73 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate in the County was at 4.8% on June 30, 2022, compared with a national rate of 3.6% and a State rate of 3.4%.
- The County has completed its property revaluation. These values will take effect on January 1, 2022.
- The County submitted an application to the Parks and Recreation Trust Fund Grant (PARTF) and was awarded \$500,000 to assist in construction costs of amenities proposed in the Northern (Newland) Park Master Plan.
- The Board approved renovation of courthouse space to be converted into a dedicated Board Room.
- A Water Rate Study was completed, and a rate increase is factored into the 2022-2023 budget for the Utilities Fund.

Budget Highlights for the Fiscal Year Ending June 30, 2023

Governmental Activities: The County has approved a \$52.8 million general fund budget for fiscal year 2023 which represents an increase of approximately \$1.1 million or approximately 2% over fiscal year 2022. The remainder of the increase is for additional positions in the Sheriff's Office (2), a position in the County Manager's office, an additional Animal Control position, a safety/risk manager position, and one additional position in the Planning Office for code enforcement. A cost of living adjustment in the amount of 3% was given and the County's required contribution to the Local Government Retirement System (LGRS) increased by 1.0% for law enforcement and .73% for all other employees. The County's tax rate for the 2022-2023 budget year is \$.62 per \$100, a decrease from \$.77 per \$100, due to the completion of the revaluation of real property and the calculated revenue neutral rate. The valuation is projected to be \$4,311,476,812, an increase in the tax base of approximately \$984,316,427. The County kept the school current expense budget the same at \$11,364,000 and increased the capital budget by \$26,685. The small increase in capital funding for the school system is in anticipation of rolling over approximately \$1.7 million in unspent funds from the 2021-2022 fiscal year. College of the Albemarle's current expense budget increased by \$37,500 to \$1,772,500 and \$700,000 was appropriated for capital projects.

Business – type Activities: The Landfill Fund's budget includes plans to upgrade and improve several convenience sites, as well as to purchase a trailer, a transfer truck and to purchase several roll-off dumpsters. The Utilities Fund's budget includes the purchase of several vehicles, a continuation of implementing remote read meters and improvements to the system in the amount of \$5.4 million. A water rate increase became effective on July 1.

Requests for Information

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

BASIC FINANCIAL STATEMENTS

Pasquotank County, North Carolina

Exhibit 1

Statement of Net Position
June 30, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	EC-PC Tourism Development Authority
ASSETS				
Cash and cash equivalents	\$ 30,418,782	\$ 12,191,951	\$ 42,610,733	\$ 1,224,175
Receivables (net)	3,426,843	1,227,627	4,654,470	89,732
Other receivables	5,932,401	47,187	5,979,588	
Inventories		400,004	400,004	
Prepaid items	2,264		2,264	
Restricted cash and cash equivalents	9,957,769	1,478,926	11,436,695	
Prepaid trustee fees on debt issuance		5,313	5,313	
Lease receivable	4,118,618	1,411,116	5,529,734	
Net pension asset-register of deeds	70,435		70,435	
Capital assets:				
Land, improvements, and construction in progress	7,309,583	1,627,180	8,936,763	
Other capital assets, net of depreciation	31,658,823	22,062,733	53,721,556	286,605
Total capital assets	38,968,406	23,689,913	62,658,319	286,605
Right to use leased assets, net of amortization	197,477	55,903	253,380	
Total assets	93,092,995	40,507,940	133,600,935	1,600,512
DEFERRED OUTFLOWS OF RESOURCES				
Pension plan-LGERS	4,280,054	512,811	4,792,865	68,402
Pension plan-LEOSSA	690,804		690,804	
Pension plan-register of deeds	14,458		14,458	
Other post employment benefits	4,904,317	591,057	5,495,374	
Total deferred outflows of resources	9,889,633	1,103,868	10,993,501	68,402
LIABILITIES				
Accounts payable and accrued expenses	1,053,096	319,694	1,372,790	31,370
Other liabilities	458,690		458,690	
Liabilities to be paid from restricted assets		125,660	125,660	
Accrued interest	269,669	44,376	314,045	
Lease liability	159,197	2,198	161,395	
Prepaid rents	892,439		892,439	
Prepaid health services	300,000		300,000	
Contribution for future training	3,000		3,000	
ARPA funds	7,735,345		7,735,345	
Long-term liabilities:				
Due within one year	3,853,203	991,807	4,845,010	5,000
Due in more than one year	20,188,755	6,612,772	26,801,527	
Compensated absences	541,828	99,581	641,409	6,280
Other post employment benefits	21,129,764	2,188,289	23,318,053	
Net pension liability-LGERS	2,662,994	305,127	2,968,121	32,206
Total pension liability-LEOSSA	2,035,857		2,035,857	
Total liabilities	61,283,837	10,689,504	71,973,341	74,856
DEFERRED INFLOWS OF RESOURCES				
Prepaid Taxes	198,139		198,139	
Prepaid solid waste fees		288	288	
Leases	4,274,869	1,381,298	5,656,167	
Other post employment benefits	3,845,044	427,225	4,272,269	
Pension plan-register of deeds	2,906		2,906	
Pension plan-LEOSSA	85,012		85,012	
Pension plan-LGERS	3,999,179	435,935	4,435,114	50,236
Total deferred inflows of resources	12,405,149	2,244,746	14,649,895	50,236
NET POSITION				
Net investment in capital assets	23,834,297	16,195,719	40,030,016	286,605
Restricted for:				
Stabilization by State Statute	7,284,454		7,284,454	89,732
Register of deeds	73,410		73,410	
Human services	111,859		111,859	
Law enforcement	28,419		28,419	
Other governmental entities	-		-	490,385
Education	541,793		541,793	
Emergency telephone system	237,838		237,838	
Unrestricted (deficit)	(2,818,428)	12,481,839	9,663,411	677,100
Total net position	\$ 29,293,642	\$ 28,677,558	\$ 57,971,200	\$ 1,543,822

Pasquotank County, North Carolina

Exhibit 2

Statement of Activities

For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	Component Unit
					Governmental Activities	Business-type Activities		
Primary government:								
Governmental Activities:								
General government	\$ 6,170,252	\$ 2,112,506	\$ 251,038		\$ (3,806,708)		\$ (3,806,708)	
Public safety	17,900,793	5,728,360	1,291,005	331,021	(10,550,407)		(10,550,407)	
Environmental protection	4,915	5,051			136		136	
Economic and physical development	2,911,241	18,286	918,779		(1,974,176)		(1,974,176)	
Human services	9,468,771	35,619	5,308,252		(4,124,900)		(4,124,900)	
Cultural and recreation	2,237,837	13,008	9,250	15,000	(2,200,579)		(2,200,579)	
Education	14,500,130		377,000		(14,123,130)		(14,123,130)	
Interest on long-term debt	819,125				(819,125)		(819,125)	
Total governmental activities	<u>54,013,064</u>	<u>7,912,830</u>	<u>8,155,324</u>	<u>346,021</u>	<u>(37,598,889)</u>	<u>-</u>	<u>(37,598,889)</u>	
Business-type activities:								
Landfill	5,599,817	5,631,276	115,208			146,667	146,667	
Utilities	6,726,773	6,363,725	122,582	206,050		(34,416)	(34,416)	
Total business-type activities	<u>12,326,590</u>	<u>11,995,001</u>	<u>237,790</u>	<u>206,050</u>	<u>-</u>	<u>112,251</u>	<u>112,251</u>	
	<u>\$ 66,339,654</u>	<u>\$ 19,907,831</u>	<u>\$ 8,393,114</u>	<u>\$ 552,071</u>	<u>(37,598,889)</u>	<u>112,251</u>	<u>(37,486,638)</u>	
Component unit:								
EC-PC Tourism Development Authority	\$ 1,234,035	\$ 278,286	\$ 43,350	\$ 184,922				(727,477)
Total component unit	<u>\$ 1,234,035</u>	<u>\$ 278,286</u>	<u>\$ 43,350</u>	<u>\$ 184,922</u>				<u>(727,477)</u>
General revenues:								
Taxes:								
Property taxes, levied for general purpose					26,419,526		26,419,526	
Local option sales tax					13,167,326		13,167,326	
Other taxes and licenses					4,046,445		4,046,445	883,667
Investment earnings, unrestricted					59,416	52,340	111,756	1,699
Unrestricted intergovernmental					96,485		96,485	
Miscellaneous, unrestricted					4,638,152	98,586	4,736,738	4,462
Total general revenues, excluding transfers					<u>48,427,350</u>	<u>150,926</u>	<u>48,578,276</u>	<u>889,828</u>
Transfers					100,000	(100,000)	-	
Total general revenues and transfers					<u>48,527,350</u>	<u>50,926</u>	<u>48,578,276</u>	<u>889,828</u>
Change in net position					10,928,461	163,177	11,091,638	162,351
Net position--beginning					18,365,181	28,514,381	46,879,562	1,381,471
Net position--ending					<u>\$ 29,293,642</u>	<u>\$ 28,677,558</u>	<u>\$ 57,971,200</u>	<u>\$ 1,543,822</u>

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

Pasquotank County, North Carolina

Balance Sheet
 Governmental Funds
 June 30, 2022

Exhibit 3
 Page 1 of 2

	Major		Non-Major	Total Governmental Funds
	General	Grants Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 30,064,424	\$	\$ 354,358	\$ 30,418,782
Receivables (net):				
Taxes	1,660,372			1,660,372
Assessments	7,000		742	7,742
Other	5,591,624		18,074	5,609,698
Emergency medical services	1,352,054			1,352,054
Sales taxes	322,703		-	322,703
Restricted cash and cash equivalents	2,128,235	7,736,793	92,741	9,957,769
Lease Receivable	4,118,618			4,118,618
Prepaid items	2,264			2,264
Total assets	<u>\$ 45,247,294</u>	<u>\$ 7,736,793</u>	<u>\$ 465,915</u>	<u>\$ 53,450,002</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,040,820	\$	\$ 12,276	\$ 1,053,096
Prepaid revenues	1,195,439	7,735,345		8,930,784
Miscellaneous liabilities	458,690			458,690
Total liabilities	<u>2,694,949</u>	<u>7,735,345</u>	<u>12,276</u>	<u>10,442,570</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid taxes	198,139			198,139
Leases	4,274,869			4,274,869
Unavailable taxes receivable	1,660,373			1,660,373
Unavailable assessments receivable	7,000		742	7,742
Total deferred inflows of resources	<u>6,140,381</u>	<u>-</u>	<u>742</u>	<u>6,141,123</u>
Fund balances:				
Nonspendable:				
Prepaid items	2,264			2,264
Leases	(156,251)			(156,251)
Restricted:				
Stabilization by State statute	7,266,380		18,074	7,284,454
School capital needs	541,793			541,793
Register of deeds	73,410			73,410
Human services	-		111,859	111,859
Law enforcement			28,419	28,419
Emergency telephone system			237,838	237,838
Committed:				
Tax Revaluation	(79)			(79)
School capital needs	8,547,958			8,547,958
Drainage			20,305	20,305
Library			36,402	36,402
Assigned:				
Subsequent year's expenditures	806,800			806,800
Unassigned:				
Total fund balances	<u>36,411,964</u>	<u>1,448</u>	<u>452,897</u>	<u>36,866,309</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 45,247,294</u>	<u>\$ 7,736,793</u>	<u>\$ 465,915</u>	

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

(continued)

Pasquotank County, North Carolina

Balance Sheet
Governmental Funds
June 30, 2022

Exhibit 3
Page 2 of 2

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

Total fund balance, Governmental funds	36,866,309
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	38,968,406
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	197,477
Other long-term assets are not available to pay current-period expenditures and therefore are unavailable in the funds.	4,681,544
Net pension asset	70,435
Deferred outflows of resources related to pensions are not reported in the funds	4,280,054
Deferred outflows of resources related to LEOSSA are not reported in the funds	690,804
Deferred outflows of resources related to OPEB are not reported in the funds	4,904,317
Deferred outflows of resources related to ROD are not reported in the funds	14,458
Net pension liability	(2,662,994)
Total OPEB liability	(21,129,764)
Total pension liability	(2,035,857)
Deferred inflows of resources for taxes and special assessments receivable	1,668,115
Deferred inflows of resources related to pensions are not reported in the funds	(4,087,097)
Deferred inflows of resources related to OPEB are not reported in the funds	(3,845,044)
Deferred inflows of resources related to leases are not reported in the funds	(4,274,869)
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds.	<u>(25,012,652)</u>
Net position of governmental activities	<u>\$ 29,293,642</u>

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

Pasquotank County, North Carolina

Exhibit 4

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Funds
 For the Year Ended June 30, 2022

	Major		Non-Major	Total Governmental Funds
	General Fund	Grants Fund	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 26,545,569	\$	\$ -	\$ 26,545,569
Assessments	9,655		4,880	14,535
Local option sales taxes	13,167,326			13,167,326
Other taxes and licenses	4,053,518			4,053,518
Unrestricted intergovernmental	96,159			96,159
Restricted intergovernmental	6,459,033		124,882	6,583,915
Restricted other	535,561		1,590,791	2,126,352
Permits and fees	546,077			546,077
Sales and services	4,852,512			4,852,512
Investment earnings	57,709	1,362	345	59,416
Miscellaneous	3,924,118		54	3,924,172
Total revenues	<u>60,247,237</u>	<u>1,362</u>	<u>1,720,952</u>	<u>61,969,551</u>
EXPENDITURES				
Current:				
General government	5,194,219		209,278	5,403,497
Public safety	15,179,067		168,051	15,347,118
Environmental protection			4,915	4,915
Economic and physical development	1,945,174		893,365	2,838,539
Human services	8,920,594		36,486	8,957,080
Cultural and recreational	2,110,727		461	2,111,188
Intergovernmental:				
Education	14,500,130			14,500,130
Capital outlay	2,739,130		597,944	3,337,074
Debt service:				
Principal	3,724,945			3,724,945
Interest and other charges	856,566			856,566
Total expenditures	<u>55,170,552</u>	<u>-</u>	<u>1,910,500</u>	<u>57,081,052</u>
Excess (deficiency) of revenues over expenditures	<u>5,076,685</u>	<u>1,362</u>	<u>(189,548)</u>	<u>4,888,499</u>
OTHER FINANCING SOURCES (USES)				
Transfer in (out)	100,000			100,000
Lease liabilities issued	278,345			278,345
Total other financing sources and (uses)	<u>378,345</u>	<u>-</u>	<u></u>	<u>378,345</u>
Net change in fund balance	5,455,030	1,362	(189,548)	5,266,844
Fund balances-beginning	30,956,934	86	642,445	31,599,465
Fund balances-ending	<u>\$ 36,411,964</u>	<u>\$ 1,448</u>	<u>\$ 452,897</u>	<u>\$ 36,866,309</u>

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

Pasquotank County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances in Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds	\$ 5,266,844
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 and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period	188,641
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,521,260
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	59,748
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	284,171
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	2,871,974
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,458,317
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(2,722,494)</u>
Total changes in net position of governmental activities	<u><u>\$ 10,928,461</u></u>

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

Pasquotank County, North Carolina

Exhibit 5

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 25,865,500	\$ 26,153,941	26,545,569	\$ 391,628
Local option sales tax	11,015,900	11,050,304	13,167,326	2,117,022
Other taxes and licenses	1,622,000	1,861,050	4,063,173	2,202,123
Unrestricted intergovernmental	99,000	99,000	96,159	(2,841)
Restricted intergovernmental	5,809,756	8,222,402	6,459,033	(1,763,369)
Restricted other	490,000	558,561	535,561	(23,000)
Permits and fees	389,000	496,485	546,077	49,592
Sales and services	5,132,975	5,158,975	4,852,512	(306,463)
Investment earnings	105,500	30,500	57,709	27,209
Miscellaneous	2,331,248	3,451,239	3,924,118	472,879
Total revenues	<u>52,860,879</u>	<u>57,082,457</u>	<u>60,247,237</u>	<u>3,164,780</u>
Expenditures				
Current:				
General government	5,990,636	6,779,994	5,522,400	1,257,594
Public safety	17,848,433	19,962,802	18,213,309	1,749,493
Economic and physical development	1,974,492	2,092,311	1,945,174	147,137
Human services	8,984,206	9,836,457	9,135,939	700,518
Cultural and recreational	2,219,771	2,826,321	2,702,331	123,990
Intergovernmental:				
Education	15,281,677	16,203,432	14,500,130	1,703,302
Reserve funds	10,285,768	13,447,543		13,447,543
Debt service:				
Principal retirement	2,774,388	2,774,567	2,774,567	-
Interest and other charges	371,161	386,616	376,702	9,914
Total expenditures	<u>65,730,532</u>	<u>74,310,043</u>	<u>55,170,552</u>	<u>19,139,491</u>
Revenues over (under) expenditures	<u>(12,869,653)</u>	<u>(17,227,586)</u>	<u>5,076,685</u>	<u>22,304,271</u>
Other financing sources (uses):				
Issuance of debt	2,172,510	1,112,156		(1,112,156)
Lease liabilities issued			278,345	278,345
Transfer in (out)	100,000	100,000	100,000	
Fund balance appropriated	10,597,143	16,015,430		(16,015,430)
Total other financing sources (uses)	<u>12,869,653</u>	<u>17,227,586</u>	<u>378,345</u>	<u>(16,849,241)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	5,455,030	<u>\$ 5,455,030</u>
Fund balances:				
Fund balance, beginning			30,956,934	
Fund balance, ending (Exhibit 4)			<u>\$ 36,411,964</u>	

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

PASQUOTANK COUNTY, NORTH CAROLINA

Exhibit 6

GRANTS FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenue:				
Restricted revenue:				
America Rescue Plan	\$ -	\$ -	\$ -	\$ -
Miscellaneous revenue				
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Investment earnings:			1,362	1,362
Total Revenue	<u>-</u>	<u>-</u>	<u>1,362</u>	<u>1,362</u>
Expenditures				
Unallocated to projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over expenditures	<u>\$ -</u>	<u>\$ -</u>	1,362	<u>\$ 1,362</u>
Fund balance, beginning of year			<u>86</u>	
Fund balance, end of year			<u>\$ 1,448</u>	

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

Pasquotank County, North Carolina

Exhibit 7

Statement of Net Position
 Proprietary Funds
 June 30, 2022

	Enterprise Funds		
	Landfill Fund	Utilities Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 2,660,160	\$ 9,531,791	\$ 12,191,951
Accounts receivables, net	707,068	520,559	1,227,627
Other receivables	36,906	10,281	47,187
Cash reserve-current year debt payment		271,463	271,463
Prepaid trustee fees on debt issuance		5,313	5,313
Cash reserve-customer deposits	1,625	124,035	125,660
Lease receivable		69,828	69,828
Inventories	23,301	376,703	400,004
Total current assets	<u>3,429,060</u>	<u>10,909,973</u>	<u>14,339,033</u>
Noncurrent assets:			
Cash-Debt service reserve-trustee		1,081,803	1,081,803
Lease receivable, non-current		1,341,288	1,341,288
Right to use leased assets, net of amortization		55,903	55,903
Capital assets:			
Land, improvements, and construction in progress	528,989	1,098,191	1,627,180
Other capital assets, net of depreciation	1,151,883	20,910,850	22,062,733
Total capital assets	<u>1,680,872</u>	<u>22,009,041</u>	<u>23,689,913</u>
Total noncurrent assets	<u>1,680,872</u>	<u>24,488,035</u>	<u>26,168,907</u>
Total assets	<u>5,109,932</u>	<u>35,398,008</u>	<u>40,507,940</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Pension plan-LGERS	215,136	297,675	512,811
Other post employment benefits	217,028	374,029	591,057
Total deferred outflows of resources	<u>432,164</u>	<u>671,704</u>	<u>1,103,868</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	163,995	155,699	319,694
Liabilities payable from restricted assets:			
Customer deposits	1,625	124,035	125,660
Accrued interest payable		44,376	44,376
Lease liability		2,198	2,198
Compensated absences, current	22,000	34,680	56,680
Current portion, long-term debt		935,127	935,127
Total current liabilities	<u>187,620</u>	<u>1,296,115</u>	<u>1,483,735</u>
Noncurrent liabilities:			
Compensated absences	45,564	54,017	99,581
Lease liability		54,068	54,068
Net pension liability	128,007	177,120	305,127
Other post employment benefits liability	878,024	1,310,265	2,188,289
Noncurrent portion, long-term debt		6,558,704	6,558,704
Total noncurrent liabilities	<u>1,051,595</u>	<u>8,154,174</u>	<u>9,205,769</u>
Total liabilities	<u>1,239,215</u>	<u>9,450,289</u>	<u>10,689,504</u>
DEFERRED INFLOWS OF RESOURCES:			
Prepaid solid waste fees	288		288
Leases		1,381,298	1,381,298
Pension plan-LGERS	182,884	253,051	435,935
Other post employment benefits	170,890	256,335	427,225
Total deferred inflows of resources	<u>354,062</u>	<u>1,890,684</u>	<u>2,244,746</u>
NET POSITION			
Net investment in capital assets	1,680,872	14,514,847	16,195,719
Unrestricted	2,267,947	10,213,892	12,481,839
Total net position	<u>\$ 3,948,819</u>	<u>\$ 24,728,739</u>	<u>\$ 28,677,558</u>

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

Pasquotank County, North Carolina

Exhibit 8

Statement of Revenues, Expenses, and Changes in Fund Net Position
 Proprietary Funds
 For the Year Ended June 30, 2022

	Enterprise Funds		
	Landfill Fund	Utilities Fund	Total
OPERATING REVENUES			
Charges for services	\$ 2,909,103	\$ 4,063,415	\$ 6,972,518
Water sales-reverse osmosis plant		2,142,906	2,142,906
Solid waste fees	2,576,743		2,576,743
Service fees and penalties	43,185	112,138	155,323
Other operating revenue	102,245	45,266	147,511
Total operating revenues	<u>5,631,276</u>	<u>6,363,725</u>	<u>11,995,001</u>
OPERATING EXPENSES			
Water plant operations		3,601,178	3,601,178
Reverse osmosis plant operations		1,080,051	1,080,051
Waste water treatment plant operations		157,996	157,996
Professional services		65,945	65,945
Administrative services		337,426	337,426
Depreciation and amortization	171,573	1,319,071	1,490,644
Transfer station	142,987		142,987
Landfill operations	2,991,650		2,991,650
Convenience sites	2,262,250		2,262,250
Total operating expenses	<u>5,568,460</u>	<u>6,561,667</u>	<u>12,130,127</u>
Operating income (loss)	<u>62,816</u>	<u>(197,942)</u>	<u>(135,126)</u>
NONOPERATING REVENUES (EXPENSES)			
State grants	10,983		10,983
N C Department of Revenue:			
Tire disposal fee tax	67,913		67,913
White goods disposal fee tax	11,415		11,415
Solid waste disposal tax	22,070		22,070
Electronics management program	2,827		2,827
Payment from the City of Elizabeth City		122,582	122,582
Trustee fees		(3,508)	(3,508)
Sale of assets	17,716	7,011	24,727
Insurance proceeds		1,066	1,066
Sales tax refund		87	87
Tower rental fees		72,706	72,706
Other post employment benefits	(46,194)	(20,805)	(66,999)
Net pension costs	14,837	20,529	35,366
Interest paid on long-term debt		(161,322)	(161,322)
Interest and investment revenue	4,365	47,975	52,340
Total nonoperating revenue (expenses)	<u>105,932</u>	<u>86,321</u>	<u>192,253</u>
Income before capital contributions and transfers	168,748	(111,621)	57,127
Capital contributions		206,050	206,050
Transfers (to) from other funds	(100,000)		(100,000)
Change in net position	<u>68,748</u>	<u>94,429</u>	<u>163,177</u>
Total net position - beginning	3,880,071	24,634,310	28,514,381
Total net position - ending	<u>\$ 3,948,819</u>	<u>\$ 24,728,739</u>	<u>\$ 28,677,558</u>

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

Pasquotank County, North Carolina

Exhibit 9

Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2022

	Landfill Fund	Utilities Fund	Total
Cash flows from operating activities:			
Cash received from customers	\$ 2,863,949	\$ 6,101,971	\$ 8,965,920
Cash received from solid waste fees	2,576,732		2,576,732
Cash paid for goods and services	(4,224,163)	(3,897,180)	(8,121,343)
Cash paid to employees for services	(1,192,801)	(1,434,662)	(2,627,463)
Customer deposits (net)		34,285	34,285
Other operating revenue	142,077	157,404	299,481
Net cash provided by (used by) operating activities	<u>165,794</u>	<u>961,818</u>	<u>1,127,612</u>
Cash flows from noncapital financing activities			
Proceeds from State grants-operating	6,630		6,630
Proceeds from City		122,582	122,582
Sales tax refund	-	87	87
Insurance proceeds		1,066	1,066
N C Department of Revenue:			
Proceeds for tire disposal tax	65,560		65,560
Proceeds for white goods disposal tax	16,953		16,953
Proceeds for solid waste disposal tax	22,169		22,169
Proceeds for electronics management	2,827		2,827
Transfer out to capital reserve	(100,000)		(100,000)
Net cash provided by (used by) noncapital financing activities	<u>14,139</u>	<u>123,735</u>	<u>137,874</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(255,327)	(1,755,095)	(2,010,422)
Construction in progress	(14,645)	(252,106)	
Right to use assets		(2,653)	
Sale of assets	17,716	7,011	24,727
Trustee fees		(3,508)	(3,508)
System development fees		206,050	206,050
Principal paid on bonds		(963,500)	(963,500)
Interest paid on bonds		(119,286)	(119,286)
Proceeds from tower rental		40,818	40,818
Net cash provided by (used by) capital and related financing activities	<u>(252,256)</u>	<u>(2,842,269)</u>	<u>(2,825,121)</u>
Cash flows from investing activities:			
Interest on investments	4,365	43,678	48,043
Net cash used by investing activities	<u>4,365</u>	<u>43,678</u>	<u>48,043</u>
Net increase (decrease) in cash and cash equivalents	(67,958)	(1,713,038)	(1,511,592)
Cash and cash equivalents, July 1	2,729,743	12,722,130	15,451,873
Cash and cash equivalents, June 30	<u>\$ 2,661,785</u>	<u>\$ 11,009,092</u>	<u>\$ 13,940,281</u>
(Landfill includes reserves of \$1,625)			
(Water System includes cash reserves of \$271,463			
\$124,035 and \$1,081,803			

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

(continued)

Pasquotank County, North Carolina

Statement of Cash Flows

Proprietary Funds

For The Year Ended June 30, 2022

Exhibit 9
(continued)

	Landfill Fund	Utilities Fund	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating (loss) income	\$ 62,816	\$ (197,942)	\$ (135,126)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	171,573	1,315,205	1,486,778
Amortization		3,866	3,866
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
(Increase) decrease in accounts receivable	(45,165)	(104,319)	(149,484)
(Increase) decrease in other receivables	(3,295)	1,851	(1,444)
(Increase) decrease in inventory		(172,243)	(172,243)
(Increase) decrease in prepaid expenses	925		925
Increase (decrease) in accounts payable and accrued liabilities	(24,354)	80,581	56,227
Increase (decrease) in customer deposits		34,285	34,285
Increase (decrease) in accrued vacation pay	3,294	534	3,828
Total adjustments	<u>102,978</u>	<u>1,159,760</u>	<u>1,262,738</u>
Net cash provided by (used by) operating activities	<u>\$ 165,794</u>	<u>\$ 961,818</u>	<u>\$ 1,127,612</u>

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

Pasquotank County, North Carolina

Exhibit 10

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	<u>Custodial Funds</u>
Assets	
Cash and cash equivalents	\$ 92,865
Taxes receivable for other governments, net	1,030,100
Fees receivable for other organizations, net	<u>17,237</u>
Total assets	<u>1,140,202</u>
Liabilities	
Due to other governments	90,616
Due to other organizations	<u>2,249</u>
Total liabilities	<u>92,865</u>
Net position	
Restricted for:	
Governments and other organizations	<u>1,047,337</u>
Total fiduciary net position	<u><u>\$ 1,047,337</u></u>

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

Pasquotank County, North Carolina

Exhibit 11

Statement of Changes in Fiduciary Net Position

Fiduciary Funds

June 30, 2022

	<u>Custodial Funds</u>
Additions	
Ad valorem taxes, assessments and fees for other governments	\$ 10,634,649
Gross receipts taxes for other governments	98,872
Collections of fees for other organizations	<u>23,934</u>
Total additions	<u>10,757,455</u>
Deductions	
Distributions to other governments	10,694,139
Distributions to other organizations	<u>22,478</u>
Total deductions	<u>10,716,617</u>
Net increase (decrease) in fiduciary position	40,838
Net position, beginning, as previously reported	-
Prior period restatement - change in accounting principal	<u>1,006,499</u>
Net position, beginning, as restated	<u>1,006,499</u>
Net position, ending	<u>\$ 1,047,337</u>

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

NOTES TO THE BASIC FINANCIAL STATEMENTS

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

PASQUOTANK COUNTY, NORTH CAROLINA

Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting policies of Pasquotank County and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable. One component unit of the County has no financial transactions or account balances; therefore, it does not appear in the combined financial statements. The discretely presented component unit presented below are reported in a separate column in the County's combined financial statements.

Elizabeth City-Pasquotank County Tourism Development Authority

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

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

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

Pasquotank County Industrial Facilities and Pollution Control Financing Authority

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

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

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

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

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

Grants Fund: This special revenue fund is used to account for the American Rescue Plan distribution until such time the Board of Commissioners approve a spending plan.

The County reports the following major enterprise funds:

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

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

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 Municipal Tax Fund, which accounts for taxes that are billed and collected by the County for the City of Elizabeth City but are not revenues to the County, and the Health Department Fund, which accounts for septic tank inspection fees collected by the County on behalf of Albemarle Regional Health Services.

Non-Major Funds. The County maintains nine legally budgeted funds. The Emergency Telephone System Fund, the Seized Asset Fund, the Library Reserve Fund, the Drainage Districts Fund, the Opioid Settlement Fund, the Representative Payee Fund, the Occupancy Tax Fund, the Deed of Trust Fund, and the Fines and Forfeitures Fund are reported as nonmajor special revenue funds.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements. The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

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

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

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

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all enterprise funds and governmental funds except the Seized Asset Fund (special revenue funds). All annual appropriations lapse at fiscal year-end. A project ordinance is adopted for the Seized Asset Fund.

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

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

1. Deposits and Investments

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

2. Cash and Cash Equivalents

The County pools moneys from several funds into a central depository account to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalent. The County also owns cash and investments in individual funds. The TDA considers demand deposits and investments which are not limited as to use purchased with an original maturity of 90 days or less, to be cash and cash equivalents.

3. Restricted Assets and Assets Limited as to Use

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

Pasquotank County Restricted Cash

Governmental Activities	
General Fund:	
Debt service reserve	\$ 585,248
Hospital contingency	1,500,683
ARPA funds	7,736,793
Opioid settlement funds	92,741
Tax revaluation	<u>42,334</u>
Total Governmental Activities	<u>\$ 9,957,769</u>
Business-Type Activities	
Utilities:	
Debt service reserve-current	\$ 271,463
Debt service reserve-per bond covenant	1,081,803
Customer deposits	124,035
Landfill Fund:	
Customer deposits	<u>1,625</u>
Total Business-type Activities	<u>\$ 1,478,926</u>
 Total Restricted Cash	 <u>\$ 11,436,695</u>

4. Ad Valorem Taxes Receivable

In accordance with State law (G.S. 105-347 and G.S. 159-13(a)), the County levies ad valorem taxes on property other than motor vehicles on July 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, 2021. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

5. Lease Receivable

The County's lease receivable is measured at the present value of the lease payments expected to be received during the lease term. There are no variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. 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.

7. Inventories and Prepaid Items

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

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

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

8. Capital assets

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

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

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

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

For the TDA, depreciation is computed by the straight-line method as follows:

	<u>Useful Life</u>
Furniture/equipment	5 years
Website Development	3 years
Computers	3 years

9. **Right to use assets**

The County has recorded right to use assets as a result of GASB 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the asset in service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

10. **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represent a consumption of net assets that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – a charge on refunding (Governmental), bond issuance costs (Business-type), pension related deferrals, and contributions made to the pension plan and other post-employment benefits (OPEB) in the current year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represent an acquisition of net assets that applies to a future period and so will not be recognized as revenue until then. The County has two items that meets the criterion for this category – prepaid taxes and other pension and OPEB related deferrals.

11. **Long-Term Obligations**

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

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

12. **Compensated Absences**

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. The vacation policy of the TDA provides for the accumulation of up to fourteen (14) days earned vacation leave with such leave being fully vested when earned. For the TDA's government-wide statement and the County's

government-wide and proprietary funds an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the leave is earned. Compensated balances are reported in governmental funds only if they have matured. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

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

13. **Opioid Settlement Funds**

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds will be front loaded.

North Carolina's Memorandum of Agreement (MOA) between the state and local governments for the settlement funds allocates the funds as follows:

- 15% directly to the State ("State Abatement Fund")
- 80% to abatement funds established by Local Governments ("Local Abatement Funds")
- 5% to a County Incentive Fund.

The County received \$92,740 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

14. **Reimbursements for Pandemic-related Expenditures**

In FY 2020/21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. The County was allocated \$7,735,345 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,867,672 was received in June 2021. The second installment was received in June 2022. The County plans on using the funds for revenue replacement in Fiscal Year 2023. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined

15. **Net Position/Fund Balances**

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Leases – portion of fund balance that is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

Inventories – portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories, which are not spendable resources

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

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

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

Restricted for health services – portion of fund balance that can only be used to benefit beneficiaries under the Social Security's Representative Payee Program and the amount of unspent Opioid Settlement funds.

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

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

Restricted for School Capital – portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

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

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

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

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

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

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

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

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports a positive unassigned fund balance.

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

16. **Defined Benefit Pension and OPEB Plans**

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(7,572,667) consists of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 87,505,533
Less accumulated depreciation	(48,537,127)
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	278,345
Less accumulated amortization	(80,868)
Net pension asset	70,435
Contributions to the pension plan in the current fiscal year	1,521,259
Benefit payments and pension administration costs for LEOSSA	59,748
Contributions to OPEB plan in the current year	284,171
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	406,675
Lease receivable	4,274,869
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	1,668,115
Pension related deferrals	(682,788)
OPEB related deferrals	775,102
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases and installment financing	(27,801,589)
Premium on issuance of bonds	(64,435)
Compensated absences	(1,151,828)
Unfunded pension obligation	(2,035,857)
Net pension liability-LGERS	(2,662,994)
Other postemployment benefits	(21,129,764)
Accrued interest payable	(269,669)
Total adjustment	<u>\$ (7,572,667)</u>

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$5,661,617 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 3,357,074
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(3,168,433)
Financing proceeds related to leases during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(278,345)
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.	3,724,945
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	1,521,260
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(14,143)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	25,724
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	59,748
Other postemployment benefits	(1,027,667)
County's portion of collective pension expense	(1,422,237)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Amortization of charge related to advance refunding	11,717
Fair value of assets donated that is not recorded in the fund statements But is recorded in the government-wide statements	3,000,000
Reversal of deferred inflows of resources – taxes receivable recorded at July 1, 2021	(2,193,091)
Recording of deferred inflows of resources – taxes receivable at June 30, 2022	2,067,048
Reversal of deferred assessments recorded at July 1, 2021	(9,725)
Recording of assessments deferred in the funds statement June 30, 2022	7,742
Total adjustment	<u>\$ 5,661,617</u>

Note 2 - Stewardship, Compliance, and Accountability

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

1. Noncompliance with North Carolina General Statutes

There were no significant violations of finance related legal and contractual provisions at June 30, 2022.

Note 3 - Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's and the TDA'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 and the TDA's agents in those unit's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the TDA, 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 TDA or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County and the TDA, under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the TDA, and Hospital rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County's Board of Commissioners has adopted a formal investment policy based on G.S.159-30, but omitting several of the investment options allowed by this statute. The TDA and the Hospital has no formal policy and therefore uses G.S. 159-30 in its entirety.

At June 30, 2022, the County's deposits had a carrying amount of \$22,573,684 and a bank balance of \$23,459,689. Of the bank balance, \$1,250,000 was covered by federal depository insurance, and the rest was covered by collateral held under the pooling method. At June 30, 2022, the County had \$2,925 cash on hand. At June 30, 2022 the Custodial Funds had a carrying amount and bank balance of \$92,865. At June 30, 2022, the TDA's deposits had a carrying value of \$1,224,175 and a bank balance of \$1,235,311. Of the bank balance, \$250,000 was covered by federal depository insurance and \$985,311 was covered by collateral held under the pooling method.

2. Investments

As of June 30, 2022, the County's investments consisted of \$31,470,819 in the North Carolina Capital Management Trust's Government Portfolio, which carried a credit rating of AAAM by Standard and Poor's.

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. The TDA has no policy with regard to interest rate risk.

Credit Risk. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs); however, the County had no formal policy on managing credit risk. As of June 30, 2021, the County's investments in commercial paper were rated P1 by Standard & Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA-mf by Standard & Poor's as of June 30, 2022. The County's investment in the North Carolina Capital Management Trust Term Portfolio is unrated. The TDA has no policy with regard to credit risk.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Neither the County nor the TDA have a policy on custodial credit risk.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,586,960	\$ 376,903	\$ 1,963,863
2020	1,592,375	234,875	1,827,250
2021	1,594,029	91,657	1,685,686
2022	<u>1,352,011</u>		<u>1,352,011</u>
Total	\$ <u>6,125,375</u>	\$ <u>703,435</u>	\$ <u>6,828,810</u>

4. **Receivables**

Receivables at the government-wide level at June 30, 2022, were as follows:

	Accounts	Taxes and Related Accrued Interest	Special Assessments	Leases Receivable	Due From Other Governments	Other	Total
Governmental Activities:							
General	\$ 2,125,891	\$ 2,285,719	\$ 7,000	\$ 4,118,618	\$ 5,442,887	\$ 471,440	\$ 14,451,555
Other governmental			742		16,907	1,167	18,816
Total Receivables	2,125,891	2,285,719	7,742	4,118,618	5,459,794	472,607	14,470,371
Allowance for Doubtful Accounts	(766,095)	(226,414)					(992,509)
Total Governmental Activities	\$ 1,359,796	\$ 2,059,305	\$ 7,742	\$ 4,118,618	\$ 5,459,794	\$ 472,607	\$ 13,477,862
Business-type Activities:							
Landfill	\$ 741,705	\$ -	\$ -	\$ -	\$ 36,746	\$ 160	\$ 778,611
Water System	666,818			1,411,116		10,281	2,088,215
Total Receivables	1,408,523			1,411,116	36,746	10,441	2,866,826
Allowance for Doubtful Accounts	(180,896)						(180,896)
Total Business-type Activities	\$ 1,227,627	\$ -	\$ -	\$ 1,411,116	\$ 36,746	\$ 10,441	\$ 2,685,930

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

	Governmental	Business-type
Local option sales tax	\$3,504,047	\$ -
City of Elizabeth City	87,560	1,086
Camden County	23,331	
Wayne County	604	
Federal Emergency Management Agency	275,811	
U.S. Department of Justice	21,283	
U.S. Treasury-FBI	1,581	
State of North Carolina:		
Department of Transportation	279,786	
Department of Public Safety	83,903	
Department of Agriculture & Consumer Services	14,092	
Department of Administration		758
Department of Public Instruction	64,870	
Department of Environmental Quality		8,100
Department of Revenue	75,402	
Department of Health and Human Services	1,011,117	
Information Technology Service	16,407	
Solid Waste Disposal Tax		5,117
Scrap Tire Disposal Tax		18,318
Total	<u>\$5,459,794</u>	<u>\$ 36,746</u>

5. Leases Receivable

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

Governmental Activities:

On July 1, 2021, the County entered into an 18-month lease as Lessor for the farmland located in the Pasquotank County Commerce Park. An initial lease receivable was recorded in the amount of \$46,456.44. As of June 30, 2022, the value of the lease receivable is \$15,516. The lessee is required to make semi-annual fixed payments of \$15,562. The lease has an interest rate of 0.5925%. The value of the deferred inflow of resources as of June 30, 2022, was \$15,485, and the County recognized lease revenue of \$30,971 during the fiscal year.

On July 1, 2021, the County, entered into a 105-month lease as Lessor for the use of tower space located at 1403 Parkview Drive. An initial lease receivable was recorded in the amount of \$169,532. As of June 30, 2022, the value of the lease receivable is \$152,950. The lessee is required to make monthly fixed payments of \$1,587. The lease has an interest rate of 1.6458%. The estimated useful life was 103 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022, was \$150,309, and the County recognized lease revenue of \$19,222 during the fiscal year. The lessee has 1 extension option(s), for 60 months.

On July 1, 2021, the County entered into a 30-month lease as Lessor for the use of 1205 McPherson Street. An initial lease receivable was recorded in the amount of \$40,770. As of June 30, 2022, the value of the lease receivable is \$24,548. The lessee is required to make monthly fixed payments of \$1,373. The lease has an interest rate of 0.8453%. The building is fully depreciated. The value of the deferred inflow of resources as of June 30, 2022, was \$24,462, and the County recognized lease revenue of \$16,308 during the fiscal year.

On July 1, 2021, the County entered into a 15-month lease as Lessor for the use of office space located in the Edgewood Shopping Center - Area 3. An initial lease receivable was recorded in the amount of \$6,732. As of June 30, 2022, the value of the lease receivable is \$1,349. The lessee is required to make monthly fixed payments of \$450. The lease has an interest rate of 0.4661%. The building is fully depreciated. The value of the deferred inflow of resources as of June 30, 2022, was \$1,346, and the County recognized lease revenue of \$5,385 during the fiscal year.

On July 1, 2021, the County entered into a 55-month lease as Lessor for the use of the Hospital Facility. An initial lease receivable was recorded in the amount of \$5,222,782. As of June 30, 2022, the value of the lease receivable is \$3,924,255. The lessee is required to make annual fixed payments of \$1,339,000. The lease has an interest rate of 1.1771%. The building is fully depreciated. The value of the deferred inflow of resources as of June 30, 2022, was \$4,083,266, and the County recognized lease revenue of \$1,139,516 during the fiscal year.

Business-type Activities:

On July 1, 2021, the County entered into a 355-month lease as Lessor for the use of space on a tower located at 1186 Northside Road. An initial lease receivable was recorded in the amount of \$594,259. As of June 30, 2022, the value of the lease receivable is \$582,774. The lessee is required to make annual fixed payments of \$20,988. The lease has an interest rate of 2.7413%. The tower's estimated useful life was months as of the contract commencement. The value of the deferred inflow of resources as of 06/30/2022 was \$574,192, and the County recognized lease revenue of \$20,067 during the fiscal year. The lessee has five extension option(s), each for 60 months.

On July 1, 2021, the County entered into a 224-month lease with U.S. Cellular as Lessor for the use of space on a water tower located at 1466 Weeksville Road. An initial lease receivable was recorded in the amount of \$448,029. As of June 30, 2022, the value of the lease receivable is \$433,942. The lessee is required to make monthly fixed payments of \$2,000.00. The lease has an interest rate of 2.4545%. The water tower's estimated useful life was 132 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022, was \$424,092, and the County recognized lease revenue of \$23,937 during the fiscal year. The lessee has three extension option(s), each for 60 months.

On July 1, 2021, the County entered into a 172-month lease with Verizon as Lessor for the use of space on a water tower located at 1466 Weeksville Road. An initial lease receivable was recorded in the amount of \$411,715. As of June 30, 2022, the value of the lease receivable is \$394,400. The lessee is required to make monthly fixed payments of \$2,380. The lease has an interest rate of 2.0477%. The water tower's estimated useful life was 132 months as of the contract commencement. The value of the deferred inflow of resources as of June 30, 2022, was \$383,014, and the County recognized lease revenue of \$28,702 during the fiscal year. The lessee has two extension option(s), each for 60 months.

The TDA's receivable consists of occupancy taxes from local hotels of \$96,990. Management expects this receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2022 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 5,641,249	\$ 1,140,770	\$	\$ 6,782,019
Construction in progress	50,272	527,564	50,272	527,564
Total assets not being depreciated	<u>5,691,521</u>	<u>1,668,334</u>	<u>50,272</u>	<u>7,309,583</u>
Capital assets being depreciated:				
Buildings	55,827,660	2,742,147	37,796	58,532,011
Furniture, fixtures and office equipment	9,521,296	1,049,104	8,545	10,561,855
Vehicles and motorized equipment	7,813,167	669,416	248,822	8,233,761
Infrastructure	2,637,960			2,637,960
Total assets being depreciated	<u>75,800,083</u>	<u>4,460,667</u>	<u>295,163</u>	<u>79,965,587</u>
Less accumulated depreciation for:				
Buildings	29,820,943	1,620,157	37,796	31,403,304
Furniture and fixtures	8,137,631	701,119	8,545	8,830,205
Vehicles and motorized equipment	5,931,375	639,098	248,822	6,321,651
Infrastructure	1,624,413	127,191		1,751,604
Total accumulated depreciated	<u>45,514,362</u>	<u>\$ 3,087,565</u>	<u>\$ 295,163</u>	<u>48,306,764</u>
Total capital assets being depreciated, net	<u>30,285,721</u>			<u>31,658,823</u>
Governmental activity capital assets, net	<u>\$ 35,977,242</u>			<u>\$ 38,968,406</u>

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

General government	\$780,359
Public safety	1,949,204
Economic development	70,276
Human Services	156,784
Cultural and recreational	130,942
Total depreciation expense	<u>\$3,087,565</u>

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Landfill				
Capital assets not being depreciated:				
Land	\$ 470,553	\$	\$	\$ 470,553
Construction in progress	43,791	24,516	9,871	58,436
Total assets not being depreciated	<u>514,344</u>	<u>24,516</u>	<u>9,871</u>	<u>528,989</u>
Capital assets being depreciated:				
Buildings and improvements	1,031,037	172,091		1,203,128
Transfer station	631,537	19,944		651,481
Equipment	964,061	7,500	10,000	961,561
Vehicles	1,879,140	55,791	12,263	1,922,668
Total assets being depreciated	<u>4,505,775</u>	<u>255,326</u>	<u>22,263</u>	<u>4,738,838</u>
Less accumulated depreciation for:				
Buildings and improvements	564,416	44,793		609,209
Transfer station	442,162	4,723		446,885
Equipment	845,926	44,077	10,000	880,003
Vehicles	1,585,142	77,980	12,263	1,650,859
Total accumulated depreciated	<u>3,437,646</u>	<u>\$ 171,573</u>	<u>\$ 22,263</u>	<u>3,586,956</u>
Total capital assets being depreciated, net	<u>1,068,129</u>			<u>1,151,882</u>
Landfill capital assets, net	<u>1,582,473</u>			<u>1,680,871</u>
Utilities				
Capital assets not being depreciated:				
Land	777,074			777,074
Construction in progress	69,011	265,675	13,568	321,118
Total assets not being depreciated	<u>846,085</u>	<u>265,675</u>	<u>13,568</u>	<u>1,098,192</u>
Capital assets being depreciated:				
Buildings	14,881,284			14,881,284
Plant and distribution	25,327,611	1,506,467		26,834,078
Equipment	1,127,284	147,829		1,275,113
Vehicles	663,524	100,799	59,151	705,172
Total assets being depreciated	<u>41,999,703</u>	<u>1,755,095</u>	<u>59,151</u>	<u>43,695,647</u>
Less accumulated depreciation for:				
Buildings	5,574,015	447,838		6,021,853
Plant and distribution	14,491,175	727,368		15,218,543
Equipment	978,889	71,451		1,050,340
Vehicles	484,664	68,548	59,151	494,061
Total accumulated depreciated	<u>21,528,743</u>	<u>\$ 1,315,205</u>	<u>\$ 59,151</u>	<u>22,784,797</u>
Total capital assets being depreciated, net	<u>20,470,960</u>			<u>20,910,850</u>
Utilities capital assets, net	<u>21,317,045</u>			<u>22,009,042</u>
Business-type activities capital assets, net	<u>\$ 22,899,518</u>			<u>\$ 23,689,913</u>

Discretely presented component units:

Capital asset activity for the TDA for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in progress	\$ 94,998	\$ 190,060	\$ 285,058	\$ -
Total assets not being depreciated	94,998.00	190,060	285,058	-
Capital assets being depreciated:				
Office equipment and furniture	13,896	1,190	4,679	10,407
Computer software and website	35,917			35,917
Signs	1,043	285,058	1,043	285,058
Kiosk	5,000		5,000	-
Total assets being depreciated	55,856	286,248	10,722	331,382
Less accumulated depreciation for:				
Office equipment and furniture	9,845	3,641	4,626	8,860
Computer software and website	6,186	29,731		35,917
Signs	104		104	-
Kiosk	5,000		5,000	-
Total accumulated depreciated	21,135	\$ 33,372	\$ 9,730	44,777
Total capital assets being depreciated, net	34,721			286,605
Governmental activity capital assets, net	\$ 129,719			\$ 286,605

Depreciation expense in the amount of \$33,372 was charged to Administration and Operations of the TDA.

7. Right to Use Leased Assets

The County has recorded eleven right to use leased assets. The assets are right to use assets for leased copiers, postage machines, tasers and leased office space. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2022, was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Right to use assets				
Leased copiers and postage machines	\$ -	\$ 75,895	\$ -	\$ 75,895
Leased tasers		171,249		171,249
Leased well site		51,732		51,732
Leased office space		38,388		38,388
Total right to use assets	-	337,264	-	337,264
Less accumulated amortization for:				
Leased copiers and postage machines		25,009		25,009
Leased tasers		45,197		45,197
Leased well site		882		882
Leased office space		12,796		12,796
Total accumulated amortization	-	83,884	-	83,884
Right to use assets, net	\$ -	\$ 253,380	\$ -	\$ 253,380

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2022, were as follows:

	<u>Vendors</u>	<u>Salaries and Benefits</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental activities:					
General	\$ 583,127	\$ 457,694	\$ 269,669	\$ 458,689	\$ 1,769,179
Other governmental	12,276				12,276
Total governmental activities	<u>\$ 595,403</u>	<u>\$ 457,694</u>	<u>\$ 269,669</u>	<u>\$ 458,689</u>	<u>\$ 1,781,455</u>
Business-type activities:					
Landfill	\$ 120,559	\$ 44,720	\$	\$ (1,284)	\$ 163,995
Water system	116,939	38,269	44,376	491	200,075
Total business-type activities	<u>\$ 237,498</u>	<u>\$ 82,989</u>	<u>\$ 44,376</u>	<u>\$ (793)</u>	<u>\$ 364,070</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of

creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute six percent (6%) of their annual covered salary. The County and the TDA are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 11.43% and 12.04%, respectively, of annual covered payroll. For the library employees, the current rate for employees not engaged in law enforcement is 11.45% of annual covered payroll. For the emergency medical services employees, the current rate for employees not engaged in law enforcement is 11.39%. The County's contributions to LGERS for the years ended June 30, 2022, was \$1,703,354. The TDA's contractually required contribution rate for the year ended June 30, 2022 was 11.35%. The TDA's contributions to LGERS for the year ended June 30, 2022 was \$22,781. The County's contributions for the library employees to LGERS for the year ended June 30, 2022 was \$42,686. The contributions made by the County and the TDA equaled the required contributions for each year.

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

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

At June 30, 2022, the County reported a liability of \$2,968,121 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022 the County's proportion was .1935% (measured as of June 30, 2021), which was an increase of .0007% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$1,337,870. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 944,266	\$ -
Changes of assumptions	1,864,738	
Net difference between projected and actual earnings on pension plan investments		4,240,555
Changes in proportion and differences between County contributions and proportionate share of contributions	280,507	194,559
County contributions subsequent to the measurement date	<u>1,703,354</u>	
Total	\$ 4,792,865	\$ 4,435,114

\$1,703,354 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ (55,454)
2024	(297,624)
2025	(1,297,635)
2026	-
2027	-
Thereafter	-

At June 30, 2022, the TDA reported a liability of \$32,206 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the Authority's proportion was .00210% which was an increase of .00021% from its proportion as of June 30, 2020.

For the year ended June 30, 2022, the TDA recognized pension expense of \$19,061 (fund basis) and deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 10,246	\$ -
Changes of assumption	20,233	-
Net difference between projected and actual earnings on pension plan investments		46,012
Changes in proportion and differences between Authority contributions and proportionate share of contributions	15,142	4,224
Authority contributions subsequent to measurement date	<u>22,781</u>	<u>-</u>
Total	<u>\$ 68,402</u>	<u>\$ 50,236</u>

\$22,781 reported as deferred outflows of resources related to pensions resulting from the TDA contributions subsequent to the measurement date will be recognized as a decrease of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2023	\$ 7,956
2024	3,081
2025	(1,573)
2026	(14,079)
2027	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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, 2022 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2021 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LRS. 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 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	<u>1% Decrease (5.50%)</u>	<u>Discount Rate (6.50%)</u>	<u>1% Increase (7.50%)</u>
County's proportionate share of the net pension liability (asset)	\$11,522,001	\$ 2,968,121	\$ (4,071,223)
TDA's proportionate share of the net pension liability (asset)	\$ 125,019	\$ 32,206	\$ (44,175)

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

Pasquotank County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan of which no stand-alone financial report is issued, that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of credible service or have attained 55 years of age and have completed five or more years of credible service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2020 valuation date, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Active plan members	<u>46</u>
Total	<u>52</u>

A separate report was issued for the plan.

2. Summary of Significant Accounting Policies

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

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

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2020 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%	per annum
Salary increases	3.25 - 7.75%	per annum
Discount rate	2.25%	per annum, compounded annually

The discount rate is based on the S & P Municipal Bond 20-year High Grade Rate Index, as of June 30, 2021.

The actuarial assumptions used in the December 31, 2020 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 Rate

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2019 Total Data Set for Healthy Annuitants Mortality Table. The RP-2019 annuitant tables have no rates prior to age 50. The RP-2019 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2019 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

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

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$117,791 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, 2022, the County reported a total pension liability of \$2,035,857. The total pension liability was measured as of June 30, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$289,608.

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 248,130	\$ 25,587
Changes of assumptions	382,926	59,425
County benefit payments and administrative expenditures paid subsequent to the measurement date	59,748	
Total	<u>\$ 690,804</u>	<u>\$ 85,012</u>

The County paid \$59,748 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions which will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ 137,379
2024	124,400
2025	133,423
2026	114,829
2027	35,859
Thereafter	157

Sensitivity of the County's total pension liability to changes in the discount rate. The following represents the County's total pension liability calculated using the discount rate of 2.25 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 (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 2,211,123	\$ 2,035,857	\$ 1,875,803

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

	2022
Beginning balance	\$ 1,905,305
Service cost	105,658
Interest on the total pension liability	35,733
Change in benefit terms	-
Difference between expected and actual experience	151,239
Changes in assumptions and other inputs	(54,392)
Benefit payments	(107,686)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,035,857</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 1.93 percent at June 30, 2020 (measurement date) to 2.25 percent at June 30, 2021 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

Contributions for the year ended June 30, 2022 were \$180,096 which consisted of \$117,791 from the County and \$62,305 from the law enforcement officers.

d. **Deferred Compensation Plan**

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

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

e. **Registers of Deeds' Supplemental Pension Fund**

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,549 for the year ended June 30, 2022.

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

At June 30, 2022, the County reported an asset of \$70,435 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 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, 2022, the County's proportion was .366%, a decrease of .01% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized pension expense of \$5,760. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 752	\$ 854
Changes of assumptions	5,136	
Net difference between projected and actual earnings on pension plan investments		216
Changes in proportion and differences between County contributions and proportionate share of contributions	4,021	1,836
County contributions subsequent to the measurement date	4,549	
Total	<u>\$ 14,458</u>	<u>\$ 2,906</u>

The \$4,549 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 3,493
2024	2,032
2025	(165)
2026	1,642
2027	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	3.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2022 is 1.4%:

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 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 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (55,947)	\$ 70,435	\$ (82,610)

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.

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

The net pension liability for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability for the LEOSSA was measured as of June 30, 2021, with an actuarial valuation date of December 31, 2020. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 2,968,121	\$ (70,435)	-	\$ 2,897,686
Proportion of the Net Pension Liability (Asset)	19.3540%	(0.366%)	N/A	
Total Pension Liability	-	-	2,035,857	\$ 2,035,857
Pension Expense	\$ 1,337,870	\$ 5,760	\$ 289,608	\$ 1,633,238

At June 30, 2022 the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 944,266	\$ 752	\$ 248,130	\$ 1,193,148
Changes of assumptions	1,864,738	5,136	382,926	2,252,800
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	280,507	4,021		284,528
County benefit payments and administrative cost paid subsequent to the measurement date	1,703,354	4,549	59,748	1,767,651
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 854	\$ 25,587	\$ 26,441
Changes of assumptions			59,425	59,425
Net difference between projected and actual earnings on pension plan investments	4,240,555	216		4,240,771
Changes in proportion and differences between County contributions and proportionate share of contributions	194,559	1,836		196,395

g. **Other Postemployment Benefits**

Health Care Benefits

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

Benefits Provided. To qualify for benefits retirees of the County must meet any of the unreduced retirement options available through the North Carolina Local Government Retirement System

(System) and have twenty-five years of continuous service with the County and retire. The County pays the full cost of the coverage of these benefits. Currently forty-one retirees are eligible for postretirement health benefits. Employees hired on or after January 1, 2015, who meet any of the unreduced retirement options available through the North Carolina Local Government Retirement System (System) and have twenty-five years of continuous service with the County and retire, will be eligible for coverage up until eligible for Medicare. Employees hired on or after January 1, 2021 will not be eligible for this benefit. For the fiscal year ended June 30, 2022, the County made payments for postretirement health benefit premiums of \$352,445.

Membership of the HCB Plan consisted of the following at December 31, 2020 the date of the latest actuarial valuation:

	<u>2022</u>	<u>2021</u>
Retirees and dependents receiving benefits	47	36
Retirees entitled to, but not yet receiving benefits	3	3
Active plan members	281	313
Total	<u>331</u>	<u>352</u>

Total OPEB Liability

The County's total OPEB liability of \$23,318,053 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Salary increases	3.25% - 8.41%, including inflation
Discount rate	2.16%
Healthcare cost trend rates	Pre-Medicare – 7.00% Medicare – 5.125%

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at July 1, 2021	\$ 23,314,683
Changes for the year	
Service cost	960,994
Interest	533,090
Changes of benefit terms	(3,748)
Differences between expected and actual experience	(2,980,050)
Changes in assumptions or other inputs	1,802,694
Benefit payments	(309,610)
Net changes	\$ 3,370
Balance at June 30, 2022	\$ 23,318,053

Changes in assumptions and other inputs reflect a change in the discount rate from 2.21% to 2.16%.

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, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2014, adopted by LGERS.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB liability	\$ 28,276,387	\$ 23,318,053	\$ 19,498,222

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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB liability	\$ 19,199,803	\$ 23,318,053	\$ 28,750,352

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$1,456,546. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,938,363
Changes of assumptions	5,133,494	1,333,906
Benefit payments and administrative costs made subsequent to the measurement date	361,880	
Total	<u>\$ 5,495,374</u>	<u>\$ 4,272,269</u>

\$361,880 reported as deferred outflows of resources related to OPEB resulting from County benefit payments made subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended June 30:

2023	\$	(43,249)
2024		(43,249)
2025		(43,249)
2026		176,387
2027		322,223
Thereafter		492,362

h. Other Employment Benefits

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

3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 5,133,494	\$ 1,333,906
LGERS	1,864,738	
Register of Deeds	5,136	
LEOSSA	382,926	59,425
Pensions/OPEB-difference between expected and actual experience		2,938,363
LGERS	944,266	
Register of Deeds	752	854
LEOSSA	248,130	25,587
Pensions-difference between projected and actual investment earnings		4,240,771
Pensions-change in proportion and difference between employer contributions and proportionate share of contributions	284,528	196,395
Contributions to pension plan in 21-22 fiscal year	1,707,903	
Benefit payments and administration costs paid subsequent to the measurement date (LEOSSA)	59,748	
Benefit payments and administrative costs paid subsequent to the measurement date (OPEB)	361,880	
Leases		5,656,167
Prepaid taxes not yet earned (General)		198,139
Prepaid solid waste fees not yet earned (Landfill)		288
Total	\$ 10,993,501	\$ 14,649,895

4. Risk Management

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

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer and Tax Administrator are each individually bonded for \$100,000 each. In addition, the Register of Deeds is bonded for \$25,000 and the Sheriff for \$15,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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

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

5. Contingent Liabilities

At June 30, 2022 the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's position.

6. Long-term Obligations

a. Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. For the Governmental Activities, there are seven copier leases, two postage machine leases, one lease agreement for tasers, which includes training and certification, and a lease for office space. Principal and interest payments are as follows:

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 74,852	\$ 1,399	\$ 76,251
2024	69,193	715	69,908
2025	12,024	107	12,131
2026	2,935	17	2,952
2027	193		193
	<u>\$ 159,197</u>	<u>\$ 2,238</u>	<u>\$ 161,435</u>

For the Business-type activities, there are two lease agreements, one for a copier and one for land related to a well site for the reverse osmosis plant. Principal and interest payments are as follows:

Fiscal Year	Business-Type Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 2,198	\$ 1,438	\$ 3,636
2024	2,218	1,419	3,637
2025	776	1,403	2,179
2026	50	1,400	1,450
2027	51	1,399	1,450
2028 - 2032	278	6,972	7,250
2033 - 2037	318	6,932	7,250
2038 - 2042	1,074	6,876	7,950
2043 - 2047	2,572	6,628	9,200
2048 - 2052	3,472	6,228	9,700
2053 - 2057	4,503	5,697	10,200
2058 - 2062	5,683	5,017	10,700
2063 - 2067	7,034	4,166	11,200
2068 - 2072	8,581	3,119	11,700
2073 - 2077	10,351	1,849	12,200
2078 - 2081	7,107	393	7,500
	\$ 56,266	\$ 60,936	\$ 117,202

b. General Obligation Indebtedness

General obligation bonds financed by the governmental funds are collateralized by the full faith, credit and taxing power of the County. Principal and interest requirements are appropriated when due. Pasquotank County had no general obligation bonds outstanding at June 30, 2022.

At June 30, 2022 Pasquotank County had a legal debt margin of \$249,971,678.

c. Revenue Bonds

Revenue bonds payable at June 30, 2022 are comprised of the following individual issues:

Primary Government - Utilities Fund

\$16,500,000 Water and Sewer Revenue Bonds issued September 30, 2009. Due September and March in various installments through September 2029. Interest rate is 2.99 percent. \$ 7,493,831

In September 2009, the County issued \$16,500,000 of direct placement Water and Sewer Revenue Bonds. The proceeds were used to finance a reverse osmosis water treatment plant. In December of 2010, the County was able to have the rate adjusted from 5.02% to 4.37%. In June 2016, the County was able to have the interest rate adjusted from 4.37% to 2.99%. In June of 2021, the County was able to have the rate adjusted from 2.99% to 2.02%. The combination of these three rate adjustments will result in a total savings of interest over the life of the debt of approximately \$2,375,000. Interest and principal payments are due semi-annually on September 15 and March 15, beginning September 15, 2009, through September 15, 2029. The County has pledged future water and sewer customer revenues, net of specific operating expenses, to repay the \$16,500,000. The taxing power of the County is not pledged for the payment of principal and interest on the revenue bonds, and no owner of a bond has the right to compel the exercise of the taxing power of the

County or the forfeiture of any of its property.

Certain financial covenants are contained in the Series 2009 Bond agreements, among the most restrictive of which provide that the Utilities Fund maintain a one hundred twenty per centum (120%) of the principal and interest requirements for the current fiscal year. The rates, fees and charges for the use and for the services and facilities furnished shall be revised from time to time to produce sufficient revenues to comply with this requirement. As of June 30, 2022 the Utilities Fund's Revenue Bond Coverage was at one hundred and thirty-six per centum (1.36%).

Year ending June 30	Principal	Interest	Total
2023	\$ 935,127	\$ 146,677	\$ 1,081,804
2024	954,111	127,692	1,081,803
2025	973,482	108,321	1,081,803
2026	993,246	88,558	1,081,803
2027	1,013,410	68,393	1,081,804
2028 - 2030	2,624,455	80,053	2,704,508
Total	<u>\$ 7,493,831</u>	<u>\$ 619,694</u>	<u>\$ 8,112,925</u>

c. Certificates of Participation

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

d. Advance Refundings

Series 2013

On January 23, 2013 the County borrowed \$6,195,123 through a bank qualified loan with BB&T at an interest rate of 2.59% to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources to provide for the future payments of principal and interest to the bond holders. As a result the refunded Certificates of Participation are considered defeased and the liability has been removed from the governmental activities column of the statement of position. The first principal payment was due on June 1, 2015, with interest only payments beginning December 1, 2013. The outstanding balance at June 30, 2022 is \$4,097,037.

The Series 13 is a direct borrowing which is secured by Elizabeth City Middle School.

Year Ending June 30	Series 2013	Interest	Total
2023	\$ 841,251	\$ 106,113	\$ 947,364
2024	830,289	84,325	914,614
2025	819,044	62,820	881,864
2026	807,507	20,804	828,311
2027	798,946	20,693	819,639
Total	<u>\$ 4,097,037</u>	<u>\$ 294,755</u>	<u>\$ 4,391,792</u>

e. **Installment Purchases**

The following installment purchase contracts are considered direct borrowings and are comprised of the following at June 30, 2022:

General Fund

A \$10,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a public safety building and a new library. The property is pledged as collateral for the debt while the debt is outstanding. The note is payable in forty semi-annual payments of \$250,000 principal and interest at 3.87% beginning January 11, 2006. \$ 1,750,000

A \$3,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a public safety building and a new library. The property is pledged as collateral for the debt while the debt is outstanding. The note is payable in forty semi-annual payments of \$75,000 principal and interest at 4.17% beginning July 11, 2006 600,000

A \$7,000,000 direct borrowing installment purchase contract from PNC Bank for construction of a new jail. The property is pledged as collateral while the debt is outstanding. The note is payable in forty semi-annual payments of \$175,000 principal and interest at 4.32%, beginning May 21, 2007. 1,575,000

A \$6,300,000 direct borrowing installment purchase contract from SunTrust Leasing Corp for a two-story addition to Building A on the Elizabeth City campus of College of the Albemarle (68%) and to renovate the former library building and courthouse (32%). Building A is pledged as collateral while the debt is outstanding. The note is payable in forty semi-annual payments of \$157,500 principal and interest at 2.76%, beginning October 25, 2007. 1,575,000

A \$12,000,000 direct borrowing installment purchase contract from the United States Department of Agriculture Rural Development for construction of a new jail. The property is pledged as collateral while the debt is outstanding. The note is payable in forty annual payments of \$583,920 of principal and interest at 3.75% beginning December 28, 2011. 10,216,248

A \$870,000 direct borrowing installment purchase contract from BB&T for replacing a portion of the high school's roof, to update the fire alarm system at an elementary school, (74.37%) and to replace the HVAC piping system at a County building (25.63%). Property located at 709 Roanoke Avenue is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$43,500 principal and interest at 2.29% beginning December 17, 2014. 174,000

A \$468,000 direct borrowing installment purchase contract from BB&T for five patrol cars, one quick response vehicle, two fleet vehicles and an ambulance. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$49,465 including interest at 2.04% beginning July 17, 2020. 286,479

A \$490,000 direct borrowing installment purchase contract from Xenith Bank for a bookmobile, patrol cars, ambulance remount, animal control truck, and a quick response vehicle. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$51,759 including interest at 1.99% beginning August 20, 2018. 61,386

A \$300,000 direct borrowing installment purchase contract from BB&T for chrome books and charging carts for the school system. The chrome books are pledged as collateral while the debt is outstanding. The note is payable in ten equal semi-annual payments of \$31,759 including interest at 2.10% beginning February 28, 2018. 31,430

A \$435,000 direct borrowing installment purchase contract with TowneBank for the purchase of patrol cars and equipment, an ambulance and a vehicle for inspections. The vehicles are pledged as collateral while the debt is outstanding. The note is payable in ten semi-annual payments of \$45,974 including interest at 2.01% beginning August 2019. 179,276

A \$1,300,000 direct borrowing installment purchase contract with TowneBank for the HVAC replacement at Northside Elementary School. The property is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$65,000 principal and interest at 2.93%, beginning November 2019. 910,000

A \$2,490,000 direct borrowing installment purchase contract with TowneBank for various school capital projects which include HVAC, replacement new chiller, and two roof replacements. J.C. Sawyer Elementary School is pledged as collateral while the debt is outstanding. The note is payable in twenty semi-annual payments of \$124,500 principal and interest at 2.32%, beginning November 2017. 1,245,000

Total General Fund \$ 18,603,819

Total Direct Borrowing Installment Purchases \$ 18,603,819

Debt service requirements to maturity are as follows:

Governmental Activities:

Year ending June 30	Principal	Interest	Total
2023	\$ 2,256,903	\$ 642,528	\$ 2,899,431
2024	2,175,283	568,759	2,744,042
2025	2,007,555	496,828	2,504,383
2026	1,668,222	428,093	2,096,315
2027	1,101,631	376,623	1,478,254
2028 – 2032	1,560,738	1,628,549	3,189,287
2033 – 2037	1,553,617	1,355,983	2,919,600
2038 – 2042	1,879,623	1,039,977	2,919,600
2043 – 2047	2,259,495	660,105	2,919,600
2048 – 2051	<u>2,130,752</u>	<u>203,484</u>	<u>2,334,236</u>
Total	<u>\$ 18,603,819</u>	<u>\$ 7,400,929</u>	<u>\$ 26,004,748</u>

f. **Qualified School Construction Bonds**

Qualified School Construction Bonds (QSCBs) are a United States debt instrument created by Section 1521 of the American Recovery and Reinvestment Act of 2009 and are covered under Section 54F of the Internal Revenue Service code. Elizabeth City-Pasquotank School System along with Pasquotank County; applied for and received approval for Qualified School Construction Bonds in the amount of \$2,000,000 to finance the replacement of the heating, ventilation and air-conditioning systems or equipment at several schools and the resurfacing of the tennis courts and track at the high school. Principal and interest payments at 4.91% are due annually beginning on December 15, 2012 and ending on December 15, 2026. QSCBs allow Counties to borrow at zero percent interest. The County must first make the interest payment and then request a refund of the interest paid. The balance at June 30, 2022 is \$666,667. The bonds are secured by Northeastern High School and Central Elementary School.

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

Year ending June 30	Principal	Interest	Total
2023	\$ 133,333	\$ 32,733	\$ 166,066
2024	133,333	26,187	159,520
2025	133,333	19,640	152,973
2026	133,333	13,093	142,426
2027	133,335	6,547	139,882
Total	<u>\$ 666,667</u>	<u>\$ 98,200</u>	<u>\$ 764,867</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed only \$15,172,389 relates to assets the County holds title to. Debt in the amount of \$8,195,134 relates to assets in which the County does not hold title to. Unamortized premium on Certificates of Participation is related to assets in which the County does not hold title to.

g. **Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2022:

	Balance July 1, 2021	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Governmental Activities:					
Direct borrowing installment purchase	\$ 21,224,347	\$	\$ 2,620,528	\$ 18,603,819	\$ 2,256,903
Advance refunding	4,948,973		851,936	4,097,037	841,251
Qualified School Construction Bonds	800,000		133,333	666,667	133,333
Leases		278,345	119,148	159,197	74,852
Unamortized premium on COPs	76,152		11,717	64,435	11,716
Compensated absences	1,137,685	625,128	610,985	1,151,828	610,000
Post employment benefits	21,079,107	50,657		21,129,764	
Net pension liability (LGERS)	6,199,415		3,536,421	2,662,994	
Total pension liability (LEOSSA)	1,905,305	130,552		2,035,857	
Total governmental activities	<u>\$ 57,370,984</u>	<u>\$ 1,084,682</u>	<u>\$ 7,884,068</u>	<u>\$ 50,571,598</u>	<u>\$ 3,928,055</u>
Business-type activities					
Revenue bonds	\$ 8,457,331	\$	\$ 963,500	\$ 7,493,831	935,127
Leases		58,919	2,653	56,266	2,198
Post employment benefits	2,235,576		47,287	2,188,289	
Net pension liability (LGERS)	689,435		384,308	305,127	
Compensated absences	152,432	60,882	57,053	156,261	56,680
Total business-type activities	<u>\$ 11,534,774</u>	<u>\$ 119,801</u>	<u>\$ 1,454,801</u>	<u>\$ 10,199,774</u>	<u>\$ 994,005</u>

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

C. Interfund Balances and Activity

Transfers to/from other funds at June 30, 2022, consist of the following:

From the Landfill Fund to the Capital Reserve fund to accumulate resources for the future needs of the Landfill Fund	\$100,000
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D. Net Investment in Capital Assets

	Governmental	Business-type
Capital Assets	\$ 39,165,883	\$ 23,745,816
less: long-term debt	(15,172,389)	(7,493,831)
lease liability	(159,197)	(56,266)
Net investment in capital assets	\$ 23,834,297	\$ 16,195,719

E. Fund Balance

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

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

Total Fund balance-General Fund	\$ 36,568,215
Less:	
Prepaid items	2,264
Register of deeds	73,410
Stabilization by State Statute	7,266,380
Appropriated Fund Balance in 2022-23 Budget	806,800
Tax Revaluation	(79)
School capital needs	9,089,751
Remaining Fund Balance	19,329,689

Note 4 - Jointly Governed Organizations

Albemarle Commission

Albemarle District Jail Commission

Albemarle Mental Health Center

Inter-County Public Transport Authority

Albemarle Regional Health Services

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

Note 5 - Joint Ventures

Elizabeth City-Pasquotank County Regional Airport

The Elizabeth City-Pasquotank County Regional Airport was created in March of 1987 by the City and the County to operate the municipal airport. The City Council and the Board of commissioners each appoint two members of the Airport's governing board; appointment of a fifth member, the chairperson, is alternated between the City and County. All appointments are for two years. The County has an ongoing financial responsibility because it and the City are legally obligated under H.B. 769 Chapter 198 for any operating deficits on a 50/50 basis. The participating governments do not have any equity interest in the Airport, so no equity interest has been reflected in the financial statements at June 30, 2022. Financial statements for the Airport may be obtained at the Airport's office at 1028 Consolidated Road, Elizabeth City, North Carolina, 27909.

Pasquotank County ABC Board

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

Elizabeth City-Pasquotank County Economic Development Commission

The Elizabeth City-Pasquotank County Economic Development Commission is an independent entity formed in 1976 for the purpose of coordinating City and County efforts to attract new industry to the area. The City and County contributed equal amounts to the Commission to purchase and improve 41.4 acres of land for an industrial park, located within the city limits. Proceeds from sales of this property are returned to the City and County on a 50/50 basis. The City and County make annual contributions to the Commission for operating expenses. The County has an ongoing financial responsibility for the joint venture because the Elizabeth City-Pasquotank County Economic Development Commission's continued existence depends on the participating governments' continued financing. The participating governments do not have any equity interest in the Elizabeth City-Pasquotank County Economic Development Commission, so no equity interest has been reflected in the financial statements at June 30, 2022.

In November 1985, the City and County purchased 52.01 acres of land for a second industrial park located outside the corporate city limits. Total cost of this site was \$261,375. Purchase and improvement costs and proceeds from sales are shared equally by the City and County. Pasquotank County contributed \$105,172 and \$110,000 during the years ended June 30, 2021 and 2022, respectively, towards the operating expenses of the Albemarle Economic Development Commission. Financial statements for the Albemarle Economic Development Commission may be obtained at the Commission's office at 405 East Main Street, Elizabeth City, North Carolina, 27909.

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

State law (Chapter 105, Articles 40 and 42, of the North Carolina General Statutes) requires the County to use a portion of the proceeds of its supplemental and additional supplemental sales taxes, or local option sales taxes, for public school capital outlays or to retire public school indebtedness. During the fiscal year ended June 30, 2022, the County reported these local option sales taxes within its General Fund. The County expended the restricted portion of these taxes for debt related to public school capital projects.

Note 7 - Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

Coronavirus Disease (COVID-19)

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Note 8 – Lease Agreement

Effective March 1, 2014, the Albemarle Hospital Authority entered into a long-term lease agreement, as well as associated ancillary agreements (collectively, the "Lease Agreement"), with Sentara Healthcare ("Sentara") and a wholly owned subsidiary of Sentara, Sentara Albemarle Regional Medical Center ("SARMC"). Pursuant to the Lease Agreement, as of March 1, 2014, the Authority transferred all operating rights, obligations and benefits associated with the Authority's facilities, clinics and operations, as well as certain assets and liabilities associated with the Authority, to SARMC, all subject to the terms of the related transactional documents. Consequently, as of March 1, 2014, the Authority is no longer the operator of the health system known as "Albemarle Health". Albemarle Hospital Authority was dissolved as of September 30, 2020.

As of January 29, 2021, the lease was amended where by SARMC agrees to build a new hospital within five years. Prepayment of the existing lease, \$38,000,000, was placed in escrow and is held by a trustee. The County will receive their lease payment of \$1,139,000 and the \$450,000 health services contribution from the escrow account annually until the new hospital is occupied. The remaining escrow funds will then be disbursed to the County. The balance in the escrow account at June 30, 2022, was \$33,532,629.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule A-1

**LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
For the Year Ended June 30, 2022**

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 1,905,305	\$ 1,275,630	\$ 1,116,923	\$ 1,204,649	\$ 960,061	\$ 918,724
Service Cost	105,658	63,513	49,671	52,481	48,979	51,533
Interest on the total pension liability	35,733	40,183	39,301	37,315	36,415	32,464
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	151,239	84,666	108,274	(86,515)	116,337	-
Changes of assumptions or other inputs	(54,392)	527,359	35,935	(43,392)	76,193	(23,933)
Benefit payments	(107,686)	(86,046)	(74,474)	(47,615)	(33,336)	(18,727)
Other changes	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 2,035,857</u>	<u>\$ 1,905,305</u>	<u>\$ 1,275,630</u>	<u>\$ 1,116,923</u>	<u>\$ 1,204,649</u>	<u>\$ 960,061</u>

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule A-2

LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
For the Year Ended June 30, 2022

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 2,035,857	\$ 1,905,305	\$ 1,275,630	\$ 1,116,923	\$ 1,204,649	\$ 960,061
Covered payroll	2,349,595	2,301,781	1,958,464	1,960,789	2,090,898	1,886,349
Total pension liability as a percentage of covered payroll	86.65%	82.78%	65.13%	56.96%	57.61%	50.90%

Notes to the schedules:

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule A-3

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service cost	\$ 960,994	\$ 638,775	\$ 669,529	\$ 713,198	\$ 812,540
Interest	533,090	638,553	659,671	602,282	531,286
Changes of benefit terms	(3,748)	-	-	-	-
Differences between expected and actual experience	(2,980,050)	(137,631)	(331,460)	(41,320)	(60,948)
Changes of assumptions	1,802,694	4,701,981	(116,316)	(1,062,021)	(1,891,629)
Benefit payments	<u>(309,610)</u>	<u>(262,912)</u>	<u>(205,284)</u>	<u>(139,579)</u>	<u>(108,639)</u>
Net change in total OPEB liability	3,370	5,578,766	676,140	72,560	(717,390)
Total OPEB liability - beginning	<u>23,314,683</u>	<u>17,735,917</u>	<u>17,059,777</u>	<u>16,987,217</u>	<u>17,704,607</u>
Total OPEB liability - ending	<u><u>\$ 23,318,053</u></u>	<u><u>\$ 23,314,683</u></u>	<u><u>\$ 17,735,917</u></u>	<u><u>\$ 17,059,777</u></u>	<u><u>\$ 16,987,217</u></u>

Notes to Schedule

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

<u>Fiscal year</u>	<u>Rate</u>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

PASQUOTANK COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 Local Government Employees' retirement system
 Last Nine Fiscal Years*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.193%	0.193%	0.190%	0.187%	0.194%	0.188%	0.176%	0.176%	0.180%
County's proportionate share of the net pension liability (asset)	\$ 2,968,121	\$ 6,888,850	\$ 5,194,213	\$ 4,446,955	\$ 2,972,033	\$ 3,997,841	\$ 790,867	\$ (1,035,948)	\$ 2,180,540
County's covered payroll	\$ 14,719,980	\$ 13,481,765	\$ 12,969,943	\$ 12,530,043	\$ 12,478,909	\$ 12,060,605	\$ 10,815,619	\$ 10,347,999	\$ 9,876,047
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	20.16%	51.09%	40.05%	34.29%	23.82%	33.15%	7.31%	(10.01%)	22.79%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	92.00%	91.63%	94.18%	91.47%	98.09%	98.79%	102.64%	94.35%

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

PASQUOTANK COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

Local Government Employees' retirement system

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,703,354	\$ 1,527,949	\$ 1,232,971	\$ 1,029,926	\$ 955,624	\$ 930,865	\$ 825,529	\$ 767,841	\$ 735,202
Contributions in relation to the Contractually required contribution	1,703,354	1,527,949	1,232,971	1,029,926	955,624	930,865	825,529	767,841	735,202
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 14,719,980	\$ 14,734,797	\$ 13,481,765	\$ 12,969,943	\$ 12,530,043	\$ 12,478,909	\$ 12,060,605	\$ 10,815,619	\$ 10,347,999
Contributions as a percentage of covered payroll	11.57%	10.37%	9.15%	7.94%	7.63%	7.46%	6.38%	7.10%	7.10%

PASQUOTANK COUNTY, NORTH CAROLINA

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.366%	0.377%	0.348%	0.402%	0.402%	0.424%	0.412%	0.423%	0.422%
County's proportionate share of the net pension liability (asset)	\$ (70,435)	\$ (86,321)	\$ (68,631)	\$ (66,633)	\$ (68,687)	\$ (79,228)	\$ (95,458)	\$ (95,907)	\$ (90,047)
County's covered payroll	\$ 63,434	\$ 59,980	\$ 67,126	\$ 66,756	\$ 65,756	\$ 62,788	\$ 55,319	\$ 54,264	\$ 53,729
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	(111.04%)	(143.91%)	(102.24%)	(99.81%)	(102.89%)	(126.18%)	(172.56%)	(176.74%)	(167.59%)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%

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

PASQUOTANK COUNTY, NORTH CAROLINA

SCHEDULE OF THE COUNTY'S CONTRIBUTIONS

Register of Deeds' Supplemental Pension Fund

Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 4,549	\$ 4,400	\$ 3,606	\$ 3,304	\$ 3,443	\$ 3,496	\$ 3,462	\$ 3,296	\$ 3,455
Contributions in relation to the Contractually required contribution	4,549	4,400	3,606	3,304	3,443	3,496	3,462	3,296	3,455
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 65,292	\$ 63,434	\$ 59,980	\$ 67,126	\$ 66,756	\$ 65,756	\$ 62,788	\$ 55,319	\$ 54,264
Contributions as a percentage of covered payroll	6.97%	6.94%	6.01%	4.92%	5.16%	5.32%	5.51%	5.96%	6.37%

MAJOR GOVERNMENTAL FUND

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-1

GENERAL FUND

Page 1 of 9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Ad valorem taxes:			
Taxes	\$ 25,100,000	\$ 25,539,615	\$ 439,615
Taxes, prior years	824,006	749,150	(74,856)
Loss of present-value exemption	11,000	13,757	2,757
Collections on taxes previously written off	1,880	2,088	208
Advertising fees	6,155	6,930	775
Penalties and interest	210,900	234,029	23,129
Total	<u>26,153,941</u>	<u>26,545,569</u>	<u>391,628</u>
Local option sales taxes:			
Article 39 one percent	4,834,404	5,169,903	335,499
Article 40 one-half of one percent	2,400,000	3,179,380	779,380
Article 42 one-half of one percent	2,400,000	2,967,873	567,873
Article 44 one-half of one percent		(1)	(1)
Article 44 one-half of one percent-HB 524	15,900	18,249	2,349
Article 46 one-fourth of one percent	1,400,000	1,831,922	431,922
Total	<u>11,050,304</u>	<u>13,167,326</u>	<u>2,117,022</u>
Other taxes and licenses:			
Privilege licenses	2,500	3,460	960
Assessments	9,600	9,655	55
Franchise fees	180,000	150,619	(29,381)
Marriage licenses	6,000	5,725	(275)
DMV license revocation fees	3,500	2,193	(1,307)
Documentary stamps	320,450	344,761	24,311
Gross receipts tax	114,000	117,961	3,961
In lieu of taxes-Elizabeth City Housing Authority	25,000	33,537	8,537
Real estate transfer tax	1,200,000	3,395,262	2,195,262
Total	<u>1,861,050</u>	<u>4,063,173</u>	<u>2,202,123</u>
Unrestricted intergovernmental revenue:			
Beer and wine tax	95,000	87,305	(7,695)
Tax refunds-sales tax		1,511	1,511
Tax refunds-gasoline	4,000	7,343	3,343
Total	<u>99,000</u>	<u>96,159</u>	<u>(2,841)</u>
Restricted intergovernmental revenue:			
State grants	1,154,481	698,875	(455,606)
Federal grants	6,243,156	4,962,189	(1,280,967)
Jail-Camden/Perquimans	374,765	374,765	
NC Lottery funds	400,000	377,000	(23,000)
Court facility fees	50,000	46,204	(3,796)
Total	<u>8,222,402</u>	<u>6,459,033</u>	<u>(1,763,369)</u>
Restricted other:			
Grants-other	108,561	85,561	(23,000)
Sentara Albemarle Hospital	450,000	450,000	
Total	<u>558,561</u>	<u>535,561</u>	<u>(23,000)</u>

PASQUOTANK COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue (continued):			
Permits and fees:			
Gun Permits	21,000	26,040	5,040
Miscellaneous permits and fees	3,000	9,030	6,030
Officer and sheriff fees	77,285	78,430	1,145
Recording Fees	238,200	261,050	22,850
Building permits and inspection fees	157,000	171,527	14,527
Total	<u>496,485</u>	<u>546,077</u>	<u>49,592</u>
Sales and services:			
Ambulance fees	3,345,000	3,250,225	(94,775)
Jail fees	25,000	24,598	(402)
Rents	1,541,975	1,318,643	(223,332)
Tax collection fees	143,500	143,519	19
Library fees	12,500	11,044	(1,456)
Health Department	70,000	75,861	5,861
Other sales and services	21,000	28,622	7,622
Total	<u>5,158,975</u>	<u>4,852,512</u>	<u>(306,463)</u>
Investment earnings:	<u>25,300</u>	<u>40,389</u>	<u>15,089</u>
Miscellaneous:			
School Security	251,912	280,398	28,486
ABC Board net revenue	250,000	288,000	38,000
Medicaid hold harmless	540,000	565,060	25,060
Court award	34,430	166,041	131,611
Camden County:			
Central communications	330,018	325,552	(4,466)
Emergency medical services	613,365	613,375	10
City of Elizabeth City:			
Central communications	627,033	520,882	(106,151)
Animal control	139,680	135,250	(4,430)
Election	70,000	36,882	(33,118)
Law enforcement	2,500	2,445	(55)
Food stamp claims collections	14,497	9,976	(4,521)
AFDC/TANF/MA/SA/IV-D reimbursements	10,500	4,389	(6,111)
Day care reimbursements	2,100	2,930	830
Sale of fixed assets	445,000	770,557	325,557
Insurance proceeds	37,161	79,109	41,948
Other	79,443	119,644	40,201
Total	<u>3,447,639</u>	<u>3,920,490</u>	<u>472,851</u>
Total revenues	<u>57,073,657</u>	<u>60,226,289</u>	<u>3,152,632</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-1

GENERAL FUND

Page 3 of 9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	69,975	63,449	6,526
Operating expenditures	26,720	23,768	2,952
Total	96,695	87,217	9,478
Administration:			
Salaries and employee benefits	328,756	275,106	53,650
Operating expenditures	11,600	10,891	709
Total	340,356	285,997	54,359
Information technology:			
Salaries and employee benefits	161,542	136,930	24,612
Operating expenditures	259,710	249,344	10,366
Capital outlay	70,110	38,143	31,967
Total	491,362	424,417	66,945
Election board:			
Salaries and employee benefits	173,310	171,078	2,232
Board salaries	20,000	8,620	11,380
Operating expenditures	200,190	129,229	70,961
Capital outlay	50,273	54,061	(3,788.00)
Debt service:			
Principal		316	(316)
Interest		34	(34)
Total	443,773	363,338	80,435
Finance:			
Salaries and employee benefits	258,530	221,930	36,600
Operating expenditures	42,690	42,268	422
Total	301,220	264,198	37,022
Tax administration:			
Salaries and employee benefits	588,515	584,703	3,812
Operating expenditures	150,875	157,254	(6,379)
Tax foreclosures	52,614	41,692	10,922
Total	792,004	783,649	8,355
Legal:			
Salaries and employee benefits	205,150	205,616	(466)
Operating expenditures	39,875	28,416	11,459
Total	245,025	234,032	10,993
Register of Deeds:			
Salaries and employee benefits	265,340	255,827	9,513
Operating expenditures	18,075	17,326	749
Automation/Preservation	6,000	149	5,851
Capital outlay		11,809	(11,809)
Debt service:			
Principal		4,328	(4,328)
Interest		83	(83)
Total	289,415	289,522	(107)

PASQUOTANK COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
General government (continued):			
Human resources:			
Salaries and employee benefits	138,424	140,211	(1,787)
Operating expenditures	6,150	4,792	1,358
Total	<u>144,574</u>	<u>145,003</u>	<u>(429)</u>
Public buildings:			
Salaries and employee benefits	665,521	681,766	(16,245)
Operating expenditures	777,830	725,842	51,988
Capital outlay	466,223	334,853	131,370
Total	<u>1,909,574</u>	<u>1,742,461</u>	<u>167,113</u>
Court facilities:			
Jury commission	323	323	
Operating expenditures	50,000	14,280	35,720
Total	<u>50,323</u>	<u>14,603</u>	<u>35,720</u>
Non-Departmental:			
Workers compensation and liability insurance	202,500	202,455	45
Operating expenditures	286,150	141,324	144,826
Capital outlay	38,520	38,520	
Grant-HMGP-Acquisition	407,129	160,918	246,211
Grant-HMGP-Elevation	157,221	2,038	155,183
Grant-SARF	267,528	55,000	212,528
Grant-COA Boardwalk	83,250	83,250	
Total	<u>1,442,298</u>	<u>683,505</u>	<u>758,793</u>
Total general government	<u>6,546,619</u>	<u>5,317,942</u>	<u>1,228,677</u>
Public safety:			
Sheriff:			
Salaries and employee benefits	3,895,950	3,718,483	177,467
Operating expenditures	1,652,399	1,523,209	129,190
Grant-NC Department of Public Safety	24,495	24,473	22
Grant-NC Department of Public Safety	84,270	13,906	70,364
Grant-Bullet Proof Vest	4,200	3,959	241
Grant-Department of Justice	30,281	30,274	7
Capital outlay	330,242	513,290	(183,048)
Debt service:			
Principal		97,176	(97,176)
Interest		1,515	(1,515)
Total	<u>6,021,837</u>	<u>5,926,285</u>	<u>95,552</u>
Animal control:			
Salaries and employee benefits	124,915	114,797	10,118
Operating expenditures	25,750	15,954	9,796
SPCA Contract	140,000	140,000	
Total	<u>290,665</u>	<u>270,751</u>	<u>19,914</u>
Jail:			
Professional services	323,000	264,224	58,776
Juvenile services	143,200	133,102	10,098
County's share Tri-County Jail	1,028,563	1,028,563	
Debt service:			
Principal	665,902	665,902	
Interest	471,171	470,906	265
Total	<u>2,631,836</u>	<u>2,562,697</u>	<u>69,139</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-1

GENERAL FUND

Page 5 of 9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Public safety (continued):			
School resource officers:			
Salaries and employee benefits	445,360	415,996	29,364
Operating expenditures	36,000	27,840	8,160
Capital Outlay	35,000	25,395	9,605
Total	<u>516,360</u>	<u>469,231</u>	<u>47,129</u>
Building inspector:			
Salaries and employee benefits	215,435	191,034	24,401
Operating expenditures	38,041	27,656	10,385
Capital outlay	29,800	29,800	
Total	<u>283,276</u>	<u>248,490</u>	<u>34,786</u>
National Guard	<u>200</u>		<u>200</u>
Fire and forest protection:			
Salaries & Employee Benefits	43,235	40,835	2,400
Stipends-per call	40,000	45,810	(5,810)
Operating expenditures	49,200	35,264	13,936
Capital outlay	1,578,000	437,844	1,140,156
Assistance to Forestry service	64,035	41,788	22,247
Assistance to local fire departments	773,252	748,160	25,092
Intercounty assistance	67,850	67,850	
Total	<u>2,615,572</u>	<u>1,417,551</u>	<u>1,198,021</u>
Emergency medical services:			
Salaries and employee benefits	4,607,886	4,263,878	344,008
Operating expenditures	577,289	699,867	(122,578)
Capital outlay	466,318	499,771	(33,453)
Debt service:			
Principal	151,573	160,255	(8,682)
Interest	6,533	6,490	43
Total	<u>5,809,599</u>	<u>5,630,261</u>	<u>179,338</u>
Central communications:			
Salaries and employee benefits	1,215,248	1,230,825	(15,577)
Operating expenditures	130,805	122,784	8,021
Grant-NC Department of Public Safety	59,430	59,430	
Capital outlay	130,000	28,946	101,054
Total	<u>1,535,483</u>	<u>1,441,985</u>	<u>93,498</u>
Emergency Management:			
Salaries and employee benefits	160,400	152,340	8,060
Operating expenditures	22,655	21,546	1,109
Grants-reimbursement	74,919	72,172	2,747
Total	<u>257,974</u>	<u>246,058</u>	<u>11,916</u>
Total public safety	<u>19,962,802</u>	<u>18,213,309</u>	<u>1,749,493</u>

PASQUOTANK COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Economic and physical development:			
Planning and zoning:			
Board salaries	1,200	850	350
Salaries and employee benefits	165,845	155,759	10,086
Operating expenditures	85,719	47,238	38,481
Total	<u>252,764</u>	<u>203,847</u>	<u>48,917</u>
Geographical Information System:			
Salaries and employee benefits	150,945	150,889	56
Operating expenditures	4,200	2,902	1,298
Total	<u>155,145</u>	<u>153,791</u>	<u>1,354</u>
Agricultural extension:			
Salaries and employee benefits	240,210	241,858	(1,648)
Operating expenditures	33,940	20,344	13,596
4-H activities	30,000	14,658	15,342
Grant-SHIIP	10,213	6,347	3,866
Total	<u>314,363</u>	<u>283,207</u>	<u>31,156</u>
Soil and water conservation:			
Salaries and employee benefits	73,702	71,629	2,073
Operating expenditures	125,832	116,976	8,856
Total	<u>199,534</u>	<u>188,605</u>	<u>10,929</u>
Community Relations Commission	<u>1,300</u>	<u>510</u>	<u>790</u>
Commerce Park	<u>29,400</u>	<u>18,969</u>	<u>10,431</u>
Albemarle Resource Conservation and Development Council	<u>750</u>	<u>750</u>	
Albemarle Commission	<u>35,555</u>	<u>34,505</u>	<u>1,050</u>
Economic Development Commission	<u>110,000</u>	<u>110,000</u>	
Elizabeth City Downtown	<u>20,000</u>	<u>20,000</u>	
Incentive Grant	<u>953,500</u>	<u>913,048</u>	<u>40,452</u>
City of Elizabeth City-Aircraft Taxes	<u>20,000</u>	<u>17,942</u>	<u>2,058</u>
Total economic and physical development	<u>2,092,311</u>	<u>1,945,174</u>	<u>147,137</u>

PASQUOTANK COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Human Services:			
Health:			
Medical Examiner fees	40,000	37,850	2,150
Community Advisory Committee	600		600
Assistance to District Health Department	173,221	173,221	
ARPDC-elderly nutrition assistance	69,613	69,513	100
ICPTA match	41,412	41,254	158
Total	<u>324,846</u>	<u>321,838</u>	<u>3,008</u>
Mental health:			
Children services-Caswell Center	375	375	
Alcoholism - contracted services	85,506	85,506	
Total	<u>85,881</u>	<u>85,881</u>	
Total health	<u>410,727</u>	<u>407,719</u>	<u>3,008</u>
Social services:			
Administration:			
Salaries and employee benefits	5,971,367	5,599,419	371,948
Board salaries	3,500	2,650	850
Operating expenditures	1,100,827	1,067,148	33,679
Capital outlay	47,000	83,960	(36,960)
Debt service:			
Principal		8,646	(8,646)
Interest		237	(237)
Total	<u>7,122,694</u>	<u>6,762,060</u>	<u>360,634</u>
Special assistance for adults:			
County participation only:			
Aid for the aged	274,984	176,417	98,567
Aid for the permanently and totally disabled	182,640	182,640	
Total	<u>457,624</u>	<u>359,057</u>	<u>98,567</u>
Medicaid program:			
County participation only	4,000	3,365	635
Other assistance:			
Aid for the blind	7,358	7,358	
Children's services	26,750	9,470	17,280
Adult services	69,021	42,818	26,203
Transportation services	2,500	5,000	(2,500)
Humanitarian needs	7,500	1,000	6,500
Crisis intervention	190,129	155,604	34,525
TANF emergency assistance	15,000	8,000	7,000
COVID-19 funds	45,000	44,722	278
LIEAP program	689,629	689,523	106
LIHWAP program	79,256	12,000	67,256
Share the warmth program	12,400	10,634	1,766
Other (JOBS)	20,500	5,061	15,439
Foster care	157,000	133,958	23,042
Adoption assistance	53,816	41,577	12,239
Total	<u>1,375,859</u>	<u>1,166,725</u>	<u>209,134</u>
Total social services	<u>8,960,177</u>	<u>8,291,207</u>	<u>668,970</u>

PASQUOTANK COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Human services (continued):			
Kid's First	30,000	30,000	
Albemarle Hopeline	15,000	15,000	
Veterans service officer	2,000	38	1,962
Office of Juvenile Justice Programs-Pass Thru	203,431	203,431	
Office of Juvenile Justice Programs-County match only	16,078		16,078
Office of Juvenile Justice Programs-Admin	1,500		1,500
Food Bank of the Albemarle	10,000	10,000	
Skills, Inc.	1,000	1,000	
River City Community Development Corporation	10,000		10,000
Boys and Girls Club	150,000	150,000	
Souls Ministry	10,000	10,000	
Police Athletic League	5,400	5,400	
United Way	2,200	2,200	
Home and Community Care Block Grant-County match only	8,944	9,944	(1,000)
Total human services	9,836,457	9,135,939	700,518
Cultural and recreational:			
Northern Park:			
Contracted services	29,300	24,584	4,716
Capital outlay	577,250	577,250	
City of Elizabeth City:			
Knobbs Creek Recreation Center	1,109,408	1,011,076	98,332
Senior Citizens Center	336,590	321,315	15,275
Total	2,052,548	1,934,225	118,323
Library:			
Salaries and employee benefits	591,875	567,938	23,937
Operating expenditures	167,540	185,814	(18,274)
Debt service:			
Principal	13,933	13,933	
Interest	425	421	4
Total	773,773	768,106	5,667
Total cultural and recreational	2,826,321	2,702,331	123,990

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-1

GENERAL FUND

Page 9 of 9

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

- BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Education:			
Public Schools, current expense	11,364,000	11,364,000	
Public Schools, capital outlay	2,404,432	701,130	1,703,302
Community College, operations appropriation	1,735,000	1,735,000	
Community College, capital appropriation	700,000	700,000	
Total education	<u>16,203,432</u>	<u>14,500,130</u>	<u>1,703,302</u>
Debt service:			
Principal retirement	2,774,567	2,774,567	0
Interest and fees	374,616	372,902	1,714
Trustee services	12,000	3,800	8,200
Total debt service	<u>3,161,183</u>	<u>3,151,269</u>	<u>9,914</u>
Total expenditures	<u>60,629,125</u>	<u>54,966,094</u>	<u>5,663,031</u>
Revenue over (under) expenditures	<u>(3,555,468)</u>	<u>5,260,195</u>	<u>8,815,663</u>
Other financing sources (uses):			
Transfers from (to) other funds:			
Special revenue funds:			
Capital reserve	(3,661,775)	(3,661,775)	
Reappraisal reserve	(110,000)	(110,000)	
Lease liabilities issued		278,345	
Issuance of debt	1,112,156		(1,112,156)
Fund balance appropriated	6,215,087		(6,215,087)
Total other financing sources (uses)	<u>3,555,468</u>	<u>(3,493,430)</u>	<u>(7,327,243)</u>
Excess of revenue and other sources over expenditures and other uses	<u>-</u>	<u>1,766,765</u>	<u>1,766,765</u>
Fund balance, beginning of year		21,179,138	
Fund balance, end of year	\$ <u> </u>	\$ <u>22,945,903</u>	\$ <u> </u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-2

CAPITAL RESERVE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
 --BUDGET AND ACTUAL--
 FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Investment earnings	\$ 5,000	\$ 17,260	\$ 12,260
Miscellaneous Revenue	3,600	3,628	28
Total revenue	<u>8,600</u>	<u>20,888</u>	<u>12,288</u>
Expenditures:			
Reserve Funds:			
Medical services	8,137,075		8,137,075
Schools	3,820,775		3,820,775
Commerce Park	21,638		21,638
Recreation	860		860
Landfill	715,820		715,820
Unallocated	751,375		751,375
Revenues over (under) expenditures	<u>13,447,543</u>	<u>-</u>	<u>13,447,543</u>
Other financing sources:			
Transfers in-Landfill Fund	100,000	100,000	
Transfers in-General Fund	3,820,775	3,820,775	
Transfers out-General Fund	(159,000)	(159,000)	
Fund balance appropriated	9,677,168		(9,677,168)
Total other financing sources	<u>13,438,943</u>	<u>3,761,775</u>	<u>(9,677,168)</u>
Excess of revenue over expenditures	\$ <u>-</u>	3,782,663	\$ <u>3,782,663</u>
Fund balance, beginning of year		<u>9,683,477</u>	
Fund balance, end of year		\$ <u>13,466,140</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule B-3

REAPPRAISAL RESERVE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Investment earnings	\$ 200	\$ 60	\$ (140)
Expenditures:			
General government:			
Tax listing	233,375	204,458	28,917
Total expenditures	233,375	204,458	28,917
Revenue over (under) expenditures	(233,175)	(204,398)	28,777
Other financing sources:			
Transfers in:			
General fund	110,000	110,000	
Fund balance appropriated	123,175		(123,175)
Total other financing sources	233,175	110,000	-
Revenue and other sources over (under) expenditures	\$ -	(94,398)	\$ (94,398)
Fund balance, beginning of year		94,319	
Fund balance, end of year		\$ (79)	

NONMAJOR GOVERNMENTAL FUNDS

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

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

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

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

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

Opioid Settlement Fund – This fund accounts for the County's portion of the funds received as part of the National Settlement Agreement.

Representative Payee Fund – This fund accounts for the funds received under the Social Security's Representative Payee Program.

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

Deed of Trust Fund – This fund accounts for the portion of each fee that is collected by the county register of deeds for registering or filing a deed of trust or a mortgage which must be remitted to the State Treasurer on a monthly basis.

Fines and Forfeiture Fund – This fund accounts for the fines and forfeitures the County is required to remit to the Elizabeth City-Pasquotank Public School system.

Pasquotank County, North Carolina

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2022

Special Revenue Funds

	Emergency Telephone System Fund	Seized Asset Fund	Library Reserve Fund	Drainage Districts Fund	Opioid Settlement Fund	Representative Payee Fund	Occupancy Tax Fund	Deed of Trust Fund	Fines and Forfeiture Fund	Total Nonmajor Governmental Funds
ASSETS										
Cash and cash equivalents	\$ 244,871	\$ 28,419	\$ 36,402	\$ 20,305	\$ -	\$ 19,118	\$ 2,441	\$ 2,802	\$ -	\$ 354,358
Restricted cash and cash equivalents					92,741					92,741
Assessments receivable				742						742
Prepaid expenses										-
Other receivables	18,074									18,074
Total assets	\$ 262,945	\$ 28,419	\$ 36,402	\$ 21,047	\$ 92,741	\$ 19,118	\$ 2,441	\$ 2,802	\$ -	\$ 465,915
LIABILITIES AND FUND BALANCES										
Liabilities:										
Accounts payable and accrued liabilities	\$ 7,033	\$ -	\$ -	\$ -		\$ -	\$ 2,441	\$ 2,802	\$ -	\$ 12,276
Total liabilities	7,033	-	-	-		-	2,441	2,802	-	12,276
DEFERRED INFLOWS OF RESOURCES										
Unavailable assessments receivable				742						742
Total deferred inflows of resources	-	-	-	742		-	-	-	-	742
Fund balances:										
Nonspendable:										
Prepaid items										
Restricted for:										
Stabilization by State statute	18,074									18,074
Emergency telephone system	237,838									237,838
Human services					92,741	19,118				111,859
Law enforcement		28,419								28,419
Committed for:										
Drainage				20,305						20,305
Library			36,402							36,402
Unassigned:										
Total fund balances	255,912	28,419	36,402	20,305	92,741	19,118	-	-	-	452,897
Total liabilities, deferred inflows of resources, and fund balances	\$ 262,945	\$ 28,419	\$ 36,402	\$ 21,047	\$ 92,741	\$ 19,118	\$ 2,441	\$ 2,802	\$ -	\$ 465,915

Pasquotank County, North Carolina

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2022

Special Revenue Funds

	Emergency Telephone System Fund	Seized Asset Fund	Library Reserve Fund	Drainage Districts Fund	Opioid Settlement Fund	Representative Payee Fund	Occupancy Tax Fund	Deed of Trust Fund	Fines and Forfeiture Fund	Total Nonmajor Governmental Funds
REVENUES										
Assessments	\$ -	\$ -	\$ -	\$ 4,880	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,880
Gifts and donations			9,250							9,250
State E911 funds	124,882									124,882
Restricted-other	331,021	24,747			92,740	30,390	893,365	31,273	178,005	1,581,541
Miscellaneous revenue				54						54
Investment earnings	264	46	5	29	1					345
Total revenues	456,167	24,793	9,255	4,963	92,741	30,390	893,365	31,273	178,005	1,720,952
EXPENDITURES										
General government								31,273	178,005	209,278
Public safety	742,051	23,944								765,995
Environmental protection				4,915						4,915
Physical and economic development							893,365			893,365
Human services						36,486				36,486
Cultural and recreational			461							461
Total expenditures	742,051	23,944	461	4,915		36,486	893,365	31,273	178,005	1,910,500
Excess (deficiency) of revenues over expenditures	(285,884)	849	8,794	48	92,741	(6,096)	-	-	-	(189,548)
Net change in fund balances	(285,884)	849	8,794	48	92,741	(6,096)	-	-	-	(189,548)
Fund balances - beginning	541,796	27,570	27,608	20,257	-	25,214	-	-	-	642,445
Fund balances - ending	\$ 255,912	\$ 28,419	\$ 36,402	\$ 20,305	\$ 92,741	\$ 19,118	\$ -	\$ -	\$ -	\$ 452,897

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-3

EMERGENCY TELEPHONE SYSTEM FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
State 911 funds	\$ 124,957	\$ 124,882	\$ (75)
Grant funds	331,022	331,021	(1)
Investment earnings	1,000	264	(736)
Total revenue	<u>456,979</u>	<u>456,167</u>	<u>(812)</u>
Expenditures:			
State 911 funds:			
Telephone	98,000	75,130	22,870
Maintenance-equipment	90,000	45,626	44,374
Travel and training	10,000	6,412	3,588
Departmental Supplies	7,000	3,670	3,330
Rent-copier	3,000	521	2,479
Contracted services	20,000	6,748	13,252
Grant-Radio Upgrade	331,022	331,021	1
Capital outlay	420,880	272,923	147,957
Total State 911 fund expenditures	<u>979,902</u>	<u>742,051</u>	<u>237,851</u>
Total Expenditures	<u>979,902</u>	<u>742,051</u>	<u>237,851</u>
Revenue over expenditures	<u>(522,923)</u>	<u>(285,884)</u>	<u>237,039</u>
Other financing sources (uses):			
Fund balance appropriated	<u>522,923</u>		<u>(522,923)</u>
Total other financing sources (uses):	<u>522,923</u>	<u>-</u>	<u>(522,923)</u>
Excess of revenue over (under) expenditures	\$ <u>-</u>	(285,884)	\$ <u>(285,884)</u>
Fund balance, beginning of year		<u>541,796</u>	
Fund balance, end of year		\$ <u>255,912</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-4

SEIZED ASSET FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

From Inception and for the year ended June 30, 2022

	Project Authorization	Actual		
		Prior Years	Current Year	Total To Date
Revenue:				
County share - seized assets	\$ 551,100	\$ 515,203	\$ 24,747	\$ 539,950
Bullet proof vest program	6,575	27,320		27,320
Other revenue	12,825	13,789		13,789
Investment earnings	17,750	16,945	46	16,991
Total revenue	<u>588,250</u>	<u>573,257</u>	<u>24,793</u>	<u>598,050</u>
Expenditures				
Law enforcement	<u>588,250</u>	<u>545,687</u>	<u>23,944</u>	<u>569,631</u>
Revenue over (under) expenditures	\$ <u>-</u>	<u>27,570</u>	849	\$ <u>28,419</u>
Fund balance, beginning of year			<u>27,570</u>	
Fund balance, end of year			\$ <u>28,419</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-5

LIBRARY RESERVE FUND
 SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
 --BUDGET AND ACTUAL--
 FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Restricted revenue:			
Gifts and donations	\$ 5,000	\$ 9,250	\$ 4,250
Miscellaneous revenue	390		(390)
Total	<u>5,390</u>	<u>9,250</u>	<u>3,860</u>
Investment earnings:		5	5
Total Revenue	<u>5,390</u>	<u>9,255</u>	<u>3,865</u>
Expenditures			
Operating expenses	540	201	339
Library materials	<u>4,850</u>	<u>260</u>	<u>4,590</u>
Total expenditures	<u>5,390</u>	<u>461</u>	<u>4,929</u>
Revenue over expenditures	\$ <u>-</u>	8,794	\$ <u>8,794</u>
Fund balance, beginning of year		<u>27,608</u>	
Fund balance, end of year		\$ <u><u>36,402</u></u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-6

DRAINAGE DISTRICTS FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Assessments:			
River	\$ 5,300	\$ 4,880	\$ (420)
Penalties, interest & advertising	50	54	4
Total assessments revenue	<u>5,350</u>	<u>4,934</u>	<u>(416)</u>
Investment earnings:	<u>50</u>	<u>29</u>	<u>(21)</u>
Total revenue	<u>5,400</u>	<u>4,963</u>	<u>(437)</u>
Expenditures:			
Newland District			
Maintenance	5,400	4,915	485
Total Newland District	<u>5,400</u>	<u>4,915</u>	<u>485</u>
Total Expenditures	<u>5,400</u>	<u>4,915</u>	<u>485</u>
Revenue over expenditures	\$ <u>-</u>	48	\$ <u>48</u>
Fund balance, beginning of year		<u>20,257</u>	
Fund balance, end of year		<u>\$ 20,305</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-7

OPIOID SETTLEMENT FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Restricted revenue:			
Opioid Settlement Funds	\$	\$ 92,740	\$ 92,740
Total	<u>-</u>	<u>92,740</u>	<u>92,740</u>
Investment earnings:		1	1
Total Revenue	<u>-</u>	<u>92,741</u>	<u>92,741</u>
Expenditures:			-
Total Expenditures			
Revenue over expenditures	\$ <u>-</u>	92,741	\$ <u>92,741</u>
Fund balance, beginning of year		<u>-</u>	
Fund balance, end of year		\$ <u>92,741</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-8

REPRESENTATIVE PAYEE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Restricted intergovernmental	\$ 23,000	\$ 30,390	\$ 7,390
Total Revenue	<u>23,000</u>	<u>30,390</u>	<u>7,390</u>
Expenditures			
Payments made for the benefit of beneficiaries	<u>43,000</u>	<u>36,486</u>	<u>6,514</u>
Total expenditures	<u>43,000</u>	<u>36,486</u>	<u>6,514</u>
Other financing sources:			
Fund balance appropriated	<u>20,000</u>		<u>(20,000)</u>
Net change in fund balance	<u>\$ -</u>	<u>(6,096)</u>	<u>\$ (6,096)</u>
Fund balance, beginning of year		<u>25,214</u>	
Fund balance, end of year		<u>\$ 19,118</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-9

OCCUPANCY TAX FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Revenue:			
Occupancy tax collections	\$ 1,025,000	\$ 893,365	\$ (131,635)
Total Revenue	1,025,000	893,365	(131,635)
Expenditures:			
Tourism Development Authority	1,025,000	893,365	131,635
Total Expenditures	1,025,000	893,365	131,635
Revenue over (under) expenditures	\$ -	-	\$ -
Fund balance, beginning of year		-	
Fund balance, end of year		\$ -	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-10

DEED OF TRUST FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance
	Budget	Actual	Positive (Negative)
Revenue:			
Permits and fees			
Register of deeds	\$ 33,700	\$ 31,273	\$ (2,427)
Total Revenue	<u>33,700</u>	<u>31,273</u>	<u>(2,427)</u>
Expenditures			
Payments made to State Treasurer	<u>33,700</u>	<u>31,273</u>	<u>2,427</u>
Total expenditures	<u>33,700</u>	<u>31,273</u>	<u>2,427</u>
Net change in fund balance	\$ <u>-</u>	-	\$ <u>-</u>
Fund balance, beginning of year		-	
Fund balance, end of year		\$ <u>-</u>	

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule C-11

FINES AND FORFEITURE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		
	Budget	Actual	Variance Positive (Negative)
Revenue:			
Fines and forfeitures	\$ 200,000	\$ 178,005	\$ (21,995)
Total Revenue	200,000	178,005	(21,995)
Expenditures:			
Payments made to the Elizabeth City-Pasquotank Public School Board of Education	200,000	178,005	21,995
Total expenditures	200,000	178,005	21,995
Net change in fund balance	\$ -	-	\$ -
Fund balance, beginning of the year		-	
Fund balance, end of year		\$ -	

ENTERPRISE FUNDS

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

Major:

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

Utilities Fund - This fund is used to account for the County's water and sewer operations.

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule D-1

ENTERPRISE FUND-LANDFILL

Page 1 of 3

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
Operating revenue:			
Tipping fees	\$ 3,005,000	\$ 2,909,103	\$ (95,897)
Solid waste fees	2,477,576	2,576,615	99,039
Penalties and interest	33,057	43,313	10,256
Other operating revenue	97,000	102,245	5,245
Total operating revenue	<u>5,612,633</u>	<u>5,631,276</u>	<u>18,643</u>
Non-operating revenue:			
NC Department of Revenue:			
Scrap tire tax	60,000	67,913	7,913
White goods disposal tax	11,400	11,415	15
Solid waste disposal tax	20,000	22,070	2,070
Electronics management program	3,000	2,827	(173)
Interest earned	6,000	4,365	(1,635)
Sale of assets	17,700	17,716	16
Grant-reimbursement	5,000	10,983	5,983
Total non-operating revenue	<u>123,100</u>	<u>137,289</u>	<u>14,189</u>
Total revenue	<u>5,735,733</u>	<u>5,768,565</u>	<u>32,832</u>
Expenditures:			
Landfill operations:			
Salaries and employee benefits	598,864	586,607	12,257
Engineering and lab fees	50,000	30,205	19,795
Contracted services	1,482,600	1,584,464	(101,864)
Utilities and telephone	23,500	21,079	2,421
Supplies and materials	200,500	227,292	(26,792)
Repairs and maintenance	215,000	163,137	51,863
Other	39,150	26,670	12,480
Indirect Costs:			
Maintenance/Janitorial	25,871	25,871	
Human resources	4,162	4,162	
Administration	18,850	18,850	
Finance office	35,867	35,867	
Solid waste disposal tax	75,000	89,254	(14,254)
Tire disposal	125,000	146,855	(21,855)
Electronics management	32,500	31,337	1,163
Total	<u>2,926,864</u>	<u>2,991,650</u>	<u>(64,786)</u>

PASQUOTANK COUNTY, NORTH CAROLINA

ENTERPRISE FUND-LANDFILL

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Convenience Sites:			
Salaries and employee benefits	507,545	532,792	(25,247)
Utilities and telephone	25,500	22,203	3,297
Repairs and maintenance	90,000	71,109	18,891
Operating expenses	170,533	136,234	34,299
Landfill fees	1,385,000	1,446,828	(61,828)
Indirect Costs:			
Human resources	8,930	8,930	
Administration	5,535	5,535	
Finance office	22,390	22,390	
Information technology	11,204	11,204	
Total	<u>2,226,637</u>	<u>2,257,225</u>	<u>(30,588)</u>
Transfer station:			
Salaries and employee benefits	81,671	77,533	4,138
Repairs and maintenance	40,000	39,401	599
Operating expenses	34,520	19,512	15,008
Indirect Costs:			
Human resources	711	711	
Administration	1,360	1,360	
Finance office	4,470	4,470	
Total	<u>162,732</u>	<u>142,987</u>	<u>19,745</u>
Other Costs:			
Capital outlay	1,111,153	269,971	841,182
Under threshold	10,000	5,025	4,975
Total	<u>1,121,153</u>	<u>274,996</u>	<u>846,157</u>
Total expenditures	<u>6,437,386</u>	<u>5,666,858</u>	<u>770,528</u>
Revenue over (under) expenditures before other financing sources and (uses)	<u>(701,653)</u>	<u>101,707</u>	<u>803,360</u>
Other financing sources (uses):			
Transfers out:			
Capital reserve-future needs	(100,000)	(100,000)	
Issuance of debt	165,000		(165,000)
Fund balance appropriated	636,653		(636,653)
Total	<u>701,653</u>	<u>(100,000)</u>	<u>(801,653)</u>
Revenue over (under) expenditures and other financing sources and (uses)	<u>\$ -</u>	<u>\$ 1,707</u>	<u>\$ 1,707</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule D-1

ENTERPRISE FUND-LANDFILL

Page 3 of 3

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenue over expenditures		\$ 1,707	
Reconciling items:			
Capital outlay		269,971	
Increase (decrease) in deferred outflows-OPEB		40,131	
(Increase) decrease in net OPEB liability		(1,149)	
(Increase) decrease in deferred inflows-OPEB		(85,176)	
Increase (decrease) in deferred outflows-pensions		36,497	
(Increase) decrease in net pension liability		161,224	
(Increase) decrease in deferred inflows-pensions		(182,884)	
Depreciation		(171,573)	
Total reconciling items		67,041	
Change in net position		\$ 68,748	

PASQUOTANK COUNTY, NORTH CAROLINA

ENTERPRISE FUND-UTILITIES

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenues:			
Operating revenue:			
Water sales-conventional plant	\$ 3,639,000	\$ 3,753,664	\$ 114,664
Water sales-reverse osmosis plant	1,784,839	2,142,906	358,067
Reconnection fees	82,000	80,760	(1,240)
Penalties	40,000	31,378	(8,622)
Miscellaneous revenue	43,120	43,866	746
Sewer revenue	400,000	309,751	(90,249)
Other operating revenue	3,000	1,400	(1,600)
Total operating revenue	<u>5,991,959</u>	<u>6,363,725</u>	<u>371,766</u>
Non-operating revenue:			
Tower rental	69,000	72,706	3,706
Payment from City of Elizabeth City	122,583	122,582	(1)
Sale of assets	2,000	7,011	5,011
Sales tax refund		87	87
Insurance proceeds		1,066	1,066
Interest earned on investments	60,000	47,881	(12,119)
Total non-operating revenue	<u>253,583</u>	<u>251,333</u>	<u>(2,250)</u>
Total revenue	<u>6,245,542</u>	<u>6,615,058</u>	<u>369,516</u>
Expenditures:			
Conventional plant operations:			
Salaries and employee benefits	1,212,085	1,170,540	41,545
Utilities	100,000	97,474	2,526
Chemicals	140,000	136,150	3,850
Purchases for resale	1,520,000	1,627,198	(107,198)
Supplies and materials	10,000	6,803	3,197
Gasoline and oil	70,000	68,762	1,238
Other expenses	34,300	24,354	9,946
Repairs and maintenance	298,620	299,700	(1,080)
Telephone	12,500	18,420	(5,920)
Total	<u>3,397,505</u>	<u>3,449,401</u>	<u>(51,896)</u>
Waste water treatment plant operations:			
Salaries and employee benefits	97,200	68,267	28,933
Utilities	15,000	10,486	4,514
Chemicals	5,000	648	4,352
Supplies and materials	500	438	62
Repairs and maintenance	40,500	17,815	22,685
Treatment by City	100,000	26,062	73,938
Other expenses	27,600	34,280	(6,680)
Total	<u>285,800</u>	<u>157,996</u>	<u>127,804</u>

PASQUOTANK COUNTY, NORTH CAROLINA

ENTERPRISE FUND-UTILITIES

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Expenditures (continued):			
Professional services:			
Engineering and lab fees	62,000	61,625	375
Legal and audit	5,540	4,320	1,220
Total	<u>67,540</u>	<u>65,945</u>	<u>1,595</u>
Administrative services:			
Insurance and bonds	31,200	37,359	(6,159)
Postage	25,000	32,206	(7,206)
Indirect Costs:			
Human resources	9,607	9,607	
Administration	32,511	32,511	
Finance office	61,087	61,087	
Janitorial/maintenance	32,703	32,703	
Information technology	15,689	15,689	
Central communications	1,192	1,192	
Other expenses	118,140	115,072	3,068
Total	<u>327,129</u>	<u>337,426</u>	<u>(10,297)</u>
Reverse osmosis plant operations:			
Salaries and employee benefits	198,605	199,800	(1,195)
Utilities	200,000	212,991	(12,991)
Chemicals	150,000	212,024	(62,024)
Engineering and lab fees	39,000	18,701	20,299
Legal and audit	1,000	24,423	(23,423)
Administrative services	10,800	832	9,968
Insurance	28,880	25,492	3,388
Supplies and materials	2,500	6,711	(4,211)
Repairs and maintenance	104,266	103,142	1,124
Gasoline and oil	9,500	3,176	6,324
Telephone	3,500	3,293	207
Indirect Costs:			
Human resources	1,506	1,506	
Administration	4,072	4,072	
Finance office	14,966	14,966	
Other expenses	26,180	34,974	(8,794)
Total	<u>794,775</u>	<u>866,103</u>	<u>(71,328)</u>
Debt service:			
Principal	966,153	966,153	
Interest	167,994	161,322	6,672
Trustee fees	3,500	3,508	(8)
Total	<u>1,137,647</u>	<u>1,130,983</u>	<u>6,664</u>

PASQUOTANK COUNTY, NORTH CAROLINA

ENTERPRISE FUND-UTILITIES

SCHEDULE OF REVENUE AND EXPENDITURES--BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Capital outlay:			
Capitalized:			
Vehicles and equipment	1,656,000	155,928	1,500,072
Expansion of service territory	3,232,626	1,585,599	1,647,027
Construction in progress		265,675	(265,675)
Leases		58,919	(58,919)
Under threshold		365,725	(365,725)
Total	<u>4,888,626</u>	<u>2,431,846</u>	<u>2,456,780</u>
Total expenditures	<u>10,899,022</u>	<u>8,439,700</u>	<u>2,459,322</u>
Revenue over (under) expenditures before other financing sources (uses)	<u>(4,653,480)</u>	<u>(1,824,642)</u>	<u>2,828,838</u>
Other financing sources (uses):			
Fund balance appropriated	4,578,480		(4,578,480)
Lease liabilities issued		58,919	58,919
Transfer from capital reserve	75,000	75,000	
Total other financing sources (uses)	<u>4,653,480</u>	<u>133,919</u>	<u>(4,519,561)</u>
Revenue over (under) expenditures	\$ <u>-</u>	\$ <u>(1,690,723)</u>	\$ <u>(1,690,723)</u>

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

Revenue over expenditures and other financing sources (uses)	\$ <u>(1,690,723)</u>
Reconciling items:	
Principal payments-revenue bonds	963,500
Principal payments-leases	2,653
Increase (decrease) in deferred outflows-OPEB	58,522
(Increase) decrease in net OPEB liability	48,436
(Increase) decrease in deferred inflows-OPEB	(127,763)
Increase (decrease) in deferred outflows-pension	50,496
(Increase) decrease in net pension liability	223,084
(Increase) decrease in deferred inflows-pension	(253,051)
Lease liabilities issued	(58,919)
Capital outlay	2,066,121
Depreciation and amortization	(1,319,071)
Total reconciling items	<u>1,654,008</u>
Change in net position	\$ <u>(36,715)</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule D-3

WATER AND SEWER CAPITAL RESERVE FUND

SCHEDULE OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES

--BUDGET AND ACTUAL--

FOR THE YEAR ENDED JUNE 30, 2022

	2022		Variance Positive (Negative)
	Budget	Actual	
Revenue:			
System development fees	\$ 155,000	\$ 206,050	\$ 51,050
Investment earnings	300	94	(206)
Total revenue	<u>155,300</u>	<u>206,144</u>	<u>50,844</u>
Expenditures:			
Reserve Funds	<u>180,300</u>		<u>180,300</u>
Revenues over (under) expenditures	<u>180,300</u>	<u>-</u>	<u>180,300</u>
Other financing sources:			
Transfers out	(75,000)	(75,000)	
Fund balance appropriated	100,000	-	(100,000)
Total other financing sources	<u>25,000</u>	<u>(75,000)</u>	<u>(100,000)</u>
Excess of revenue over expenditures	\$ <u>-</u>	131,144	\$ <u>131,144</u>
Fund balance, beginning of year		<u>134,154</u>	
Fund balance, end of year		\$ <u>265,298</u>	

FIDUCIARY FUNDS

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

Custodial Funds:

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

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule E-1

COMBINING STATEMENT OF FIDUCIARY NET POSITION

CUSTODIAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Municipal Tax Fund	Health Department Fee Fund	Total Custodial Funds
Assets:			
Cash and cash equivalents	\$ 90,616	\$ 2,249	\$ 92,865
Taxes receivable for other governments, net	1,030,100		1,030,100
Fees receivable for other organizations, net		17,237	17,237
Total assets	<u>1,120,716</u>	<u>19,486</u>	<u>1,140,202</u>
Liabilities:			
Due to other governments	\$ 90,616		\$ 90,616
Due to other organizations		2,249	2,249
Total liabilities	<u>90,616</u>	<u>2,249</u>	<u>92,865</u>
Net Position:			
Restricted for:			
Other governments and organizations	1,030,100	17,237	1,047,337
Total net position	<u>\$ 1,030,100</u>	<u>\$ 17,237</u>	<u>\$ 1,047,337</u>

PASQUOTANK COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Schedule E-2

	<u>Municipal Tax Fund</u>	<u>Health Department Fee Fund</u>	<u>Total Custodial Funds</u>
Additions:			
Ad valorem taxes, assessments and fees for other governments	\$ 10,634,649	\$	\$ 10,634,649
Gross receipts taxes for other governments	98,872		98,872
Collections of fees for other organizations		23,934	23,934
Total additions	<u>10,733,521</u>	<u>23,934</u>	<u>10,757,455</u>
Deductions			
Distributions to other governments	10,694,139		10,694,139
Distributions to other organizations		22,478	22,478
Total deductions	<u>10,694,139</u>	<u>22,478</u>	<u>10,716,617</u>
Net increase (decrease) in fiduciary position	39,382	1,456	40,838
Net position, beginning of year	<u>990,718</u>	<u>15,781</u>	<u>1,006,499</u>
Net position, end of year	<u>\$ 1,030,100</u>	<u>\$ 17,237</u>	<u>\$ 1,047,337</u>

COMPONENT UNIT

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule F-1

Elizabeth City-Pasquotank County Tourism Development Authority
Discretely Presented Component Unit
Supplemental Balance Sheet
JUNE 30, 2022

ASSETS

Cash and cash equivalents	\$	1,224,175
Accounts receivable (net)		89,732
Total assets	\$	<u>1,313,907</u>

LIABILITIES AND FUND BALANCE

Liabilities:

Accounts payable and accrued liabilities	\$	<u>31,370</u>
Total liabilities		<u>31,370</u>

Fund balances:

Restricted:

Stabilization by State Statute	89,732
City of Elizabeth City	379,424
Pasquotank County	110,961
Assigned for subsequent year's expenditures	140,000
Unassigned	<u>562,420</u>
Total fund balances	<u>1,282,537</u>

Total liabilities and fund balances	\$	<u>1,313,907</u>
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Reconciliation of Governmental Fund Balance Sheet to
the Statement of Net Position

Fund balances	\$	1,282,537
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**Amounts reported for governmental activities in the statement
of net position (Exhibit 1) are different because:**

Capital assets used in governmental activities are not financial
resources and therefore are not reported in the funds

Capital assets at historical costs	331,382
Accumulated depreciation	(44,777)

Deferred outflow of resources reported in the government-wide
statements but not by the fund statements for pensions

68,402

Net pension liability

(32,206)

Long-term liabilities used in governmental activities are not
financial uses and therefore are not reported in the funds

Compensated absences	(11,280)
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Pension related deferrals

(50,236)

Net position of governmental activities	\$	<u>1,543,822</u>
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PASQUOTANK COUNTY, NORTH CAROLINA

Schedule F-2

Elizabeth City-Pasquotank County Tourism Development Authority
 Discretely Presented Component Unit
 Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance
 For the Year Ended June 30, 2022

REVENUES

Occupancy taxes	\$ 883,667
Grant revenue	228,272
Charges for services	278,286
Miscellaneous revenue	4,462
Investment earnings	1,699
Total revenues	<u>1,396,386</u>

EXPENDITURES

Salaries and employee benefits	246,820
Administrative and operations	63,828
Marketing and sales	662,745
Tourism related expenditures	224,200
Capital outlay	191,250
Total expenditures	<u>1,388,843</u>
Net change in fund balance	7,543

Fund balances, beginning	<u>1,274,994</u>
Fund balances, ending	\$ 1,282,537

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

Net Change in fund balance	\$ 7,543
----------------------------	----------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period

	157,878
Loss on disposal of assets	(992)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	22,781

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(5,798)
Pension expense	(19,061)

Total changes in net position of governmental activities	<u>\$ 162,351</u>
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PASQUOTANK COUNTY, NORTH CAROLINA

Schedule F-3

Elizabeth City-Pasquotank County Tourism Development Authority

Discretely Presented Component Unit

Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual

For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Occupancy tax	\$ 665,750	\$ 825,000	\$ 883,667	\$ 58,667
Grant revenue	250,000	183,000	184,922	1,922
Coast Guard Marathon		321,200	321,636	436
Investment income	3,100	2,100	1,699	(401)
Other revenues	9,250	4,462	4,462	-
Total revenues	<u>928,100</u>	<u>1,335,762</u>	<u>1,396,386</u>	<u>60,624</u>
Expenditures				
Salaries and benefits	252,864	252,864	246,820	6,044
Administration and operations	72,398	69,398	63,828	5,570
Marketing and sales	574,300	665,625	662,745	2,880
Tourism related expenditures	167,538	317,538	224,200	93,338
Capital outlay	1,000	191,000	191,250	(250)
Total expenditures	<u>1,068,100</u>	<u>1,496,425</u>	<u>1,388,843</u>	<u>107,582</u>
Revenues over (under) expenditures	(140,000)	(160,663)	7,543	(153,120)
Other financing sources (uses)				
Fund balance appropriated	<u>140,000</u>	<u>160,663</u>		<u>160,663</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	7,543	<u>\$ 7,543</u>
Fund balance, beginning			<u>1,274,994</u>	
Fund balance, ending			<u>\$ 1,282,537</u>	

CAPITAL ASSETS

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule G-1

SCHEDULE OF GENERAL CAPITAL ASSETS

BY SOURCE

JUNE 30, 2022

	<u>2022</u>
General Capital Assets:	
Land	\$ 6,782,019
Construction in progress	527,564
Buildings	58,764,252
Equipment	10,233,503
Vehicles and motorized equipment	8,356,572
Infrastructure	2,611,260
Accumulated depreciation	<u>(48,306,764)</u>
 Total general capital assets	 \$ <u>38,968,406</u>
 Investment in general capital assets by source:	
Capital Assets Acquired Prior to July 1, 1997:	\$ 21,426,881
Capital Assets Acquired After July 1, 1997:	
General Fund	22,318,924
State Revenue	3,317,554
Federal Revenue	318,103
Installment Purchases	39,366,144
Construction in progress	527,564
Accumulated depreciation	<u>(48,306,764)</u>
 Total investment in general capital assets	 \$ <u>38,968,406</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule G-2

SCHEDULE OF GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
JUNE 30, 2022

Function and Activity	Land	Construction in Progress	Buildings	Furniture Fixtures and Office Equipment	Vehicles and Motorized Equipment	Land Improvements and Infrastructure	Total
General government							
Administration	\$	\$	\$	\$	65,596	\$	65,596
Finance				8,300			8,300
Tax administration				335,611	29,923		365,534
Board of elections				100,545			100,545
Register of deeds				88,000			88,000
Public buildings	1,598,686		17,153,594	260,186	17,594	13,388	19,043,448
Court Facilities				56,764			56,764
Other-unclassified	1,617,073	527,564	5,068,822	278,005	11,422		7,502,886
Total general government	3,215,759	527,564	22,222,416	1,127,411	124,535	13,388	27,231,073
Public safety:							
Sheriff				371,740	1,919,347		2,291,087
Jail			23,047,596	459,143			23,506,739
Emergency communications	53,452		12,656	5,947,873			6,013,981
Fire	172,587		440,437	543,222	3,584,007		4,740,253
Emergency management			13,904	33,159	251,883		298,946
Inspections				38,500	86,452		124,952
Emergency medical services	45,150		408,910	1,364,772	1,974,868		3,793,700
Animal Control			11,965		79,767		91,732
Total public safety	271,189		23,935,468	8,758,409	7,896,324		40,861,390
Environmental protection:	200,507						200,507
Total environmental protection	200,507						200,507
Economic and physical development:							
Economic development	1,897,443		1,446,058	33,679	15,203	989,103	4,381,486
Agricultural extension			739,812		23,993		763,805
Total economic and physical development	1,897,443		2,185,870	33,679	39,196	989,103	5,145,291
Human services:							
Health			35,000				35,000
Social services	82,839		4,522,218	241,588	99,096		4,945,741
Total human services	82,839		4,557,218	241,588	99,096		4,980,741
Cultural and recreational:							
Recreational	1,098,344		651,507	29,417	100,685	1,608,769	3,488,722
Library	15,938		5,211,773	42,999	72,438		5,343,148
Total cultural and recreational	1,114,282		5,863,280	72,416	173,123	1,608,769	8,831,870
Education:							
Public schools					24,298		24,298
Total education					24,298		24,298
Accumulated depreciation			(31,403,304)	(8,830,205)	(6,321,651)	(1,751,604)	(48,306,764)
Total general capital assets	\$ 6,782,019	\$ 527,564	\$ 27,360,948	\$ 1,403,298	\$ 2,034,921	\$ 859,656	\$ 38,968,406

PASQUOTANK COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY
For the Year Ended June 30, 2022

Schedule G-3

Function and Activity	General Capital Assets			General Capital Assets
	July 1, 2021	Additions	Deductions	June 30, 2022
General government:				
Administration	\$ 65,596	\$	\$	\$ 65,596
Finance	8,300			8,300
Tax administration	365,534			365,534
Board of elections		100,545		100,545
Register of deeds	88,000			88,000
Public buildings	15,944,248	3,099,200		19,043,448
Court facilities	56,764			56,764
Construction in progress	50,272	527,564	50,272	527,564
Other - unclassified	6,924,488	88,630	37,796	6,975,322
Total general government	<u>23,503,202</u>	<u>3,815,939</u>	<u>88,068</u>	<u>27,231,073</u>
Public safety:				
Sheriff	2,096,859	276,940	82,712	2,291,087
Jail	23,506,739			23,506,739
Emergency communications	5,356,607	657,374		6,013,981
Fire	4,628,001	112,252		4,740,253
Emergency management	242,168	56,778		298,946
Inspections	112,079	29,800	16,927	124,952
Emergency medical services	3,449,321	425,325	80,946	3,793,700
Animal control	91,732			91,732
Total public safety	<u>39,483,506</u>	<u>1,558,469</u>	<u>180,585</u>	<u>40,861,390</u>
Environmental protection	<u>200,507</u>			<u>200,507</u>
Total environmental protection	<u>200,507</u>			<u>200,507</u>
Economic and physical development:				
Economic development	4,381,486			4,381,486
Agricultural extension	763,805			763,805
Total economic and physical development	<u>5,145,291</u>			<u>5,145,291</u>
Human services:				
Health	35,000			35,000
Social services	4,801,329	177,343	32,931	4,945,741
Total human services	<u>4,836,329</u>	<u>177,343</u>	<u>32,931</u>	<u>4,980,741</u>
Cultural and recreational:				
Recreational	2,926,415	577,250	14,943	3,488,722
Cultural	5,343,148			5,343,148
Total cultural and recreational	<u>8,269,563</u>	<u>577,250</u>	<u>14,943.00</u>	<u>8,831,870</u>
Education:				
Public schools	24,298			24,298
Community college	28,908		28,908	-
Total education	<u>53,206</u>		<u>28,908</u>	<u>24,298</u>
Accumulated depreciation	<u>(45,514,362)</u>	<u>(3,087,565)</u>	<u>295,163</u>	<u>(48,306,764)</u>
Total general capital assets	<u>\$ 35,977,242</u>	<u>\$ 3,041,436</u>	<u>\$ (50,272)</u>	<u>\$ 38,968,406</u>

GOVERNMENTAL LONG-TERM DEBT OBLIGATIONS

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule H-1

SCHEDULE OF CHANGES IN GOVERNMENTAL LONG-TERM DEBT
FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Long-Term Debt July 1, 2021	Additions	Retirements	Governmental Long-Term Debt June 30, 2022
Governmental Long-Term Debt Payable:				
Installment purchases	\$ 21,224,347	\$	\$ 2,620,528	\$ 18,603,819
Advance refunding	4,948,973		851,936	4,097,037
Qualified School Construction Bonds	800,000		133,333	666,667
Unamortized premium on COPS	76,152		11,717	64,435
Leases		278,345	119,148	159,197
Vacation payable	1,137,685	625,128	610,985	1,151,828
Net Pension Liability-LGERS	6,199,415		3,536,421	2,662,994
Unfunded other post employment benefits	21,079,107	50,657		21,129,764
Unfunded pension obligation-LEOSSA	1,905,305	130,552		2,035,857
	<u>\$ 57,370,984</u>	<u>\$ 1,084,682</u>	<u>\$ 7,884,068</u>	<u>\$ 50,571,598</u>
By purpose:				
Education	\$ 9,855,591	\$	\$ 1,660,457	\$ 8,195,134
Fire and Public Safety	15,542,035		1,513,494	14,028,541
General government	1,575,694		431,847	1,143,847
Leases		278,345	119,148	159,197
Unamortized premium on COPS	76,152		11,716	64,436
Net Pension Liability-LGERS	6,199,415		3,536,421	2,662,994
Other post employment benefits	21,079,107	50,657		21,129,764
Unfunded pension obligation-LEOSSA	1,905,305	130,552		2,035,857
Vacation pay	1,137,685	625,128	610,985	1,151,828
	<u>\$ 57,370,984</u>	<u>\$ 1,084,682</u>	<u>\$ 7,884,068</u>	<u>\$ 50,571,598</u>

OTHER SCHEDULES

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

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

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule I-1

GENERAL FUND

SCHEDULE OF AD VALOREM TAXES RECEIVABLE

June 30, 2022

Fiscal Year	Uncollected Balance July 1, 2021	Additions	Collections and Credits	Uncollected Balance June 30, 2022
2021-2022	\$	\$ 26,337,141	\$ 25,647,029	\$ 690,112
2020-2021	757,509		388,716	368,793
2019-2020	420,693		171,764	248,929
2018-2019	260,076		93,372	166,704
2017-2018	183,223		60,368	122,855
2016-2017	112,131		30,817	81,314
2015-2016	66,931		16,996	49,935
2014-2015	58,395		11,907	46,488
2013-2014	75,386		10,006	65,380
2012-2013	53,432		7,156	46,276
2011-2012	44,325		44,325	-
	<u>\$ 2,032,101</u>	<u>\$ 26,337,141</u>	<u>\$ 26,482,456</u>	1,886,786
Less: allowance for uncollected ad valorem taxes receivable - General Fund				(226,414)
Ad valorem taxes receivable, net				<u>\$ 1,660,372</u>
Reconciliation with revenues:				
Ad valorem taxes, General Fund				\$ 26,545,569
Taxes written off				39,850
Collections on taxes previously written off				(2,088)
Discounts, refunds and releases				153,841
Loss of present value exemption				(13,757)
Advertising fees collected				(6,930)
Interest collected				(234,029)
Total reconciling items				<u>(63,113)</u>
Total collections and credits				\$ <u>26,482,456</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Schedule I-2

**ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2022**

	County-wide		Total Levy		
	Total Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 3,322,720,493	0.77	\$ 25,581,745	\$ 22,519,221	\$ 3,062,524
Public service companies	73,906,305	0.77	569,079	569,079	
Penalties			2,300	2,300	
Total	<u>3,396,626,798</u>		<u>26,153,124</u>	<u>23,090,600</u>	<u>3,062,524</u>
Discoveries:					
Current year taxes	21,378,846	0.77	175,671	175,671	
Prior year taxes		various	17,684	17,684	
Penalties			13,129	13,129	
Total	<u>21,378,846</u>		<u>206,484</u>	<u>206,484</u>	<u>-</u>
Releases	<u>(2,401,570)</u>		<u>(22,467)</u>	<u>(22,467)</u>	
Total property valuation	<u>\$ 3,415,604,074</u>				
Net levy			26,337,141	23,274,617	3,062,524
Uncollected taxes at June 30, 2022			690,112	690,112	
Current year's tax collections and credits			<u>\$ 25,647,029</u>	<u>\$ 22,584,505</u>	<u>\$ 3,062,524</u>
Current levy collection percentage			<u>97.38%</u>	<u>97.03%</u>	<u>100.00%</u>

STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends These schedules contain information to help the reader understand how the County's financial performance and well-being have changes over time.	124
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property and sales taxes.	129
Debt Capacity These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	133
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time and with other governments.	136
Operating Information These schedules contain information about the County's operations and resources to help the reader understand how the County's financial Information relates to the services the County provides and the activities It performs.	138

PASQUOTANK COUNTY, NORTH CAROLINA

Table 1

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

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Governmental Activities:										
Net investment in capital assets	\$ 18,432,376	\$ 18,573,062	\$ 18,017,943	\$ 18,137,713	\$ 18,304,840	\$ 18,250,889	\$ 18,396,347	\$ 18,848,095	\$ 18,859,513	\$ 23,834,297
Restricted	4,737,829	5,281,147	5,478,471	5,428,803	5,412,104	5,290,307	6,267,194	6,741,831	7,130,786	8,277,773
Unrestricted	(23,595,264)	(22,268,820)	(20,323,040)	(17,848,390)	(16,407,855)	(23,952,748)	(22,268,261)	(10,922,514)	(7,625,118)	(2,818,428)
	<u>(425,059)</u>	<u>1,585,389</u>	<u>3,173,374</u>	<u>5,718,126</u>	<u>7,309,089</u>	<u>(411,552)</u>	<u>2,395,280</u>	<u>14,667,412</u>	<u>18,365,181</u>	<u>29,293,642</u>
Business-type Activities:										
Net investment in capital assets	\$ 16,087,528	\$ 15,794,769	\$ 15,152,613	\$ 14,727,763	\$ 14,493,610	\$ 14,262,845	\$ 14,023,770	\$ 14,337,180	\$ 14,442,187	\$ 16,195,719
Unrestricted	6,708,445	7,435,642	8,744,802	10,053,020	11,495,605	12,507,405	14,159,286	14,351,232	14,072,194	12,481,839
	<u>\$ 22,795,973</u>	<u>\$ 23,230,411</u>	<u>\$ 23,897,415</u>	<u>\$ 24,780,783</u>	<u>\$ 25,989,215</u>	<u>\$ 26,770,250</u>	<u>\$ 28,183,056</u>	<u>\$ 28,688,412</u>	<u>\$ 28,514,381</u>	<u>\$ 28,677,558</u>
Primary Government:										
Net investment in capital assets	\$ 34,519,904	\$ 34,367,831	\$ 33,170,556	\$ 32,865,476	\$ 32,798,450	\$ 32,513,734	\$ 32,420,117	\$ 33,185,275	\$ 33,301,700	\$ 40,030,016
Restricted	4,737,829	5,281,147	5,478,471	5,428,803	5,412,104	5,290,307	6,267,194	6,741,831	7,130,786	8,277,773
Unrestricted	(16,886,819)	(14,833,178)	(11,578,238)	(7,795,370)	(4,912,250)	(11,445,343)	(8,108,975)	3,428,718	6,447,076	9,663,411
	<u>\$ 22,370,914</u>	<u>\$ 24,815,800</u>	<u>\$ 27,070,789</u>	<u>\$ 30,498,909</u>	<u>\$ 33,298,304</u>	<u>\$ 26,358,698</u>	<u>\$ 30,578,336</u>	<u>\$ 43,355,824</u>	<u>\$ 46,879,562</u>	<u>\$ 57,971,200</u>

PASQUOTANK COUNTY, NORTH CAROLINA

Table 2

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

	<u>2012-2013</u>	<u>2013-2014</u>	<u>2014-2015</u>	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>	<u>2019-2020</u>	<u>2020-2021</u>	<u>2021-2022</u>
Expenses										
Governmental Activities										
General government	\$ 4,371,407	\$ 4,866,691	\$ 4,366,415	\$ 4,497,581	\$ 4,541,625	\$ 4,823,243	\$ 4,932,781	\$ 5,256,251	\$ 7,025,991	\$ 6,170,252
Public safety	12,153,277	12,767,074	13,043,334	14,267,608	15,013,392	14,694,971	15,012,070	15,772,823	17,270,371	17,900,793
Environmental protection	19,000	4,800	14,000			4,075	5,885		7,500	4,915
Economic and physical development	1,675,143	1,389,285	1,439,860	1,631,392	1,699,440	2,955,056	2,735,419	2,721,749	2,965,789	2,911,241
Human services	9,028,559	8,661,071	9,003,914	9,562,791	9,443,791	7,931,107	8,288,700	8,476,419	9,309,211	9,468,771
Cultural and recreation	1,661,193	1,670,523	1,770,294	1,782,318	1,828,863	1,861,477	1,976,225	2,112,493	2,244,835	2,237,837
Education	13,416,412	11,426,506	11,974,898	12,543,814	14,566,361	14,407,691	15,446,494	15,056,749	16,162,829	14,500,130
Interest on long-term debt	2,402,853	1,904,302	1,779,981	1,648,469	1,514,601	1,413,622	1,290,935	1,090,437	969,880	819,125
Total governmental activities expenses	\$ 44,727,844	\$ 42,690,252	\$ 43,392,696	\$ 45,933,973	\$ 48,608,073	\$ 48,091,242	\$ 49,688,509	\$ 50,486,921	\$ 55,956,406	\$ 54,013,064
Business-type activities:										
Landfill	4,381,824	4,336,684	4,321,414	4,423,469	4,556,483	4,576,940	4,848,660	5,453,425	5,509,220	5,599,817
Utilities	5,591,137	5,554,140	5,911,650	5,411,199	5,206,884	5,499,936	5,704,690	5,877,501	6,294,941	6,726,773
Total business-type activities expenses	\$ 9,972,961	\$ 9,890,824	\$ 10,233,064	\$ 9,834,668	\$ 9,763,367	\$ 10,076,876	\$ 10,553,350	\$ 11,330,926	\$ 11,804,161	\$ 12,326,590
Total primary government expenses	\$ 54,700,805	\$ 52,581,076	\$ 53,625,760	\$ 55,768,641	\$ 58,371,440	\$ 58,168,118	\$ 60,241,859	\$ 61,817,847	\$ 67,760,567	\$ 66,339,654
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 1,938,918	\$ 1,887,423	\$ 2,029,493	\$ 1,908,641	\$ 2,513,412	\$ 1,946,979	\$ 1,910,745	\$ 2,139,723	\$ 2,121,055	\$ 2,112,506
Public safety	4,163,785	3,879,152	4,480,914	5,044,494	5,041,107	4,744,855	5,471,673	5,557,720	5,551,660	5,728,360
Environmental protection	5,300	5,200	5,184	5,210	5,185	5,161	6,499	5,130	5,096	5,051
Economic and physical development	85,030	77,615	80,216	81,326	12,717	13,256	12,097	26,443	41,626	18,286
Human services	61,948	83,117	56,238	75,894	50,119	62,428	38,575	41,432	23,919	35,619
Cultural and recreation	123,283	31,871	29,197	25,165	23,935	22,571	21,647	15,919	6,008	13,008
Operating grants and contributions	7,948,607	7,806,257	8,316,899	8,739,444	8,788,995	7,423,181	7,173,501	7,288,386	9,447,970	8,155,324
Capital grants and contributions	25,000	40,000	40,000	40,000	40,000	40,000	40,000	40,000	55,990	346,021
Total governmental activities program revenues	14,351,871	13,810,635	15,038,141	15,920,174	16,475,470	14,258,431	14,674,737	15,114,753	17,253,324	16,414,175

Business-type activities:										
Charges for services:										
Landfill	4,779,675	4,722,863	4,728,688	4,899,681	5,044,292	4,999,796	5,000,974	5,459,705	5,521,743	5,631,276
Water and Sewer	4,599,497	5,214,783	5,970,406	5,559,760	5,640,934	5,882,659	6,323,680	5,788,236	5,772,312	6,363,725
Operating grants and contributions	266,061	316,820	289,536	263,650	244,353	249,495	219,372	305,475	219,231	237,790
Capital grants and contributions		27,083					167,000	104,200	106,800	206,050
Total business-type activities program revenues	9,645,233	10,281,549	10,988,630	10,723,091	10,929,579	11,131,950	11,711,026	11,657,616	11,620,086	12,438,841
Total primary government revenues	\$ 23,997,104	\$ 24,092,184	\$ 26,026,771	\$ 26,643,265	\$ 27,405,049	\$ 25,390,381	\$ 26,385,763	\$ 26,772,369	\$ 28,873,410	\$ 28,853,016
Net (Expense)/Revenue										
Governmental Activities	(30,375,973)	(28,879,617)	(28,354,555)	(30,013,799)	(32,132,603)	(33,832,811)	(35,013,772)	(35,372,168)	(38,703,082)	(37,598,889)
Business-type activities	(327,728)	390,725	755,566	888,423	1,166,212	1,055,074	1,157,676	326,690	(184,075)	112,251
Total primary government net (expense)/revenue	\$ (30,703,701)	\$ (28,488,892)	\$ (27,598,989)	\$ (29,125,376)	\$ (30,966,391)	\$ (32,777,737)	\$ (33,856,096)	\$ (35,045,478)	\$ (38,887,157)	\$ (37,486,638)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property taxes, levied for general purpose	\$ 21,143,588	\$ 22,424,968	\$ 22,496,725	\$ 22,983,747	\$ 23,471,045	\$ 25,716,094	\$ 25,636,964	\$ 25,889,311	\$ 26,429,150	\$ 26,419,526
Local option sales tax	6,745,157	6,552,816	7,143,039	7,576,662	7,684,369	7,801,485	9,456,911	10,489,784	12,146,786	13,167,326
Other taxes and licenses	1,135,736	1,331,191	1,059,329	1,459,084	1,556,043	2,347,523	1,830,518	2,250,968	2,786,889	4,046,445
Investment earnings	51,099	53,767	86,969	106,796	123,466	180,119	317,233	284,240	32,347	59,416
Unrestricted intergovernmental	94,163	102,098	110,548	101,525	106,073	105,122	104,569	105,157	101,181	96,485
Albemarle Hospital Authority-Escrow								8,107,375		
Special item-gain on sale of beach property										
Special item-transfer to Albemarle Hospital										
Special item-interest earnings					855,939					
Miscellaneous, unrestricted	155,687	425,225	238,738	230,737	235,251	494,239	374,409	417,465	798,170	4,638,152
Transfers	135,781			100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total Governmental Activities:	\$ 29,461,211	\$ 30,890,065	\$ 31,135,348	\$ 32,558,551	\$ 34,132,186	\$ 36,744,582	\$ 37,820,604	\$ 47,644,300	\$ 42,394,523	\$ 48,527,350
Business-type Activities:										
Investment earnings	32,486	40,881	53,284	69,126	79,327	135,355	305,394	215,096	19,362	52,340
Gain on sale of assets										
Miscellaneous, unrestricted	40,710	2,832	17,185	70,443	62,893	48,614	49,736	63,570	90,682	98,586
Transfers	(135,781)			(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)	(100,000)
Special item-transfer of sewer line	(3,751,568)									
Total Business-type Activities:	(3,814,153)	43,713	70,469	39,569	42,220	83,969	255,130	178,666	10,044	50,926
Total primary government	\$ (5,056,643)	\$ 2,444,886	\$ 3,606,828	\$ 3,472,744	\$ 3,208,015	\$ 4,050,814	\$ 4,219,638	\$ 12,777,488	\$ 3,517,410	\$ 11,091,638
Change in Net Position										
Governmental activities	(914,762)	2,010,448	2,780,793	2,544,752	1,999,583	2,911,771	2,806,832	12,272,132	3,691,441	10,928,461
Business-type activities	(4,141,881)	434,438	826,035	927,992	1,208,432	1,139,043	1,412,806	505,356	(174,031)	163,177
Total primary government	\$ (5,056,643)	\$ 2,444,886	\$ 3,606,828	\$ 3,472,744	\$ 3,208,015	\$ 4,050,814	\$ 4,219,638	\$ 12,777,488	\$ 3,517,410	\$ 11,091,638

PASQUOTANK COUNTY, NORTH CAROLINA

FUND BALANCES, GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(modified accrual basis of accounting)

Table 3

	Fiscal Year									
	2021-2022	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017	2015-2016	2014-2015	2013-2014	2012-2013
General Fund										
Nonspendable	\$ (153,987)	\$ 39,043	\$ 10,213	\$ 10,439	\$ 11,238	\$ 14,076	\$ 406	\$ 72,325	\$ 369,221	\$ 250,977
Committed	8,547,879	4,336,849	1,653,600	655,945	175,851	134,241	93,234	52,588	28,929	144,843
Restricted	7,881,583	6,575,952	6,010,531	5,871,713	4,755,290	4,812,206	5,096,632	5,150,051	4,970,515	4,240,297
Assigned:										
Subsequent year's expenditures	806,800	796,800	700,000	700,000	563,860	606,526	611,637	712,643	633,987	550,843
Unassigned	19,329,689	19,208,290	18,290,062	9,559,897	9,436,687	8,445,410	6,031,553	5,628,244	4,852,615	4,847,735
Total General Fund	<u>\$ 36,411,964</u>	<u>\$ 30,956,934</u>	<u>\$ 26,664,406</u>	<u>\$ 16,797,994</u>	<u>\$ 14,942,926</u>	<u>\$ 14,012,459</u>	<u>\$ 11,833,462</u>	<u>\$ 11,615,851</u>	<u>\$ 10,855,267</u>	<u>\$ 10,034,695</u>
All other governmental funds										
Restricted	\$ 396,190	\$ 561,490	\$ 33,892	\$ 395,481	\$ 535,017	\$ 599,898	\$ 328,420	\$ 370,457	\$ 497,532	\$ 17,422
Committed	56,707	47,664		31,015	24,391	26,653	19,232	27,786	31,665	
Nonspendable		33,291								
Assigned:										
Subsequent year's expenditures										
Unassigned:										
Special Revenue	1,448	86	736,332						836	717,383
Total all other governmental funds	<u>\$ 454,345</u>	<u>\$ 642,531</u>	<u>\$ 770,224</u>	<u>\$ 426,496</u>	<u>\$ 559,408</u>	<u>\$ 626,551</u>	<u>\$ 347,652</u>	<u>\$ 398,243</u>	<u>\$ 530,033</u>	<u>\$ 734,805</u>

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

Table 4

	2012-2013	2013-2014	2014-2015	2015-2016	2016-2017	2017-2018	2018-2019	2019-2020	2020-2021	2021-2022
Revenues										
Ad valorem taxes and assessments	\$ 21,135,591	\$ 22,347,619	\$ 22,471,799	\$ 22,870,523	\$ 23,589,387	\$ 25,696,721	\$ 25,544,139	\$ 25,709,465	\$ 26,440,509	\$ 26,560,104
Other taxes and licenses	7,885,238	7,887,940	8,212,043	9,039,814	9,244,163	10,156,923	11,300,480	12,752,794	14,940,929	17,220,844
Permits and fees	437,223	375,341	481,275	582,538	407,950	405,268	404,548	424,802	473,988	546,077
Charges for services	4,498,508	4,354,985	4,850,640	4,850,395	4,931,917	4,691,355	5,254,084	5,009,476	5,101,446	4,852,512
Intergovernmental	7,083,115	6,979,502	7,405,974	7,713,972	7,762,526	6,416,266	6,116,196	6,205,269	8,295,392	6,680,074
Investment earnings	51,731	54,459	87,925	106,796	123,466	180,119	317,233	284,240	32,347	59,416
Other revenue	2,572,696	2,631,846	2,658,961	3,096,253	3,725,743	3,342,164	3,406,495	12,103,044	4,265,793	6,050,524
Total revenues	\$ 43,664,102	\$ 44,631,692	\$ 46,168,617	\$ 48,260,291	\$ 49,785,152	\$ 50,888,816	\$ 52,343,175	\$ 62,489,090	\$ 59,550,404	\$ 61,969,551
Expenditures										
General government	\$ 3,682,197	\$ 3,912,257	\$ 3,732,368	\$ 3,712,881	\$ 3,646,697	\$ 3,921,282	\$ 4,047,832	\$ 4,252,964	\$ 5,993,629	\$ 5,403,497
Public safety	10,417,299	11,006,759	11,473,284	12,578,568	13,015,945	12,690,752	12,984,488	13,105,572	14,311,633	15,347,118
Environmental protection	19,000	4,800	14,000			4,075	5,885		7,500	4,915
Economic and physical development	1,565,136	1,276,477	1,337,550	1,513,578	1,581,074	2,835,392	2,623,753	2,583,923	2,823,410	2,838,539
Human services	8,694,627	8,515,307	8,859,207	9,210,326	8,940,363	7,490,137	7,835,587	7,834,724	8,529,871	8,957,080
Cultural and recreational	1,502,694	1,511,178	1,627,785	1,631,569	1,646,325	1,693,594	1,796,477	1,921,100	2,038,004	2,111,188
Education	13,379,390	11,407,740	11,974,898	10,750,400	11,915,869	13,399,000	13,524,000	13,799,000	14,089,429	13,099,000
School construction and renovations				1,787,632	2,644,710	1,002,909	1,916,712	1,251,967	2,073,400	1,401,130
Capital outlay	842,611	1,502,314	753,990	651,001	1,272,434	1,504,972	1,326,843	1,616,527	984,905	3,337,074
Debt service										
Principal	3,873,912	4,025,805	4,419,887	4,594,235	4,568,295	4,931,365	5,076,331	5,331,924	3,689,905	3,724,945
Interest and fees	2,375,252	2,049,437	1,810,655	1,672,450	1,530,584	1,442,014	1,318,111	1,149,249	950,211	856,566
Total expenditures	\$ 46,352,118	\$ 45,212,074	\$ 46,003,624	\$ 48,102,640	\$ 50,762,296	\$ 50,915,492	\$ 52,456,019	\$ 52,846,950	\$ 55,491,897	\$ 57,081,052
Excess of revenues over (under) expenditures	\$ (2,688,016)	\$ (580,382)	\$ 164,993	\$ 157,651	\$ (977,144)	\$ (26,676)	\$ (112,844)	\$ 9,642,140	\$ 4,058,507	\$ 4,888,499
Other financing sources (uses)										
Proceeds from installment purchase obligations	11,443,309	1,270,000	545,000		3,295,000	790,000	1,735,000	468,000		
Lease liabilities issued										278,345
Payment to refunded bond escrow agent	(10,883,978)									
Transfers in	135,781			100,000	100,000	100,000	100,000	100,000	100,000	100,000
Total other financing sources (uses)	\$ 695,112	\$ 1,270,000	\$ 545,000	\$ 100,000	\$ 3,395,000	\$ 890,000	\$ 1,835,000	\$ 568,000	\$ 100,000	\$ 378,345
Net change in fund balances	\$ (1,992,904)	\$ 689,618	\$ 709,993	\$ 257,651	\$ 2,417,856	\$ 863,324	\$ 1,722,156	\$ 10,210,140	\$ 4,158,507	\$ 5,266,844
Debt service as a percentage of noncapital expenditures	13.7%	13.9%	13.8%	13.2%	12.3%	12.9%	12.5%	12.7%	8.5%	8.5%

PASQUOTANK COUNTY, NORTH CAROLINA

Table 5

**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Property	Commercial Property	Industrial Property	Public Service Company Property	Other	Personal Property	Total Assessed Value	Total Direct Tax Rate (1)	Ratio of Assessed Value to Estimated Actual Value (2)
2013	\$ 2,350,367,220	\$ 564,459,000	\$ 57,839,760	\$ 60,344,042	\$ 210,101,856	\$ 153,440,452	\$ 3,396,552,330	0.62	103%
2014	2,245,892,762	564,459,000	57,839,760	59,301,153	227,377,514	356,589,776	3,511,459,965	0.62	107%
2015	1,882,163,656	570,103,590	57,839,760	66,637,723	237,253,773	162,842,820	2,976,841,322	0.63	120%
2016	1,902,723,849	512,226,200	57,839,760	82,438,567	297,841,524	162,716,135	3,015,786,035	0.76	101%
2017	1,931,923,925	512,226,200	57,839,760	87,383,577	312,623,833	174,122,536	3,076,119,831	0.76	104%
2018	2,017,335,265	613,683,366	57,839,760	87,286,345	317,220,832	186,311,114	3,279,676,682	0.76	96%
2019	2,024,945,723	615,823,200	57,839,760	86,741,268	324,012,618	204,942,225	3,314,304,794	0.77	96%
2020	2,045,195,180	615,823,200	57,839,760	78,891,686	336,586,672	206,977,914	3,341,314,412	0.77	90%
2021	2,068,952,010	615,823,200	57,839,760	81,739,316	380,977,375	212,361,905	3,417,693,566	0.77	86%
2022	2,115,695,341	554,240,880	57,839,760	73,906,305	398,146,378	215,775,410	3,415,604,074	0.77	97%

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

(1) Per \$100 in value
 (2) Ratio is applicable to real property only.

PASQUOTANK COUNTY, NORTH CAROLINA

Table 6

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

	Year Taxes Are Payable									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County Direct Rates										
General	\$ 0.62	\$ 0.63	\$ 0.76	\$ 0.76	\$ 0.76	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77	\$ 0.77
Overlapping Rates:										
City Rates										
Elizabeth City	0.495	0.495	0.615	0.64	0.655	0.655	0.655	0.655	0.655	0.740
Municipal Service District	0.06	0.06	0.085	0.085	0.085	0.085	0.085	0.085	0.085	0.085

Note: Property was revalued in 2014.

PASQUOTANK COUNTY, NORTH CAROLINA

Table 7

PRINCIPAL TAXPAYERS

June 30, 2022

Name	2022		2013	
	Assessed Value	Percent Of Total Assessed Value (1)	Assessed Value	Percent Of Total Assessed Value (2)
Carolina Tel & Tel Co.	\$		\$ 13,791,609	0.41
Desert Wind Farm	128,769,940	3.77		
C T Port Elizabeth			10,352,900	0.30
Walmart Real Estate Business	15,807,300	0.46	16,478,400	0.49
Lowe's Home Centers Inc	11,935,565	0.35	12,416,890	0.37
J. W. Jones Lumber Co., Inc.			10,731,750	0.32
D S R Technologies			16,219,500	0.48
Dominion North Carolina Power	27,679,925	0.81	18,939,273	0.56
Elizabeth City Health Care	11,908,400	0.35		
Tanglewood Lake Apartments, LLC	13,906,600	0.41	16,134,100	0.48
FPI Carolinas, LLC	14,790,800	0.43		
Tanglewood Parkway, Eliz City, LLC	13,491,700	0.40		
Five C's Inc	15,275,025	0.45	14,557,600	0.43
Albemarle Electric Membership Corp	15,078,919	0.44	17,516,708	0.52

(1) Total assessed value for 21/22: \$ 3,415,604,074

(2) Total assessed value for 12/13 \$ 3,396,552,330

PASQUOTANK COUNTY, NORTH CAROLINA

Table 8

PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

<u>Year</u>	<u>Total Tax Levy</u>	<u>Current Tax Collections</u>	<u>Percent of Levy Collected</u>	<u>Delinquent Tax Collections</u>	<u>Total Tax Collections</u>	<u>Total Collections As Percent of Current Levy</u>	<u>Outstanding Delinquent Taxes</u>	<u>Outstanding Delinquent Taxes as Percent of Current Levy</u>
2012-2013	\$ 21,118,477	\$ 20,131,540	95.28	\$ 810,356	\$ 20,941,896	99.16	\$ 1,552,768	7.35
2013-2014	22,322,461	21,375,071	94.69	730,423	22,105,494	99.42	1,635,949	7.33
2014-2015	22,572,277	21,771,932	94.76	538,475	22,310,407	99.16	1,767,806	7.83
2015-2016	22,983,545	22,041,137	95.67	627,565	22,668,702	99.12	1,927,215	8.39
2016-2017	23,437,650	22,564,652	96.45	810,777	23,375,429	98.84	1,797,288	7.67
2017-2018	25,372,596	24,489,372	96.65	977,821	25,467,193	98.63	1,807,717	7.12
2018-2019	25,576,657	24,845,254	96.83	612,917	25,458,171	99.73	1,871,113	7.32
2019-2020	25,831,896	24,981,896	96.71	594,408	25,576,304	99.01	2,064,492	7.99
2020-2021	26,361,154	25,603,645	97.13	732,042	26,335,687	99.90	2,032,101	7.99
2021-2022	26,337,141	25,647,029	97.38	751,238	26,398,267	100.23	1,886,786	7.16

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

PASQUOTANK COUNTY, NORTH CAROLINA

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Governmental Activities						Business-type Activities		Total Primary Government	Percentage of Personal Income (1)	Per Capita (1)
	Certificates of Participation	Unamortized Premium on COPS	Qualified Zone Academy Bonds	Qualified School Construction Bonds	Advance Refunding	Installment Purchase	Water Revenue Bonds	Installment Purchase			
2013	\$ 9,945,000	\$ 516,386	\$ 1,444,022	\$ 1,866,667	\$ 10,943,309	\$ 32,165,010	\$ 14,569,130	\$ 302,644	\$ 71,752,168	6.03%	1,857
2014	8,205,000	457,950	1,297,002	1,733,333	10,943,309	31,429,559	13,950,666	193,157	68,209,976	5.77%	1,826
2015	6,985,000	399,514	1,149,980	1,600,000	10,117,655	29,880,680	13,304,879	80,413	63,518,121	4.99%	1,842
2016	5,715,000	341,078	1,002,959	1,466,666	9,240,366	27,714,087	12,630,563	58,036	58,168,755	4.48%	1,773
2017	4,395,000	282,642		1,333,333	8,373,105	28,908,407	11,756,620	35,188	55,084,295	4.02%	1,355
2018	3,005,000	224,206		1,200,000	7,509,583	27,153,897	10,968,146	11,853	50,072,685	3.63%	1,260
2019	1,545,000	165,770		1,066,667	6,649,895	26,265,587	10,155,920		45,848,839	3.20%	1,138
2020		87,869		933,333	5,794,141	23,935,751	9,319,228		40,070,322	2.28%	1,006
2021		76,152		800,000	4,948,973	21,224,347	8,457,331		35,506,803	1.84%	892
2022		64,435		666,667	4,097,037	18,603,819	7,493,831		30,925,789	N/A	761

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

COMPUTATION OF LEGAL DEBT MARGIN

JUNE 30, 2022

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed value of taxable property	\$ 3,415,604,074
	<u> x 0.08</u>
Debt limit - 8 percent of assessed value	<u>273,248,326</u>
Gross debt:	
Qualified School Construction Bonds	666,667
Bank Qualified	4,097,038
Total bonded debt	7,493,831
Installment purchase debt	<u>18,512,943</u>
Gross debt	30,770,479
Less: Enterprise Fund debt	<u>7,493,831</u>
Total amount of debt applicable to debt limit	<u>23,276,648</u>
Legal debt margin	<u><u>\$ 249,971,678</u></u>

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	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt limit	271,724,186	280,916,797	238,147,306	241,262,883	246,089,586	262,374,135	265,144,384	267,305,153	273,415,485	249,971,678
Total net debt applicable to limit	<u>56,364,008</u>	<u>53,608,203</u>	<u>50,131,871</u>	<u>45,139,080</u>	<u>43,009,845</u>	<u>38,868,470</u>	<u>35,527,149</u>	<u>30,663,225</u>	<u>26,973,320</u>	<u>23,276,648</u>
Legal debt margin	215,360,178	227,308,594	188,015,435	196,123,803	203,079,741	223,505,665	229,617,235	236,641,928	246,442,165	226,695,030
Total net debt applicable to the limit as a percentage of debt limit	20.74%	19.08%	21.05%	18.71%	17.48%	14.81%	13.40%	11.47%	9.87%	9.31%

PASQUOTANK COUNTY, NORTH CAROLINA

Table 11

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

Fiscal Year Ending June 30	Gross Revenue (1)	Total Expenditures (2)	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 4,818,289	\$ 3,501,106	\$ 1,317,183	\$ 592,298	\$ 656,154	\$ 1,248,452	1.06
2014	5,420,966	3,546,098	1,874,868	618,465	629,987	1,248,452	1.50
2015	6,173,502	3,809,589	2,363,913	645,787	602,665	1,248,452	1.89
2016	5,774,353	3,443,799	2,330,554	674,316	735,123	1,409,439	1.65
2017	5,861,232	3,422,534	2,438,698	873,943	260,204	1,134,147	2.15
2018	6,150,698	3,751,655	2,399,043	788,474	345,673	1,134,147	2.11
2019	6,737,268	4,009,802	2,727,466	812,226	321,921	1,134,147	2.40
2020	6,130,011	4,164,729	1,965,282	836,692	297,455	1,134,147	1.73
2021	5,992,624	4,538,883	1,453,741	861,897	263,148	1,125,045	1.28
2022	6,607,075	5,072,771	1,534,304	963,500	161,322	1,124,822	1.36

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

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

PASQUOTANK COUNTY, NORTH CAROLINA

Table 12

**DEMOGRAPHIC STATISTICS
LAST TEN YEARS**

Year	Population (1)	Personal Income (2)	Per Capita Income (3)	Median Age (4)	Unemployment Rate (%) (5)	Retail Sales (6)	School Enrollment (7)
2012	40,605	\$ 1,250,654,000	\$ 30,811	36.3	10.7	\$ 391,643,663	5,792
2013	40,179	1,243,010,000	31,090	39.5	10.8	430,289,252	5,691
2014	39,458	1,365,927,000	34,331	37.5	9.0	381,438,721	5,647
2015	39,655	1,415,928,000	35,550	37.4	7.8	403,989,681	5,744
2016	39,691	1,448,250,000	36,330	37.9	6.4	452,153,218	5,739
2017	39,731	1,517,160,000	38,174	38.5	5.2	477,153,630	5,606
2018	40,284	1,562,431,000	39,417	38.6	5.0	474,566,687	5,471
2019	39,842	1,608,396,000	40,388	38.2	5.1	526,137,151	5,355
2020	39,790	1,754,456,000	43,165	38.6	7.1	563,033,468	5,159
2021	39,953	1,919,994,000	47,034	38.9	5.4	674,842,600	4,676
2022	40,611	N/A	N/A	N/A	4.8	727,665,753	4,634

Sources:

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

PASQUOTANK COUNTY, NORTH CAROLINA

Table 13

**PRINCIPAL EMPLOYERS
CURRENT AND NINE YEARS AGO**

<u>Employer</u>	<u>2022</u>		<u>2013</u>	
	<u>Employees</u>	<u>Percentage of Total County Employment (1)</u>	<u>Employees</u>	<u>Percentage of Total County Employment (2)</u>
Elizabeth City State University	505	3.03%	753	4.38%
Pasquotank County Board of Education	811	4.87%	921	5.36%
Sentara Albemarle Medical Center	661	3.97%	857	4.98%
U S Department of Homeland Security	950	5.71%	1,404	8.17%
State of NC Department of Public Safety	293	1.76%	365	2.12%
College of the Albemarle	530	3.18%	464	2.70%
Albemarle Regional Health Services	264	1.59%	342	1.99%
Pasquotank County	462	2.78%	396	2.30%
Wal-Mart Associates, Inc.	456	2.74%	391	2.27%
City of Elizabeth City	288	1.73%	293	1.70%
Food Lion	369	2.22%	N/A	N/A

Source: Employment Security Commission

(1) Based on a total labor force employed of 16,642

(2) Based on a total labor force employed of 17,193

PASQUOTANK COUNTY, NORTH CAROLINA

Table 14

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

Full-Time Equivalent Employees as of December 31

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	46	43.5	45	46	44.5	44.5	44.5	44.0	46.0	47.0
Public Safety	131.0	140	145.5	148.0	154.5	158	156.5	168.0	169.0	171.0
Economic and physical development	11.5	11.5	11.5	8.5	7	9	10.5	5.5	5.5	4.5
Human Services	87	86	87	90	91.5	90	92	97	97	93
Cultural and recreational	14.5	15	12	13	13	13	12	13	13	13
Utilities-Water	20	20	22	21	21	20	21	21	22	22
Utilities-Waste Water	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5
Landfill/Convenience Sites	27	27	27	28	28	28	26	28	29	28
Total	338.5	344.5	351.5	356.0	361.0	364.0	364.0	377.5	383.0	380.0

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

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

PASQUOTANK COUNTY, NORTH CAROLINA
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS

Table 15

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Function/Program										
General Government:										
Register of Deeds										
Marriage licenses issued	205	228	269	281	279	268	260	248	259	229
Certified copies requested	4,847	5,734	4,513	4,656	4,820	5,724	6,422	6,225	987	913
Cultural & Recreational										
Library										
Number of volumes	78,626	85,570	81,219	83,780	90,038	85,205	85,655	80,767	78,228	75,202
Total patrons served	133,958	127,523	111,291	107,888	102,023	102,781	95,556	72,114	5,884	38,022
Public Safety:										
Sheriff's Office										
Number of arrests	884	879	780	851	1,261	1,271	1,008	1,180	520	498
Number of transports	290	281	304	295	235	314	303	300	265	318
Civil papers/Subpoenas served	10,863	10,106	9,259	8,174	7,550	7,110	7,073	7,874	5,155	4,570
Central Communications-911										
Calls received										
Wireline	6,663	6,773	6,521	6,832	6,073	6,745	5,585	5,901	11,070	10,377
Wireless	19,442	20,670	22,568	23,338	17,974	20,543	18,899	21,012	16,808	16,748
Emergency Medical Services										
Emergency responses	6,895	6,953	7,690	8,216	8,612	8,597	8,749	8,768	8,557	8,810
Non-emergency transports	2,416	3,719	3,688	3,043	3,302	3,768	4,139	4,031	3,954	3,258
Inspections department										
Building permits issued	753	647	645	816	785	862	1,012	1,119	1,022	1,566
Water system										
Number of customers	7,125	7,203	7,175	7,252	7,302	7,338	7,830	7,966	8,045	9,195
Sewer system										
Number of customers	19	18	18	18	17	18	18	15	16	18
Landfill Fund										
Collections in tons:										
Garbage	31,773	31,147	32,458	33,962	35,635	34,680	23,382	26,066	26,130	27,920
Construction & Demolition	10,209	10,552	6,752	14,521	12,229	13,425	14,600	17,050	17,050	17,195
Vegetative refuse	5,650	8,787	5,172	5,218	6,832	4,859	5,037	6,463	5,565	4,577
Recyclables	6,346	4,247	961	975	4,146	4,893	3,980	2,483	4,845	2,265
Electronics	153	95	114	87	60	28	35	31	42	34
White goods/metals	260	220	298	418	478	536	466	578	604	450
Scrap tires	1,046	942	841	831	919	1,329	1,201	880	1,066	1,180

N/A Information is not available for these years.

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

PASQUOTANK COUNTY, NORTH CAROLINA

Table 16

CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Fire Stations*	7	7	7	7	7	7	7	7	7	7
Emergency Medical Services										
Ambulances	12	12	12	13	13	13	13	13	12	12
Non-Emergency Vehicles			1	1	2	1	1	1		
Quick response vehicles	5	5	5	6	6	6	6	6	6	6
Parks and Recreation*										
Number of parks	25	25	25	25	25	25	25	25	25	25
Playgrounds	13	13	13	13	13	13	13	13	13	13
Athletic fields	18	18	18	18	18	18	18	18	18	18
Total acres	336	336	336	336	336	336	336	336	336	336
Water System										
Water mains (miles)	278	278	278	278	278	278	278	340	340	380
Fire hydrants	543	543	545	547	548	551	551	550	573	695
Average daily water plant production	1,499,000	1,605,284	1,780,212	1,803,454	1,664,000	1,664,000	1,637,000	1,608,000	1,595,000	1,605,000
Waste Water System										
Average daily waste water treated	116,647	132,564	161,809	130,278	53,500	47,000	46,000	55,525	83,647	67,161

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

* Includes City of Elizabeth City

COMPLIANCE SECTION



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Fax (910) 239-8294

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Pasquotank County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises the Pasquotank County's basic financial statements, and have issued our report thereon dated December 29, 2022. The financial statements of the EC-PC Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

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

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

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

that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pasquotank 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.

Thompson, Price, Scott, Adams & Co., PA
Wilmington, North Carolina
December 29, 2022



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Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance; In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act
Independent Auditor's Report

To the Board of County Commissioners
Pasquotank County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Pasquotank 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 the Pasquotank County's major federal programs for the year ended June 30, 2022. The Pasquotank County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pasquotank County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pasquotank County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal

determination of the Pasquotank County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pasquotank County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pasquotank County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pasquotank County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pasquotank County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Pasquotank County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Pasquotank County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2022 – 001. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Pasquotank County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Pasquotank County's response was not

subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2022 – 002, that we consider to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

The Pasquotank County is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The Pasquotank County's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

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

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

Wilmington, North Carolina

December 29, 2022



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

To the Board of County Commissioners
Pasquotank County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Pasquotank 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 the Pasquotank County's major State programs for the year ended June 30, 2022. The Pasquotank County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Pasquotank County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

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. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Pasquotank County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of the Pasquotank County's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Pasquotank County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Pasquotank County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Pasquotank County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Pasquotank County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Pasquotank County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Pasquotank County's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 Auditor's Responsibilities for the Audit of Compliance section and above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies or material weaknesses in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

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

Wilmington, North Carolina

December 29, 2022

PASQUOTANK COUNTY
ELIZABETH CITY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weaknesses identified? Yes No

Significant Deficiency(s) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal programs:

Material weaknesses identified? Yes No

Significant Deficiency(s) identified? Yes None Reported

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

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

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program
93.568	Low Income Home Energy Assistance - Energy Assistance Payments

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

Auditee qualified as low-risk auditee? Yes No

State Awards

Internal control over major State programs:

Material weaknesses identified? Yes No

Significant Deficiency(s) identified? Yes None Reported

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

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

Identification of major State programs:

Program Name

Public School Building Capital Funds - Lottery Proceeds
Juvenile Crime Prevent Program

PASQUOTANK COUNTY
ELIZABETH CITY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Section III. Federal Award Findings and Questioned Costs

US Department of Health and Human Services
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA # 93.778
Finding: 2022 – 001
Significant Deficiency
Noncompliance Eligibility

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

Condition: There were sixteen (16) technical errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. The errors were as follows: Seven (7) cases did not have accurate budget calculations, Two (2) cases had a failure to complete at least one compliance component, Two (2) cases contained an information input error, Three (3) cases contained an inaccurate needs unit calculation, Two (2) cases contained only one form of residency.

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

Context: Of the 434,459 cases we examined 120 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2021-001.

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

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

Section IV. State Award Findings and Questioned Costs

None Reported.



**PASQUOTANK COUNTY
ELIZABETH CITY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Section II. Financial Statement Findings

None Reported.



**PASQUOTANK COUNTY
ELIZABETH CITY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

2022 - 001 Eligibility

Name of contact person: Kathy Ford, Director and Jennifer Forlines, Income Maintenance Program Administrator

Corrective Action: The State provided DHB-7078 - 2nd Party Review Worksheet was expanded to include a weighted score for monitoring error trends and patterns for individual staff and the unit as a whole. The enhanced review sheet allows for measuring improvement and determining where additional training is needed. Supervisors complete second party reviews monthly for all staff, conduct targeted reviews for errors identified and hold individual worker conferences monthly to review discrepancies discovered during review and provide instruction as needed. Training will be conducted during team meetings to review errors and provide guidance and instruction to staff for policy and NC FAST functionality updates.

Proposed Completion Date: The enhanced second party review worksheet has been incorporated as an ongoing practice. Specific instruction surrounding the errors discovered with income, residency, household composition, resources and requesting information will be provided to all Medicaid workers during the January 2023 unit meetings set up by the supervisors for these units. Following the January 2023 meeting, targeted second party reviews focusing on these errors during the months of February, March and April 2023. Results will be compiled and shared with staff to recognize improvement and engage workers in the resolution process moving forward.

Section IV. State Award Findings and Questioned Costs

None Reported.

**PASQUOTANK COUNTY
ELIZABETH CITY, NORTH CAROLINA**

Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

Status:

2021-001	Still occurring.
2021-002	Corrected.
2020-001	Still occurring.
2019-001	Still occurring.
2016-001	Corrected.
2016-002	Corrected.

PASQUOTANK COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients
Federal Grants:					
<u>U.S. Department of Health and Human Services</u>					
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning: Families for Kids	93.645		\$ 11,234	\$ -	-
Social Services Block Grant-Other Services and Training	93.667		<u>112,163</u>	<u>-</u>	<u>-</u>
Total for Stephanie Tubbs Jones Child Welfare Services Program			123,397		
Passed through N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Temporary Assistance to Needy Families (TANF)/Work First	93.558		520,851	-	-
Division of Health Benefits:					
Division of Social Services:					
Administration:					
Medicaid Cluster					
Medical Assistance Program (Note 5)	93.778		1,875,156	3,737	-
Division of Social Services:					
Administration:					
State Children's Insurance Program - N.C. Health Choice (Note 5)	93.767		39,017	546	-
Foster Care and Adoption Cluster (Note 4 and 5)					
Title IV-E Foster Care - Administration	93.658		114,594	18,966	-
Foster Care	93.658		57,422	14,711	-
Family Preservation	93.556		6,960	-	-
Title IV-E Optional Adoption Assistance	93.659		<u>6,112</u>	<u>-</u>	<u>-</u>
Total Foster Care and Adoption Cluster (Note 4 and 5)			185,088	33,677	-
Low Income Home Energy Assistance					
Energy Assistance Payments	93.568		899,035	10,635	-
John H Chafee Foster Care Program for Successful Transition to Adulthood	93.674		1,949	487	-
N.C. Child Support Enforcement Section	93.563		364,058	-	-
Division of Child Development and Early Education:					
Subsidized Child Care: (Note 3, 4 and 5)					
Child Care Development Fund Cluster					
Division of Social Services:					
Child Care Development Mandatory and Match Fund - Administration	93.596		<u>76,845</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Health and Human Services			<u>4,085,396</u>	<u>49,082</u>	<u>-</u>

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PASQUOTANK COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients
Federal Grants Continued:					
<u>U.S. Department of Homeland Security</u>					
Passed through N.C. Department of Public Safety:					
Division of Governor's Crime Commission Emergency Management Program Grant	97.042	EPMG-2021-2120070	60,342	-	-
Division of Emergency Management Radio Interoperability Sustainment	97.067	EMW-2021-SS-0039	59,430	-	-
Pasquotank County Elevation of (1) Residential Structure	97.039	HMGP 4285-0005-R	2,038	-	-
Pasquotank County Acquisition of (5) Residential Structures	97.039	HMGP 4285-0006-R	160,918	55,000	-
Total U.S. Dept. of Homeland Security			282,728	55,000	-
<u>U.S. Department of Justice</u>					
Federal Bureau of Investigation-Safe Streets Task Force	16.999		4,091	-	-
Federal Bureau of Investigation-Organized Crime Drug Enforcement Task Force	16.111		3,608	-	-
Office of Community Oriented Policing Services	16.710		61,886	-	-
Coronavirus Emergency Supplemental Funding	16.034		28,077	-	-
Patrick Leahy Bulletproof Vest Partnership	16.999		4,457	-	-
Passed through N.C. Department of Public Safety:					
Division of Governor's Crime Commission Safety First NENC	16738		24,473	-	-
Total U.S. Dept. of Justice			126,592	-	-
<u>U.S. Department of Agriculture</u>					
Passed through N.C. Dept. of Health and Human Services					
Division of Social Services Administration: SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		603,306	-	-
Total U.S. Dept. of Agriculture			603,306	-	-
Total Federal Awards			5,098,022	104,082	-

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PASQUOTANK COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

Grantor/Pass-through Grantor Program Title	Federal AL#/ CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct and Pass-through) Expenditures	State Expenditures	Passed- through to Subrecipients
State Grants:					
N.C. Department of Health and Human Services					
Division of Social Services:					
Administration					
State/County Adult Day Care			-	7,437	-
APS/CPS Assessments-100% State		XS411	-	26,830	-
Total N.C. Dept. of Health and Human Services			-	34,267	-
N.C. Department of Agriculture and Consumer Services					
Division of Soil and Water Conservation-Technical Assistance					
N.C. Forestry Service		18-024-4085	-	12,814	-
Total N.C. Dept. of Agriculture and Consumer Services			-	32,676	-
N.C. Department of Public Safety					
Department of Juvenile Justice and Delinquency Prevention					
Juvenile Crime Prevention Programs			-	203,431	203,431
Total N.C. Dept. of Public Safety			-	203,431	203,431
N.C. Department of Insurance					
SHIIP Grant					
Volunteer Fire Department Fund			-	6,347	-
Total N.C. Dept. of Insurance			-	119,547	-
N.C. Department of Public Instruction					
Public School Building Capital Fund-Lottery Proceeds					
Total N.C. Dept. of Public Instruction			-	377,000	-
N.C. Department of Environmental Quality					
Pasquotank County Pasquotank River Public Access Improvements					
Scrap Tire Grant		CW17541	-	78,203	-
Total N.C. Dept. of Environmental Quality			-	10,225	-
Total N.C. Dept. of Environmental Quality			-	88,428	-
Total State Awards			-	861,696	203,431
Total Federal and State Awards			\$ 5,098,022	\$ 965,778	\$ 203,431

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PASQUOTANK COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2022

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

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

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

4. Cluster of Programs

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

5. Benefit Payments Issued by the State

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

	<u>AL#/CFDA</u>		<u>Federal</u>		<u>State</u>
Temporary assistance for needy families	93.558	\$	143,014	\$	-
Energy Assistance	93.568		899,035		10,635
Medicaid	93.778		60,234,969		22,746,527
Foster Care	93.658		57,421		29,073
Adoption Assistance	93.659		133,396		82,042
WIC	10.557		926,803		
Supplemental Nutrition Assistance Program	10.551		23,845,578		
Children's Health Insurance Program	93.767		459,900		103,087
Special Assistance for Adults					176,417
Special Assistance for the Disabled					182,480