

TYRRELL COUNTY, NORTH CAROLINA

FINANCIAL AND COMPLIANCE REPORT

As of and for the Year Ended June 30, 2019

And Report of Independent Auditor

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Report of Independent Auditor

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Tyrrell County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statement of the Tyrrell County ABC Board (the "Board") which represents 95% of the assets, 74% of the net position, and 99% of the revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Tyrrell County Tourism Development Authority (The "Authority") and the Board were not audited in accordance with *Government Auditing Standards*.

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

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

Opinions

In our opinion, based on our audit and the report of other auditors, the 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 units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2019, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

The combining and individual financial statements and schedules, other supplemental information, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as described above, the combining and individual financial statements and schedules, other supplemental information 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 February 3, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Chemy Bekaert LLP

Raleigh, North Carolina
February 3, 2020

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

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

Financial Highlights

- The assets and deferred outflows of resources of the County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$14,260,438 (net position).
- The government's total net position decreased by \$446,682.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$1,575,041 after a net decrease in fund balances of \$388,497. Approximately 65.82% of this total amount, or \$1,036,673, is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was (\$586,023).
- The County's total debt increased by \$169,394 (1.53%) during the current fiscal year. The key factors in the decrease was the increase in the County's net pension liabilities and increase of principal payments.

Overview of the Financial Statements

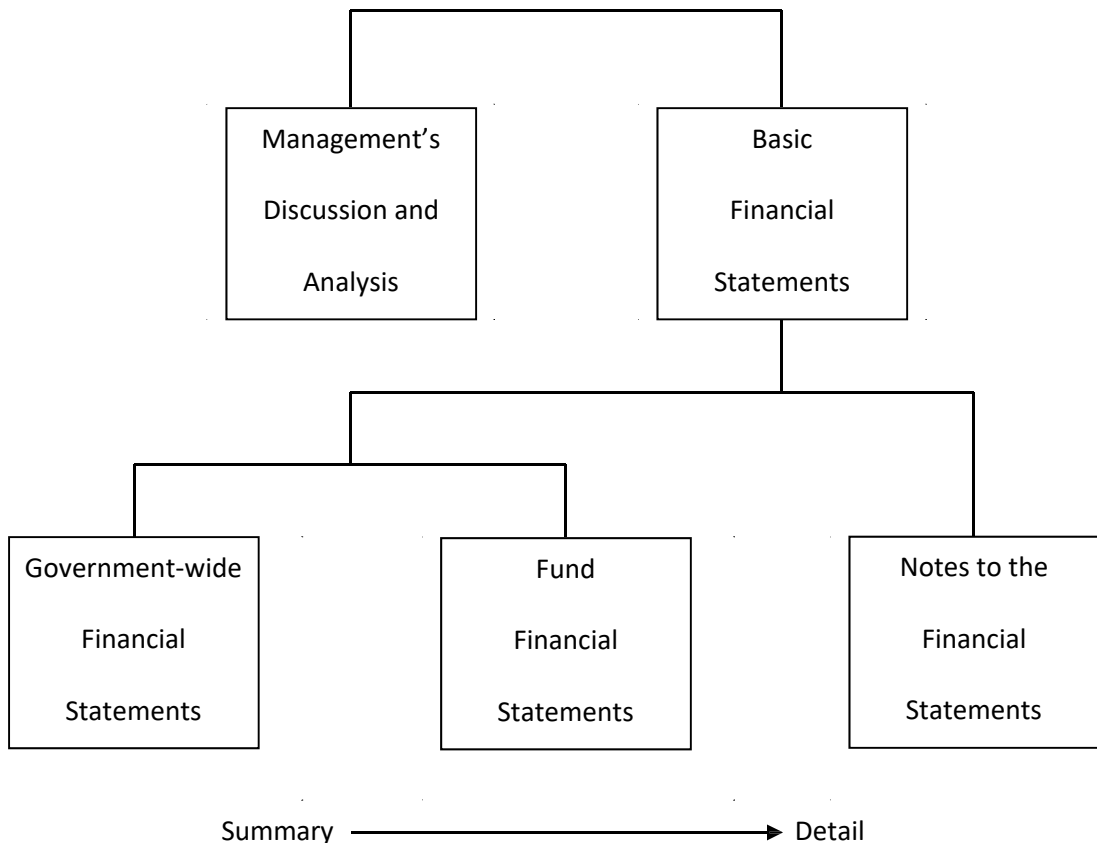
This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of the following three components; 1.) government-wide financial statements, fun financial statements, and notes to the financial statements.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

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Required Components of Annual Financial Report

Figure 1



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

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

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

Government-wide Financial Statements

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

The two government-wide statements report the County's net position and how it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and 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 public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide services. These include the water and sewer offered by County. The final category is the component units. The County ABC Board and the Tourism Authority are legally separate from the County however the County is financially accountable for these Boards by appointing its members. Also, the ABC Board is required to distribute its profits to the County.

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

Fund Financial Statements

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

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental 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 decision of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The County has three fiduciary funds, which are presented as agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 24 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 67 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. However, Tyrrell County's statutory obligation to finance school construction results in significant liabilities without any corresponding assets. As with many counties in North Carolina, the County's deficit in unrestricted net position is due primarily to the portion of the County's outstanding debt incurred for the Board of Education within Tyrrell County. Under North Carolina law, the County is responsible for providing capital funding for the school system. The County meets its legal obligation to provide school system capital funding through both current appropriations and issuance of installment purchase debt. Although certain asset purchases and construction projects are funded by the County, all such facilities are owned and utilized by the school system.

The County's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14,260,438 as of June 30, 2019. The County's net position decreased by \$446,682 during fiscal year ended June 30, 2019. One of the largest portions \$15,743,566 (110.4%) reflects the County's net investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment). The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of the County's net position \$1,219,298 (8.55%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$2,702,426) (-18.95%) is unrestricted. This number is affected negatively by the fact that the County carries debt in the amount of \$720,902 as of June 30, 2019 for the School Gymnasium but not the related capital asset.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

| | Governmental Activities | Governmental Activities | Business Type Activities | Business Type Activities | Total Primary Government | Total Primary Government |
|--|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Assets | | | | | | |
| Current and other assets | \$ 2,791,834 | \$ 2,353,419 | \$ 1,515,426 | \$ 1,439,461 | \$ 4,307,260 | \$ 3,792,880 |
| Capital assets | 3,274,915 | 3,117,127 | 18,879,150 | 18,526,700 | 22,154,065 | 21,643,827 |
| Total assets | <u>6,066,749</u> | <u>5,470,546</u> | <u>20,394,576</u> | <u>19,966,161</u> | <u>26,461,325</u> | <u>25,436,707</u> |
| Deferred outflows of resources | <u>429,613</u> | <u>622,078</u> | <u>52,747</u> | <u>61,789</u> | <u>482,360</u> | <u>683,867</u> |
| Liabilities | | | | | | |
| Accounts payable and accrued liabilities | 234,023 | 222,920 | 473,778 | 79,007 | 707,801 | 301,927 |
| Total long-term liabilities | 5,809,092 | 5,696,439 | 5,260,554 | 5,203,814 | 11,069,646 | 10,900,253 |
| Total liabilities | <u>6,043,115</u> | <u>5,919,359</u> | <u>5,734,332</u> | <u>5,282,821</u> | <u>11,777,447</u> | <u>11,202,180</u> |
| Deferred inflows of resources | <u>411,608</u> | <u>592,598</u> | <u>47,511</u> | <u>65,358</u> | <u>459,119</u> | <u>657,956</u> |
| Net position | | | | | | |
| Net investment in capital assets | 1,745,528 | 1,821,866 | 14,194,150 | 13,921,700 | 15,939,678 | 15,743,566 |
| Restricted | 841,665 | 1,100,283 | 103,811 | 119,015 | 945,476 | 1,219,298 |
| Unrestricted | (2,545,553) | (3,341,482) | 367,519 | 639,056 | (2,178,034) | (2,702,426) |
| Total net position | <u>\$ 41,640</u> | <u>\$ (419,333)</u> | <u>\$ 14,665,480</u> | <u>\$ 14,679,771</u> | <u>\$ 14,707,120</u> | <u>\$ 14,260,438</u> |

Several key aspects of the County's financial operations are as follows:

- Continued diligence in the collection of property taxes by maintaining an overall collection percentage of approximately 95%.
- The County received several grants to fund various improvement projects in the county such as the Road Street Improvements Project which was completed and the Hurricane Matthew Debris Removal Project which is still in progress.
- The Alligator Sewer Project was completed and new customers were served.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

| | <u>Governmental Activities</u> 2018 | <u>Governmental Activities</u> 2019 | <u>Business Type Activities</u> 2018 | <u>Business Type Activities</u> 2019 | <u>Total Primary Government</u> 2018 | <u>Total Primary Government</u> 2019 |
|---|--|--|---|---|---|---|
| Revenues | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | \$ 343,925 | \$ 370,487 | \$ 1,357,709 | \$ 1,308,674 | \$ 1,701,634 | \$ 1,679,161 |
| Operating Grants and Contributions | 1,258,441 | 1,378,534 | - | - | 1,258,441 | 1,378,534 |
| Capital Grants and Contributions | 115,132 | 484,234 | 2,136,402 | 246,639 | 2,251,534 | 730,873 |
| General Revenues | | | | | | |
| Property Taxes | 3,941,830 | 4,005,363 | - | - | 3,941,830 | 4,005,363 |
| Other Taxes | 856,054 | 879,162 | - | - | 856,054 | 879,162 |
| Other | 147,443 | 488,329 | 6,377 | 10,962 | 153,820 | 499,291 |
| Total Revenues | <u>6,662,825</u> | <u>7,606,109</u> | <u>3,500,488</u> | <u>1,566,275</u> | <u>10,163,313</u> | <u>9,172,384</u> |
| Expenses | | | | | | |
| General government | 1,595,760 | 1,870,796 | - | - | 1,595,760 | 1,870,796 |
| Public safety | 1,979,033 | 1,578,194 | - | - | 1,979,033 | 1,578,194 |
| Human services | 2,047,390 | 2,338,206 | - | - | 2,047,390 | 2,338,206 |
| Education | 710,718 | 592,512 | - | - | 710,718 | 592,512 |
| Environmental protection | 476,887 | 519,573 | - | - | 476,887 | 519,573 |
| Economic and physical development | 364,059 | 943,391 | - | - | 364,059 | 943,391 |
| Cultural and recreational | 165,729 | 170,812 | - | - | 165,729 | 170,812 |
| Interest on Debt | 52,532 | 50,738 | - | - | 52,532 | 50,738 |
| Water and Sewer | - | - | 1,434,712 | 1,554,844 | 1,434,712 | 1,554,844 |
| Total Expenses | <u>7,392,108</u> | <u>8,064,222</u> | <u>1,434,712</u> | <u>1,554,844</u> | <u>8,826,820</u> | <u>9,619,066</u> |
| Increase (decrease) in net position before transfers | (729,283) | (458,113) | 2,065,776 | 11,431 | 1,336,493 | (446,682) |
| Transfers | - | (2,860) | - | 2,860 | - | - |
| Increase (decrease) in net position | (729,283) | (460,973) | 2,065,776 | 14,291 | 1,336,493 | (446,682) |
| Net Position, beginning as previously reported | 1,748,154 | 41,640 | 12,869,825 | 14,665,480 | 14,539,164 | 14,617,979 |
| Cumulative effect of change in accounting principle | (977,231) | - | (270,121) | - | (1,247,352) | - |
| Net Position, beginning restated | <u>770,923</u> | <u>41,640</u> | <u>12,599,704</u> | <u>14,665,480</u> | <u>13,370,627</u> | <u>14,707,120</u> |
| Net Position, ending | <u>\$ 41,640</u> | <u>\$ (419,333)</u> | <u>\$ 14,665,480</u> | <u>\$ 14,679,771</u> | <u>\$ 14,707,120</u> | <u>\$ 14,260,438</u> |

Governmental Activities – Governmental activities decreased the County's net position by \$460,973. Key elements of this decrease are as follows:

- Increase in Property Taxes collected
- Decrease in SW Fees collected
- Increase in Interest Income earned on investments
- Increase in Salaries and Benefits
- Increase in cost of EMS services
- Contribution to EMS for Ambulance to serve Tyrrell County
- Increase in LCID operation costs
- Increase in Solid Waste disposal costs
- Increase in lease expenditure for DSS Building
- Increase in Education expenditures for Social Worker position at the schools
- Increase in School Capital Outlay Funding

Business-type Activities – Business-type activities increased the County's net position by \$11,431. Key elements for this overall increase were:

- Capital contributions from other governments in the Alligator Sewer capital project.
- Decrease in Water and Sewer Charges.

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

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.

General Fund Budgetary Highlights

During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund decreased total budgeted revenues by \$928,984. The majority of these amendments related to moving Hurricane Matthew Debris Removal Grant Funds to a Grant Project Fund.

Capital Assets – The County's investment in capital assets for its governmental and business-type activities as of June 30, 2019, totals \$21,643,827 (net of accumulated depreciation). These assets include land, buildings, machinery, vehicles, and equipment.

Major capital asset transactions during the year include the following additions:

- Alligator Sewer Lines & Tanks
- Water Plant Pump, Motor, Cable, Variable Frequency Drive, and Equipment Shelter
- Register of Deeds Wall Shelving for Books

| | Governmental Activities | Governmental Activities | Business Type Activities | Business Type Activities | Total Primary Government | Total Primary Government |
|-------------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|
| | 2018 | 2019 | 2018 | 2019 | 2018 | 2019 |
| Land | \$ 843,758 | \$ 843,758 | \$ 68,261 | \$ 68,261 | \$ 912,019 | \$ 912,019 |
| Buildings & Improvements | 2,078,894 | 1,991,207 | 7,655 | 11,504 | 2,086,549 | 2,002,711 |
| Equipment and vehicles | 334,336 | 282,162 | 229,856 | 196,190 | 564,192 | 478,352 |
| Plant and distribution system | - | - | 15,765,729 | 18,250,745 | 15,765,729 | 18,250,745 |
| Construction in Process | 17,927 | - | 2,807,649 | - | 2,825,576 | - |
| Total Capital assets, net | <u>\$ 3,274,915</u> | <u>\$ 3,117,127</u> | <u>\$ 18,879,150</u> | <u>\$ 18,526,700</u> | <u>\$ 22,154,065</u> | <u>\$ 21,643,827</u> |

Additional information on the County's capital assets can be found in Note 3.A.5 of the Basic Financial Statements.

Long-term Debt – As of June 30, 2019, the County had total debt outstanding of \$10,900,253. This debt consists of term debt with the United States Department of Agriculture for renovations of the court facilities. Bank financed installment agreement for the tax department computers and software and term debt for the construction of the school gymnasium. Revenue bonds for the construction of both water and sewer projects. It also consists of compensated absences, net pension liabilities, and other postemployment benefits.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2019

| | <u>Governmental Activities</u> 2018 | <u>Governmental Activities</u> 2019 | <u>Business Type Activities</u> 2018 | <u>Business Type Activities</u> 2019 | <u>Total Primary Government</u> 2018 | <u>Total Primary Government</u> 2019 |
|-------------------------------|--|--|---|---|---|---|
| Term Debt | \$ 1,490,026 | \$ 1,271,342 | \$ - | \$ - | \$ 1,490,026 | \$ 1,271,342 |
| Installment purchase | 39,361 | 23,919 | - | - | 39,361 | 23,919 |
| Revenue bonds | - | - | 4,685,000 | 4,605,000 | 4,685,000 | 4,605,000 |
| Net pension liabilities | 586,040 | 713,761 | 67,165 | 89,139 | 653,205 | 802,900 |
| Compensated absences | 126,595 | 143,765 | 21,971 | 26,450 | 148,566 | 170,215 |
| Other postemployment benefits | 3,567,070 | 3,543,651 | 486,419 | 483,226 | 4,053,489 | 4,026,877 |
| Total Capital assets, net | <u>\$ 5,809,092</u> | <u>\$ 5,696,439</u> | <u>\$ 5,260,555</u> | <u>\$ 5,203,814</u> | <u>\$ 11,069,647</u> | <u>\$ 10,900,253</u> |

Tyrrell County’s total long-term liabilities decreased by \$169,394 during the past year.

Additional information on the County’s long-term debt can be found in Note 3.B.8 of the Basic Financial Statements.

Economic Factors and Next Year’s Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County:

- Increase in farmland production.
- Visitor center traffic increased.
- Increase in crabbing/aquaculture provided additional employment and revenue.
- Assisted Living Center provided additional economic engine.
- Local entities such as winery (for-profit) and arts/crafts school (non-profit) attracted visitors and spending.
- Marked increase in hunting and birding.
- Expansion of facilities by Pocosin School of Fine Craft
- Reactivation of the Tyrrell County Chamber of Commerce
- Increase in attendance at Scuppernong River Festival
- Completed sale and new management at Alligator River Marina
- Reopening of the red Wolf Education Center by NC Wildlife Federation and USFW
- Dramatic increase in tourism related to swan viewing
- Increase in student achievement with full implementation of early college
- Focus on County through visits by NC First Lady and state Cabinet Secretaries
- Focus on a regional passenger ferry has been consistent and productive.

Budget Highlights for the Fiscal Year Ending June 30, 2020

Governmental Activities – Budgeted expenditures for other than salaries and benefits are expected to remain relatively constant. Budgeted salaries increased 2% County wide. Increased the Solid Waste Collection fee to help offset increased disposal costs.

Business-type Activities – The County is currently in negotiations with State executive and legislative leaders to minimize the impact of their announcement of the shutdown of the Tyrrell Prison Work Farm. This shut down will negatively affect private sector employment and sales, as well the County’s sale of potable water to the facility.

TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

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 County Manager, Tyrrell County, Post Office Box 449, Columbia, NC 27925.

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 1 – STATEMENT OF NET POSITION

JUNE 30, 2019

| | Governmental Activities | Business Type Activities | Total Primary Government | Tyrrell County Tourism Development Authority | Tyrrell County ABC Board |
|--|----------------------------|--------------------------------|--------------------------------|---|--------------------------------|
| Assets | | | | | |
| Cash and cash equivalents | \$ 768,608 | \$ 1,027,288 | \$ 1,795,896 | \$ - | \$ 142,012 |
| Restricted cash and cash equivalents | 558,494 | 119,015 | 677,509 | 25,124 | - |
| Receivables, net | 516,704 | 166,525 | 683,229 | 1,091 | - |
| Due from other governments | 503,900 | - | 503,900 | - | - |
| Prepays | 431 | - | 431 | - | - |
| Inventories | - | 126,633 | 126,633 | - | 59,561 |
| Net pension asset - ROD | 5,282 | - | 5,282 | - | - |
| Capital assets: | | | | | |
| Nondepreciable | 843,758 | 68,261 | 912,019 | - | 21,735 |
| Depreciable, net | 2,273,369 | 18,458,439 | 20,731,808 | - | 299,405 |
| Total capital assets | 3,117,127 | 18,526,700 | 21,643,827 | - | 321,140 |
| Total assets | 5,470,546 | 19,966,161 | 25,436,707 | 26,215 | 522,713 |
| Deferred outflows of resources | 622,078 | 61,789 | 683,867 | - | 7,874 |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 222,720 | 79,007 | 301,727 | 47 | 54,413 |
| Customer deposits | 200 | - | 200 | - | - |
| Long-term liabilities: | | | | | |
| Net pension liability - LGERS | 629,443 | 89,139 | 718,582 | - | 9,489 |
| Total pension liability - LEOSA | 84,318 | - | 84,318 | - | - |
| Due in less than one year | 239,893 | 82,000 | 321,893 | - | 17,413 |
| Due in more than one year | 4,742,784 | 5,032,675 | 9,775,459 | - | 120,620 |
| Total long-term liabilities | 5,696,439 | 5,203,814 | 10,900,253 | - | 147,522 |
| Total liabilities | 5,919,359 | 5,282,821 | 11,202,180 | 47 | 201,935 |
| Deferred inflows of resources | 592,598 | 65,358 | 657,956 | - | 1,410 |
| Net position | | | | | |
| Net investment in capital assets | 1,821,866 | 13,921,700 | 15,743,566 | - | 185,712 |
| Restricted for: | | | | | |
| Stabilization by State statute | 589,033 | - | 589,033 | - | - |
| Controlled substance tax | 7,382 | - | 7,382 | - | - |
| HAVA grant funds | 7,130 | - | 7,130 | - | - |
| Drug forfeiture funds | 38,567 | - | 38,567 | - | - |
| Court facilities | 65,773 | - | 65,773 | - | - |
| Register of Deeds | 9,852 | - | 9,852 | - | - |
| School capital outlay | 229,668 | - | 229,668 | - | - |
| USDA reserve | 60,743 | 119,015 | 179,758 | - | - |
| Tax revaluation | 28,525 | - | 28,525 | - | - |
| Tourism Development | - | - | - | 26,168 | - |
| Capital improvements | 63,610 | - | 63,610 | - | - |
| Working capital | - | - | - | - | 14,221 |
| Unrestricted | (3,341,482) | 639,056 | (2,702,426) | - | 127,309 |
| Total net position | \$ (419,333) | \$ 14,679,771 | \$ 14,260,438 | \$ 26,168 | \$ 327,242 |

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

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 2 – STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2019

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|---------------------|-----------------------------|---|---|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Governmental activities: | | | | |
| General government | \$ 1,870,796 | \$ 23,324 | \$ 168,979 | \$ 404,234 |
| Public safety | 1,578,194 | 347,163 | 86,418 | - |
| Human services | 2,338,206 | - | 1,101,820 | - |
| Education | 592,512 | - | - | 80,000 |
| Environmental protection | 519,573 | - | 21,317 | - |
| Economic and physical development | 943,391 | - | - | - |
| Cultural and recreational | 170,812 | - | - | - |
| Interest on debt | 50,738 | - | - | - |
| Total governmental activities | <u>8,064,222</u> | <u>370,487</u> | <u>1,378,534</u> | <u>484,234</u> |
| Business-type activities: | | | | |
| Water and sewer | 1,554,844 | 1,308,674 | - | 246,639 |
| Total business-type activities | <u>1,554,844</u> | <u>1,308,674</u> | <u>-</u> | <u>246,639</u> |
| Total primary government | <u>\$ 9,619,066</u> | <u>\$ 1,679,161</u> | <u>\$ 1,378,534</u> | <u>\$ 730,873</u> |
| Component units: | | | | |
| Tyrrell Tourism Development Authority | \$ 4,567 | \$ 5,040 | \$ - | \$ - |
| Tyrrell County ABC Board | 456,436 | 477,539 | - | - |
| Total component units | <u>\$ 461,003</u> | <u>\$ 482,579</u> | <u>\$ -</u> | <u>\$ -</u> |

TYRRELL COUNTY, NORTH CAROLINA
GOVERNMENT-WIDE FINANCIAL STATEMENTS
EXHIBIT 2 – STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2019

| Functions/Programs | Net (Expense) Revenue and Changes in Net Position | | | | |
|--|--|-----------------------------|----------------------|---|--------------------------------|
| | Primary Government | | | Tyrrell County Tourism Development Authority | Tyrrell County ABC Board |
| | Governmental Activities | Business-type Activities | Total | | |
| Governmental activities: | | | | | |
| General government | \$ (1,274,259) | \$ - | \$ (1,274,259) | \$ - | \$ - |
| Public safety | (1,144,613) | - | (1,144,613) | - | - |
| Human Services | (1,236,386) | - | (1,236,386) | - | - |
| Education | (512,512) | - | (512,512) | - | - |
| Environmental protection | (498,256) | - | (498,256) | - | - |
| Economic and physical development | (943,391) | - | (943,391) | - | - |
| Cultural and recreational | (170,812) | - | (170,812) | - | - |
| Interest on debt | (50,738) | - | (50,738) | - | - |
| Total governmental activities | <u>(5,830,967)</u> | <u>-</u> | <u>(5,830,967)</u> | <u>-</u> | <u>-</u> |
| Business-type activities: | | | | | |
| Water and sewer | - | 469 | 469 | - | - |
| Total business-type activities | <u>-</u> | <u>469</u> | <u>469</u> | <u>-</u> | <u>-</u> |
| Total primary government | <u>(5,830,967)</u> | <u>469</u> | <u>(5,830,498)</u> | <u>-</u> | <u>-</u> |
| Component units: | | | | | |
| Tyrrell Tourism Development Authority | - | - | - | 473 | - |
| Tyrrell County ABC Board | - | - | - | - | 21,103 |
| Total component units | <u>-</u> | <u>-</u> | <u>-</u> | <u>473</u> | <u>21,103</u> |
| General revenues: | | | | | |
| Property taxes, levied for general purpose | 4,005,363 | - | 4,005,363 | - | - |
| Local option sales taxes | 817,741 | - | 817,741 | - | - |
| Other taxes and licenses | 61,421 | - | 61,421 | - | - |
| Unrestricted intergovernmental | 68,369 | - | 68,369 | - | - |
| Investment earnings, unrestricted | 41,075 | 10,962 | 52,037 | 25 | 575 |
| Miscellaneous, unrestricted | 378,885 | - | 378,885 | - | - |
| Transfers between funds | (2,860) | 2,860 | - | - | - |
| Total general revenues and transfers | <u>5,369,994</u> | <u>13,822</u> | <u>5,383,816</u> | <u>25</u> | <u>575</u> |
| Change in net position | (460,973) | 14,291 | (446,682) | 498 | 21,678 |
| Net position - beginning | <u>41,640</u> | <u>14,665,480</u> | <u>14,707,120</u> | <u>25,670</u> | <u>305,564</u> |
| Net position - ending | <u>\$ (419,333)</u> | <u>\$ 14,679,771</u> | <u>\$ 14,260,438</u> | <u>\$ 26,168</u> | <u>\$ 327,242</u> |

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

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 3 – BALANCE SHEET – GOVERNMENTAL FUNDS

JUNE 30, 2019

| | <u>Major</u> | <u>Non-Major</u> | |
|--|---------------------|---|---|
| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
| Assets | | | |
| Cash and cash equivalents | \$ 768,608 | \$ - | \$ 768,608 |
| Restricted cash and cash equivalents | 328,826 | 229,668 | 558,494 |
| Receivables, net | 516,704 | - | 516,704 |
| Prepays | 431 | - | 431 |
| Due from other funds | 207,493 | - | 207,493 |
| Due from other governments | 268,207 | 235,693 | 503,900 |
| Total assets | \$ 2,090,269 | \$ 465,361 | \$ 2,555,630 |
| Liabilities: | | | |
| Accounts payable and accrued liabilities | \$ 222,720 | \$ - | \$ 222,720 |
| Customer deposits | 200 | - | 200 |
| Due to other funds | 70,665 | 136,828 | 207,493 |
| Total liabilities | 293,585 | 136,828 | 430,413 |
| Deferred inflows of resources | 550,176 | - | 550,176 |
| Fund balances: | | | |
| Nonspendable: | | | |
| Prepays | 431 | - | 431 |
| Restricted: | | | |
| Stabilization by State Statute | 490,168 | 98,865 | 589,033 |
| Controlled substance tax | 7,382 | - | 7,382 |
| HAVA grant funds | 7,130 | - | 7,130 |
| Drug forfeiture funds | 38,567 | - | 38,567 |
| Court facilities | 65,773 | - | 65,773 |
| Register of Deeds | 9,852 | - | 9,852 |
| School capital outlay | - | 229,668 | 229,668 |
| USDA reserve | 60,743 | - | 60,743 |
| Tax revaluation | 28,525 | - | 28,525 |
| Committed: | | | |
| Capital outlay | 63,610 | - | 63,610 |
| Assigned: | | | |
| Recreation | 47,044 | - | 47,044 |
| Fire Protection | 35,989 | - | 35,989 |
| Subsequent year's expenditures | 977,317 | - | 977,317 |
| Unassigned | (586,023) | - | (586,023) |
| Total fund balances | 1,246,508 | 328,533 | 1,575,041 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,090,269 | \$ 465,361 | \$ 2,555,630 |

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

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

EXHIBIT 3 – RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

JUNE 30, 2019

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

| | | |
|--|----|------------------|
| Ending fund balance - governmental funds | \$ | 1,575,041 |
| Capital assets are not financial resources, and therefore, are not reported in the funds | | 3,117,127 |
| Net pension asset - ROD | | 5,282 |
| Pension liabilities - LGERS and LEOSA | | (713,761) |
| Pension & OPEB related deferrals | | 76,780 |
| Deferred inflows of resources for taxes and special assessments receivable | | 502,876 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds. | | (4,982,677) |
| Net position of governmental activities | \$ | <u>(419,333)</u> |

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

EXHIBIT 4 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2019

| | <u>General</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|--|---------------------|---|---|
| Revenues | | | |
| Ad valorem taxes | \$ 4,044,217 | \$ - | \$ 4,044,217 |
| Other taxes | 508,505 | - | 508,505 |
| Unrestricted intergovernmental revenue | 68,369 | - | 68,369 |
| Restricted intergovernmental revenue | 1,254,782 | 1,023,870 | 2,278,652 |
| Licenses and permits | 299,704 | - | 299,704 |
| Sales and services | 25,560 | - | 25,560 |
| Interest earned on investments | 38,616 | 2,459 | 41,075 |
| Miscellaneous | 49,576 | - | 49,576 |
| Total revenues | <u>6,289,329</u> | <u>1,026,329</u> | <u>7,315,658</u> |
| Expenditures | | | |
| Current: | | | |
| General government | 1,506,650 | 170,288 | 1,676,938 |
| Public safety | 1,396,958 | - | 1,396,958 |
| Economic and physical development | 209,191 | 730,085 | 939,276 |
| Human services | 2,325,671 | - | 2,325,671 |
| Cultural and recreational | 170,812 | - | 170,812 |
| Education | 592,595 | 3,849 | 596,444 |
| Environmental protection | 519,573 | - | 519,573 |
| Capital outlay | - | 124,000 | 124,000 |
| Debt service: | | | |
| Principal payments | 45,659 | 184,535 | 230,194 |
| Interest and fees | 28,464 | 22,274 | 50,738 |
| Total expenditures | <u>6,795,573</u> | <u>1,235,031</u> | <u>8,030,604</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(506,244)</u> | <u>(208,702)</u> | <u>(714,946)</u> |
| Other financing sources (uses) | | | |
| Sale of capital assets | 3,000 | - | 3,000 |
| Other | - | 326,309 | 326,309 |
| Transfers in | 175,767 | 4,851 | 180,618 |
| Transfers out | (78,711) | (104,767) | (183,478) |
| Total other financing sources (uses) | <u>100,056</u> | <u>226,393</u> | <u>326,449</u> |
| Net change in fund balances | (406,188) | 17,691 | (388,497) |
| Fund balance - beginning | <u>1,652,696</u> | <u>310,842</u> | <u>1,963,538</u> |
| Fund balance - ending | <u>\$ 1,246,508</u> | <u>\$ 328,533</u> | <u>\$ 1,575,041</u> |

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

TYRRELL COUNTY, NORTH CAROLINA

FUND FINANCIAL STATEMENTS

**EXHIBIT 4 – RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF THE GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES**

YEAR ENDED JUNE 30, 2019

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

Net change in fund balances - total governmental funds \$ (388,497)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period. (157,788)

| | |
|----------------------|------------------|
| Capital Outlay | \$ 751,497 |
| Depreciation | (161,273) |
| Other asset activity | <u>(748,012)</u> |

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. 234,124

Revenues reported in the Statement of Activities that do not provide current resources are not recorded as revenues in the fund statements. (38,854)

Some expenses reported in the statement of activities does not require the use of current financial resources, and, therefore, are not reported as expenditures in governmental funds. (109,958)

Change in net position of governmental activities \$ (460,973)

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 5 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2019

| | General Fund | | | Variance With Final Positive (Negative) |
|--|--------------------|--------------------|---------------------|--|
| | Original Budget | Final Budget | Actual | |
| Revenues: | | | | |
| Ad valorem taxes | \$ 3,874,636 | \$ 3,874,636 | \$ 4,044,217 | \$ 169,581 |
| Other taxes | 512,091 | 453,091 | 508,505 | 55,414 |
| Unrestricted intergovernmental revenue | 70,200 | 70,200 | 68,369 | (1,831) |
| Restricted intergovernmental revenue | 2,192,998 | 1,298,225 | 1,254,782 | (43,443) |
| Licenses and permits | 260,586 | 261,986 | 299,704 | 37,718 |
| Sales and services | 26,914 | 26,914 | 25,560 | (1,354) |
| Interest earned on investments | 16,800 | 31,800 | 36,303 | 4,503 |
| Miscellaneous | 21,985 | 30,374 | 49,576 | 19,202 |
| Total revenues | 6,976,210 | 6,047,226 | 6,287,016 | 239,790 |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 1,619,690 | 1,609,318 | 1,506,650 | 102,668 |
| Public safety | 1,479,486 | 1,522,925 | 1,396,958 | 125,967 |
| Economic and physical development | 1,196,942 | 223,677 | 209,191 | 14,486 |
| Human services | 2,404,721 | 2,438,752 | 2,325,671 | 113,081 |
| Cultural and recreational | 128,962 | 175,714 | 170,812 | 4,902 |
| Education | 592,595 | 592,595 | 592,595 | - |
| Environmental protection | 522,165 | 522,165 | 519,573 | 2,592 |
| Debt service: | | | | |
| Principal payments | 57,798 | 45,625 | 45,659 | (34) |
| Interest and fees | - | 28,523 | 28,464 | 59 |
| Total expenditures | 8,002,359 | 7,159,294 | 6,795,573 | 363,721 |
| Revenues over (under) expenditures | (1,026,149) | (1,112,068) | (508,557) | (603,511) |
| Other financing sources (uses): | | | | |
| Sale of capital assets | - | - | 3,000 | 3,000 |
| Transfers in | 36,000 | 140,767 | 140,767 | - |
| Transfers out | (37,160) | (66,860) | (42,711) | 24,149 |
| Total other financing sources (uses) | (1,160) | 73,907 | 101,056 | 27,149 |
| Revenues and other financing sources over expenditures and other financing uses | (1,027,309) | (1,038,161) | (407,501) | 630,660 |
| Appropriated fund balance | 1,027,309 | 1,038,161 | - | (1,038,161) |
| Net Change in fund balance | \$ - | \$ - | (407,501) | \$ (407,501) |
| Fund Balances: | | | | |
| Beginning of year, July 1 | | | 1,561,874 | |
| End of year, June 30 | | | 1,154,373 | |
| The legally budgeted Revaluation Fund and Capital Outlay Fund are consolidated into the General Fund for reporting purposes: | | | | |
| Investment earnings | | | 2,313 | |
| Transfers to other funds | | | (36,000) | |
| Transfers from other funds | | | 35,000 | |
| Fund Balance, Beginning of year | | | 90,822 | |
| | | | 92,135 | |
| Fund Balance, End of year | | | \$ 1,246,508 | |

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

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 6 – STATEMENT OF NET POSITION – PROPRIETARY FUND

JUNE 30, 2019

| | Total Proprietary Funds |
|---|------------------------------------|
| Assets | |
| Current assets | |
| Cash and investments | \$ 1,027,288 |
| Other receivables, net | 166,525 |
| Inventories | 126,633 |
| Total current assets | <u>1,320,446</u> |
| Noncurrent assets | |
| Cash and Investments - Restricted | 119,015 |
| Capital assets, net of accumulated depreciation | 18,526,700 |
| Total noncurrent assets | <u>18,645,715</u> |
| Total assets | <u>19,966,161</u> |
| Deferred outflows of resources | <u>61,789</u> |
| Liabilities | |
| Current liabilities | |
| Accounts payable and accrued liabilities | 79,007 |
| Current portion of bonds | 82,000 |
| Total current liabilities | <u>161,007</u> |
| Noncurrent liabilities | |
| Notes payable, net of current portion | 4,523,000 |
| Compensated absences, net of current portion | 26,449 |
| Net pension liability - LGERS | 89,139 |
| Other postemployment benefits liability | 483,226 |
| Total noncurrent liabilities | <u>5,121,814</u> |
| Total liabilities | <u>5,282,821</u> |
| Deferred inflows of resources | <u>65,358</u> |
| Net position | |
| Net investment in capital assets | 13,921,700 |
| Restricted | 119,015 |
| Unrestricted | 639,056 |
| Total net position | <u>\$ 14,679,771</u> |

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

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 7 – STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET
POSITION – PROPRIETARY FUND

YEAR ENDED JUNE 30, 2019

| | Total Proprietary Funds |
|---|------------------------------------|
| Operating revenues | |
| Charges for services | \$ 1,308,463 |
| Other operating revenue | 211 |
| Total operating revenues | <u>1,308,674</u> |
| Operating expenses | |
| Salaries and employee benefits | 475,895 |
| Operating expenses | 437,967 |
| Depreciation | 510,863 |
| Total operating expenses | <u>1,424,725</u> |
| Operating income (loss) | <u>(116,051)</u> |
| Nonoperating revenue (expense) | |
| Interest earned on investments | 10,962 |
| Interest | (130,119) |
| Total nonoperating revenue (expense) | <u>(119,157)</u> |
| Income (loss) before contributions | <u>(235,208)</u> |
| Donation of equipment | 20,000 |
| Transfers in | 2,860 |
| Capital Contributions | 226,639 |
| Change in net position | <u>14,291</u> |
| Total net position - beginning | 14,665,480 |
| Total net position - ending | <u>\$ 14,679,771</u> |

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 8 – STATEMENT OF CASH FLOWS – PROPRIETARY FUND

YEAR ENDED JUNE 30, 2019

| | Total Proprietary Funds |
|--|------------------------------------|
| Operating activities | |
| Cash received from customers | \$ 1,619,913 |
| Cash paid for goods and services | (898,743) |
| Cash paid to employees for services | (446,048) |
| Other operating revenue | 211 |
| Net cash provided by (used in) operating activities | 275,333 |
| Noncapital financing activities | |
| Decrease (increase) in due from other funds | 42,700 |
| Net cash provided (used) by noncapital financing activities | 42,700 |
| Capital and related financing activities | |
| Capital from contributions from other agencies | 229,499 |
| Acquisition of capital assets | (158,414) |
| Donation of equipment | 20,000 |
| Transfer out | - |
| Interest paid on long term debt | (130,119) |
| Principal paid on long term debt | (80,000) |
| Net cash provided (used) by capital and related financing activities | (119,034) |
| Investing activities | |
| Investment earnings | 10,962 |
| Net cash provided (used) in investing activities | 10,962 |
| Net increase (decrease) in cash and cash equivalents | 209,961 |
| Cash and cash equivalents | |
| Beginning of year | 936,342 |
| End of year | \$ 1,146,303 |
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | |
| Operating Income (loss) | \$ (116,051) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | |
| Depreciation | 510,863 |
| Net pension expense | 23,620 |
| OPEB expense | 4,941 |
| Change in assets and liabilities: | |
| (Increase) decrease in accounts receivable | 311,450 |
| (Increase) decrease in inventory | (66,005) |
| Increase (decrease) in accounts payable and accrued liabilities | (394,771) |
| Increase (decrease) in compensated absences | 4,479 |
| Increase (decrease) in other postemployment benefits liability | (3,193) |
| Total adjustments | 391,384 |
| Net cash provided by (used in) operating activities | \$ 275,333 |
| Noncash investing, capital, and financing activities: | |
| Cash and cash equivalents | |
| Unrestricted | \$ 1,027,288 |
| Restricted | 119,015 |
| Total | \$ 1,146,303 |

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

TYRRELL COUNTY, NORTH CAROLINA
FUND FINANCIAL STATEMENTS
EXHIBIT 9 – STATEMENT OF FIDUCIARY NET POSITIONS – FIDUCIARY FUND

JUNE 30, 2019

| | Agency Funds |
|--|-------------------------|
| Assets | |
| Cash and cash equivalents | \$ 1,837 |
| Total assets | <u>\$ 1,837</u> |
| Liabilities | |
| Accounts payable and accrued liabilities | \$ 1,837 |
| Total liabilities | <u>\$ 1,837</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies

The accounting policies of Tyrrell County and its component units (the “County”) conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”) 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 five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by U.S. GAAP, these financial statements present the County and its component units; legally separate entities for which the County is financially accountable. The Tyrrell County ABC Board (the Board) and the Tyrrell County Tourism Development Authority (the “Authority”), which have a June 30 year-end, are presented as if they were separate proprietary funds of the County (discrete presentation).

| Component Unit | Reporting Method | Criteria for Inclusion | For Separate Financial Statements |
|--|-------------------------|---|---|
| Tyrrell County ABC Board | Discrete | The members of the ABC Board’s governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County. | Tyrrell County ABC Board Post Office Box 449 Columbia, NC 27925 |
| Tyrrell County Tourism Development Authority | Discrete | The members of the Authority’s governing board are appointed by the County. The County can remove any commissioner of the Authority with or without cause. | None issued. |

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

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

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

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

Fund Financial Statements – The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental fund:

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

The County reports the following major enterprise fund:

Water and Sewer Fund – This fund is used to account for the operations of the water and sewer system within the County.

The County reports the following fund types:

Agency Funds – Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Tyrrell County Board of Education; and the Deed of Trust Fee fund which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis.

Non-major Funds – The County maintains several non-major funds. The School Capital Outlay fund and the Flood Mitigation Assistance fund are reported as a non-major special revenue funds. The Estuarine Access Park fund, Hurricane Matthew Debris Removal Project fund and the Road Street Project fund are reported as capital projects 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.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

Government-wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

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 and for limited registration plates are shown as a receivable on these financial statements and are offset by deferred inflows of resources.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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 by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the following Special Revenue Funds: Revaluation Fund, School Capital Outlay Fund, Capital Outlay Fund, and the Water and Sewer Fund. All annual appropriations lapse at the fiscal year end.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for all annually budgeted funds and the project level for the multi-year funds. The County Manager has the authority to transfer the budget between line item expenditures within a department, excluding salary and benefit line items. The governing board must approve all other amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

All deposits of the County, the Authority, and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Authority, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Authority, and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit. State law [G.S. 159-30(c)] authorizes the County, the Authority, and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

The County's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Government Portfolio, an SEC registered (2a-7) external investment pool, is measured at fair value, which is the NCCMT's share price.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Authority and the ABC Board consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Tyrrell County Restricted Cash

| | | | |
|---|---|----|----------------|
| Governmental Activities: | | | |
| General Fund | HAVA grant funds | \$ | 7,130 |
| General Fund | Customer deposits | | 200 |
| General Fund | Drug forfeiture funds | | 38,567 |
| General Fund | Court facilities funds | | 65,773 |
| General Fund | Register of Deeds | | 9,852 |
| General Fund | USDA reserve | | 60,743 |
| General Fund | Capital improvements | | 63,610 |
| General Fund | Recreation | | 47,044 |
| General Fund | Tax revaluation | | 28,525 |
| General Fund | Controlled substance tax | | 7,382 |
| School Capital Outlay Fund | Unexpended Public School Building Funds | | 229,668 |
| Total Governmental Activities | | \$ | <u>558,494</u> |
| Business-Type Activities | | | |
| Water Fund | USDA reserve | \$ | 119,015 |
| Total Business-Type Activities | | \$ | <u>119,015</u> |
| Tyrrell County Tourism Development Authority Restricted Cash | | | |
| Business-Type Activities | Unexpended occupancy tax funds | \$ | 25,124 |
| Total Restricted Cash | | \$ | <u>25,124</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, 2018.

5. Allowance for Doubtful Accounts

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

6. Inventories and Prepaid Items

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

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets 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 costs are as follows: land, buildings, improvements, substations, lines and other plant and distribution systems, infrastructure, furniture, equipment and vehicles, \$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. Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

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

| | <u>Useful Life</u> |
|-------------------------|--------------------|
| Buildings | 50 years |
| Improvements | 25 years |
| Furniture and equipment | 10 years |
| Vehicles | 6 years |
| Computer equipment | 3 years |

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

| | <u>Useful Life</u> |
|-------------------------|--------------------|
| Buildings | 20 years |
| Furniture and equipment | 10 years |
| Vehicles | 3-5 years |
| Leasehold improvements | 10-20 years |
| Computer equipment | 3 years |

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

The vacation policies of the County and the ABC Board provide for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. An expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned in the County's government-wide, proprietary fund, and ABC Board statements. The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

11. Net Position/Fund Balances

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

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

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents resources that have already been spent for expenditures that will be incurred.

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

Restricted by Stabilization of State Statute – portion of fund balance that is restricted by state statute [G.S. 159-8(a)].

Restricted Controlled Substance Tax Funds – portion of fund balance that is restricted for law enforcement agencies to deter and investigate crimes, especially drug offenses by state statute [G.S. 105-113.105].

Restricted HAVA Grant Funds – portion of fund balance that is restricted by revenue source to pay for expenditures to improve the administration of federal elections and to meet the requirements of Title III of the Help America Vote Act of 2002 (HAVA).

Restricted Drug Forfeiture Funds – portion of fund balance that is restricted for law enforcement purposes by state statute [G.S. 159-8(a)].

Restricted for Court Facilities – portion of fund balance that is restricted to provide, maintain, and construct court room and related judicial facilities by state statutes [G.S. 7A-304(a)(2), G.S. 7A-305(a), 7A-306(a), and 7A-307(a)].

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

Restricted for School Capital Outlay– portion of fund balance that is restricted by revenue source that can only be used for school capital outlay.

Restricted for USDA – portion of fund balance that is restricted based on the requirements of debt agreements with the USDA.

Restricted for Tax Revaluation – portion of fund balance that can only be used for tax revaluation by state statute [G.S. 153A-150].

Committed Fund Balance – portion of fund balance that can only be used for specific purpose imposed by majority vote of Tyrrell 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 Capital Outlay – portion of fund balance that can only be used for governmental capital construction, improvement projects, and other capital outlay.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

Assigned Fund Balance – portion of fund balance that the Tyrrell County governing board has budgeted.

Recreation – portion of fund balance that is appropriated for recreation purposes.

Fire Protection – portion of fund balance that is appropriated for the future purchase of a fire truck.

Subsequent Year's Expenditures – portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorized the manager to modify the appropriations within departments in a fund, excluding salaries or other benefit line items.

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

Tyrrell 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-city 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's in the best interest of the County.

12. Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple employer defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF) (collectively, the state-administered defined benefit pension plans). For purposes of measuring the net pension asset, 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 when the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and are payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

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 reconciliation between total 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 (\$1,994,374) consists of several elements as follows:

| | |
|--|-----------------------|
| 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) | \$ 6,588,558 |
| Less accumulated depreciation | <u>(3,471,431)</u> |
| Net capital assets | 3,117,127 |
| Pension related deferrals | 76,780 |
| Net pension asset | 5,282 |
| Deferred inflows of resources for taxes and special assessments | 502,876 |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements | |
| Notes payable | (1,295,261) |
| Pension liabilities - LGERS and LEOSSA | (713,761) |
| Other postemployment benefits | (3,543,651) |
| Compensated absences | <u>(143,765)</u> |
| Total adjustment | <u>\$ (1,994,374)</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1—Summary of significant accounting policies (continued)

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net changes in net position of governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of (\$72,474) is comprised of the following:

| <u>Description</u> | <u>Amount</u> |
|---|--------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities | \$ 751,497 |
| Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements | (161,273) |
| Capital assets contributed to State of North Carolina | (748,012) |
| 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 | 234,124 |
| 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 | (17,170) |
| Other postemployment benefits | 23,418 |
| Pension expense | (127,679) |
| Deferred inflows | (180,990) |
| Deferred outflows | 192,466 |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements | |
| Increase in deferred inflows of resources - taxes receivable - at the end of year | (38,854) |
| Total adjustment | <u>\$ (72,474)</u> |

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds

A. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County, the Authority, and the ABC Board 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 complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, the Authority, and the ABC Board do not have policies regarding custodial credit risk for deposits.

At June 30, 2019, County's deposits had a carrying amount of \$453,797 and a bank balance of \$492,575. Of the bank balance, \$250,000 was covered by federal depository insurance and \$242,575 was covered by collateral held under the Pooling Method.

At June 30, 2019, the County had \$755 cash on hand.

At June 30, 2019, the carrying amount of deposits for the Board was \$141,512 and the bank balance was \$136,337. All of the bank balance was covered by federal depository insurance.

At June 30, 2019, the Board had \$500 cash on hand.

At June 30, 2019, the carrying amount of deposits for the Authority was \$25,124 and the bank balance was \$25,124. All of the bank balance was covered by federal depository insurance.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

2. Investments

At June 30, 2019, the County had the following investments and maturities.

| <u>Investments by Type</u> | <u>Valuation Measurement Method</u> | <u>Book Value at June 30, 2019</u> | <u>Maturity</u> | <u>Rating</u> |
|---|---|--|----------------------|---------------|
| NC Capital Management Trust - Government Portfolio | Fair Value Level 1 | \$ 1,840,932 | N/A | AAAm |
| NC Capital Management Trust - Term Portfolio | Fair Value Level 1 | 179,758 | Less than 90 days | Unrated |
| | | <u>\$ 2,020,690</u> | | |

Credit Risk – The County’s investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard and Poor’s as of June 30, 2019. The County’s investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

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

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

| <u>Year Levied</u> | <u>Tax</u> | <u>Interest</u> | <u>Total</u> |
|--------------------|---------------------|-------------------|---------------------|
| 2016 | \$ 648,562 | \$ 212,404 | \$ 860,966 |
| 2017 | 673,729 | 160,011 | 833,740 |
| 2018 | 828,832 | 122,253 | 951,085 |
| 2019 | 839,743 | - | 839,743 |
| | <u>\$ 2,990,866</u> | <u>\$ 494,668</u> | <u>\$ 3,485,534</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

4. Receivables

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

| | Accounts | Taxes Receivable | Due from Other Governments | Total |
|---------------------------------------|-------------------|-----------------------------|---------------------------------------|---------------------|
| Governmental Activities: | | | | |
| General Fund | \$ 13,828 | \$ 502,876 | \$ 268,207 | \$ 784,911 |
| Other governmental | - | - | 235,693 | 235,693 |
| Total governmental activities | \$ 13,828 | \$ 502,876 | \$ 503,900 | \$ 1,020,604 |
| Business-type Activities: | | | | |
| Water and sewer | 252,526 | \$ - | \$ - | \$ 252,526 |
| Allowance for doubtful accounts | (86,001) | - | - | (86,001) |
| Total business-type activities | \$ 166,525 | \$ - | \$ - | \$ 166,525 |

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

| | Governmental Activities | Business-type Activities |
|------------------------|------------------------------------|-------------------------------------|
| Local option sales tax | \$ 125,487 | \$ - |
| Sales taxes | 355,149 | - |
| Capital grants | 23,264 | - |
| Total | \$ 503,900 | \$ - |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

5. Capital Assets

Primary Government

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

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|----------------------------|-------------------|----------------|----------------------------|
| Governmental - Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 843,758 | \$ - | \$ - | \$ 843,758 |
| Construction in Process | 17,927 | 730,085 | 748,012 | - |
| Total Capital assets not being depreciated | <u>861,685</u> | <u>730,085</u> | <u>748,012</u> | <u>843,758</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 3,772,079 | 5,246 | - | 3,777,325 |
| Equipment | 1,249,375 | 16,166 | - | 1,265,541 |
| Furniture | 57,735 | - | - | 57,735 |
| Vehicles | 644,199 | - | - | 644,199 |
| Total Capital assets being depreciated | <u>5,723,388</u> | <u>21,412</u> | <u>-</u> | <u>5,744,800</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 1,693,185 | 92,933 | - | 1,786,118 |
| Equipment | 1,123,953 | 20,586 | - | 1,144,539 |
| Furniture | 22,875 | 3,669 | - | 26,544 |
| Vehicles | 470,145 | 44,085 | - | 514,230 |
| Total accumulated depreciation | <u>3,310,158</u> | <u>\$ 161,273</u> | <u>\$ -</u> | <u>3,471,431</u> |
| Total Capital assets being depreciated, net | <u>2,413,230</u> | | | <u>2,273,369</u> |
| Governmental capital assets, net | <u><u>\$ 3,274,915</u></u> | | | <u><u>\$ 3,117,127</u></u> |

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

| | |
|-----------------------------------|--------------------------|
| Governmental Activities: | |
| General government | \$ 73,534 |
| Public safety | 81,423 |
| Human services | 4,755 |
| Economic and Physical development | 1,561 |
| Total | <u><u>\$ 161,273</u></u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

| | Beginning Balances | Increases | Decreases | Ending Balances |
|--|-------------------------------|-------------------|------------------|----------------------------|
| Business - Type Activities: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 68,261 | \$ - | \$ - | \$ 68,261 |
| Construction in Process | 2,807,649 | 116,638 | 2,924,287 | - |
| Total Capital assets not being depreciated | <u>2,875,910</u> | <u>116,638</u> | <u>2,924,287</u> | <u>68,261</u> |
| Capital assets being depreciated: | | | | |
| Plant and distribution systems | 20,445,935 | 2,943,337 | - | 23,389,272 |
| Buildings | 16,225 | 5,612 | - | 21,837 |
| Furniture | 1,602 | - | - | 1,602 |
| Vehicles and equipment | 585,150 | 17,114 | 1,280 | 600,984 |
| Total Capital assets being depreciated | <u>21,048,912</u> | <u>2,966,063</u> | <u>1,280</u> | <u>24,013,695</u> |
| Less accumulated depreciation for: | | | | |
| Plant and distribution system | 4,680,206 | 458,321 | - | 5,138,527 |
| Buildings | 8,570 | 1,763 | - | 10,333 |
| Furniture | 1,601 | - | - | 1,601 |
| Vehicles and equipment | 355,295 | 50,780 | 1,280 | 404,795 |
| Total accumulated depreciation | <u>5,045,672</u> | <u>\$ 510,864</u> | <u>\$ 1,280</u> | <u>5,555,256</u> |
| Total Capital assets being depreciated, net | <u>16,003,240</u> | | | <u>18,458,439</u> |
| Water & Sewer capital assets, net | <u>\$ 18,879,150</u> | | | <u>\$ 18,526,700</u> |

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2019 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|-------------------------------|------------------|------------------|----------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 21,735 | \$ - | \$ - | \$ 21,735 |
| Total Capital assets not being depreciated | <u>21,735</u> | <u>-</u> | <u>-</u> | <u>21,735</u> |
| Capital assets being depreciated: | | | | |
| Machinery and equipment | 357,527 | - | - | 357,527 |
| Furniture and fixtures | 24,960 | 4,700 | - | 29,660 |
| Total Capital assets being depreciated | <u>382,487</u> | <u>4,700</u> | <u>-</u> | <u>387,187</u> |
| Less accumulated depreciation | 76,379 | \$ 11,403 | \$ - | 87,782 |
| Total Capital assets being depreciated, net | <u>306,108</u> | | | <u>299,405</u> |
| ABC Board capital assets, net | <u>\$ 327,843</u> | | | <u>\$ 321,140</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

B. Liabilities

1. Payables

Payables at June 30, 2019 were as follows:

| | <u>Vendors</u> |
|--------------------------------|-------------------|
| Governmental Activities: | |
| General | \$ 222,720 |
| Total governmental activities | <u>\$ 222,720</u> |
| Business-Type Activities: | |
| Water & Sewer Fund | \$ 79,007 |
| Total business-type activities | <u>\$ 79,007</u> |

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employee’s Retirement System

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

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

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions – Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019 was 8.50% of compensation for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$175,595 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$718,582 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was .03029%, which was an decrease of .00476% from its proportion as of June 30, 2018 (measured as of June 30, 2017.)

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

For the year ended June 30, 2019, the County recognized pension expense of \$196,829. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 110,860 | \$ 3,720 |
| Changes of assumptions | 190,684 | - |
| Net difference between projected and actual earnings on pension plan investments | 98,640 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 5,223 | 23,281 |
| Employer contributions subsequent to the measurement date | 175,595 | - |
| Total | <u>\$ 581,002</u> | <u>\$ 27,001</u> |

\$175,595 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

| | |
|------------|-------------------|
| 2020 | \$ 187,484 |
| 2021 | 120,353 |
| 2022 | 18,811 |
| 2023 | 51,758 |
| 2024 | - |
| Thereafter | - |
| | <u>\$ 378,406</u> |

Actuarial Assumptions – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|---|
| Inflation | 3.0% |
| Salary Increases | 3.5% to 8.10%, including inflation and positivity factor |
| Investment rate of return | 7.0%, net of pension plan investment expense, including inflation |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|--------------------------|---|
| Fixed Income | 29% | 1.4% |
| Global Equity | 42% | 5.3% |
| Real Estate | 8% | 4.3% |
| Alternatives | 8% | 8.9% |
| Credit | 7% | 6.0% |
| Inflation Protection | 6% | 4.0% |
| Total | 100% | |

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

Discount Rate – The discount rate used to measure the total pension liability was 7.0%. 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

Sensitivity of the County's Proportionate Share of the Net Pension Asset to Changes in the Discount Rate
 – The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.0%, as well as what the County's proportionate share of the net pension asset or net pension liability would be as if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

| | 1% Decrease (6.0%) | Current Discount Rate (7.0%) | 1% Increase (8.0%) |
|---|-------------------------------|---|-------------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 1,726,097 | \$ 718,582 | \$ (123,313) |

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

b. Law Enforcement Officers' Special Separation Allowance

Plan Description – Tyrrell County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85% 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 law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

| | |
|--|-----------|
| Retirees receiving benefits | - |
| Terminated plan members entitled to but not yet receiving benefits | - |
| Active plan members | <u>12</u> |
| | <u>12</u> |

A separate report was not issued for the plan.

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 following criteria which are outlined in GASB Statement 73.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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

| | |
|------------------|--|
| Inflation | 2.5% |
| Salary increases | 3.50 to 7.35%, including inflation and productivity factor |
| Discount rate | 3.64% |

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

Mortality rates are based on the RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015.

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. The County’s obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. There were no contributions made by employees. Administrative costs of the Separation Allowance are financed through investment earnings. The County paid \$-0- as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$84,318. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$3,584.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ - | \$ 57,506 |
| Changes of assumptions | 7,214 | 5,190 |
| County benefit payments and plan administrative expense made subsequent to the measurement date | - | - |
| Total | <u>\$ 7,214</u> | <u>\$ 62,696</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

\$-0- reported as deferred outflows of resources related to pensions resulting from benefit payments made, and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30:

| | | |
|------------|----|-----------------|
| 2020 | \$ | (11,551) |
| 2021 | | (11,551) |
| 2022 | | (11,551) |
| 2023 | | (11,485) |
| 2024 | | (8,480) |
| Thereafter | | (864) |
| | \$ | <u>(55,482)</u> |

Sensitivity of the County's Total Pension Liability to Changes in the Discount Rate – The following presents the County's total pension liability calculated using the discount rate of 3.64%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

| | 1% Decrease | Current | 1% Increase |
|-------------------------|--------------------|----------------------|--------------------|
| | (2.64%) | Discount Rate | (4.64%) |
| | <u>\$</u> | <u>\$</u> | <u>\$</u> |
| Total pension liability | 91,675 | 84,318 | 77,769 |

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

| | | |
|---|----|-----------------|
| Beginning Balance | \$ | 117,738 |
| Service Cost | | 11,423 |
| Interest on total pension liability | | 3,712 |
| Difference between expected and actual experience | | (44,587) |
| Changes in assumptions or other inputs | | (3,425) |
| Benefit payments | | (543) |
| Net Changes | | <u>(33,420)</u> |
| Ending Balance of the Total Pension Liability | \$ | <u>84,318</u> |

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description – The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State controller, 1410 Mail Service Center, Raleigh, NC 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 5% of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$31,204, which consisted of \$21,244 from the County and \$9,960 from the law enforcement officers.

d. Supplemental Retirement Income Plan for General Government Employees

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 individuals employed by the general government of 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 General Government Employees is included in the Comprehensive Annual Financial report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for General Government Employees. That report may be obtained by writing to the Office of the State controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, or by calling (919) 981-5454.

Funding Policy – The general government employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$12,215, which consisted of \$-0- from the County and \$12,215 from the general government employees.

e. Registers of Deeds' Supplemental Pension Fund

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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 \$286 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$5,282 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension asset was based on the County’s share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2018, the County’s proportion was .03189%, which was a decrease of .00119% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,165. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 47 | \$ 241 |
| Changes of assumptions | 248 | - |
| Net difference between projected and actual earnings on pension plan investments | 842 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 512 | 263 |
| Employer contributions subsequent to the measurement date | 286 | - |
| Total | \$ 1,935 | \$ 504 |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

\$286 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <u>Year Ending June 30:</u> | |
|------------------------------------|-----------------|
| 2020 | \$ 788 |
| 2021 | (23) |
| 2022 | 248 |
| 2023 | 132 |
| 2024 | - |
| Thereafter | - |
| | <u>\$ 1,145</u> |

Actuarial Assumptions – The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---------------------------|--|
| Inflation | 3.0% |
| Salary Increases | 3.5% to 7.75%, including 3.5% inflation and positivity factor |
| Investment rate of return | 3.75%, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2018 is 1.4%.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

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

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.75%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

| | 1% Decrease (2.75%) | Current Discount Rate (3.75%) | 1% Increase (4.75%) |
|---|--------------------------------|--|--------------------------------|
| County’s proportionate share of the net pension liability | \$ 4,165 | \$ 5,282 | \$ 6,224 |

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued Comprehensive Annual Financial Report (CAFR) for the State of North Carolina.

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

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

| | LGERS | ROD | LEOSSA | Total |
|--|--------------|------------|---------------|--------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 718,582 | \$ (5,282) | | \$ 713,300 |
| Proportion Share of Net Pension Liability (Asset) | 0.03029% | 0.03189% | n/a | |
| Total Pension Liability | | | \$ 84,318 | 84,318 |
| Pension Expense | 196,829 | 2,165 | 3,584 | 202,578 |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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

| Deferred Outflows of Resources | LGERS | ROD | LEOSSA | Total |
|---|--------------|------------|---------------|--------------|
| Differences between expected and actual experience | \$ 110,860 | \$ 47 | \$ - | \$ 110,907 |
| Changes of assumptions | 190,684 | 248 | 7,214 | 198,146 |
| Net difference between projected and actual earnings on pension plan investments | 98,640 | 842 | - | 99,482 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 5,223 | 512 | - | 5,735 |
| Employer contributions subsequent to the measurement date | 175,595 | 286 | - | 175,881 |
| Deferred Inflows of Resources | | | | |
| Differences between expected and actual experience | \$ 3,720 | \$ 241 | \$ 57,506 | \$ 61,467 |
| Changes of assumptions | - | - | 5,190 | 5,190 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 23,281 | 263 | - | 23,544 |

f. Other Postemployment Benefits

Healthcare Benefits

Plan Description – Under the terms of a County resolution, the County administers a single-employer defined benefit healthcare plan (“the Retiree Health Plan”). The plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees’ Retirement System (System) and meet certain requirements. Retirees hired prior to July 1, 2006 receive unreduced benefits with 10 years of creditable service with the County, while retirees after July 1, 2006 receive unreduced benefits with 20 years of creditable service. At age 65, The County transfers the retiree from the group plan to a Medicare Supplement. The County pays the full cost of coverage for these benefits through private insurers. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Funding Policy – The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the Board. The County has chosen to fund the healthcare benefits on a pay as you go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due. In fiscal year ended June 30, 2019, the County’s total contributions were \$82,165.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

Membership of the Retiree Health Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

| | |
|--|-----------|
| Inactive Employees or Beneficiaries | |
| Currently Receiving Benefits | 19 |
| Inactive Members Entitled to but not yet | |
| Receiving Benefits | - |
| Active Employees | 63 |
| Total | <u>82</u> |

Actuarial Assumptions

The County's total OPEB liability of \$4,026,877 was measured as of June 30, 2018 and was determined by an actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 2.5% |
| Salary increases | 3.5% to 7.75%, average, including inflation |
| Discount rate | 3.89% |
| Healthcare cost trend rates | |
| Pre-Medicare | 7.5% for 2017 decreasing to an ultimate rate of 5.0% by 2023 |
| Medicare | 5.5% for 2017 decreasing to an ultimate rate of 5.0% by 2020 |

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

Changes in the Total OPEB Liability

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation were as follows:

| | |
|--|---------------------|
| | 2018 |
| Beginning balance | \$ 4,053,488 |
| Service cost | 164,142 |
| Interest on the total OPEB liability | 142,804 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | (3,344) |
| Changes of assumptions or other inputs | (245,209) |
| Benefit payments and implicit subsidy credit | (85,004) |
| Other changes | - |
| Ending balance of the total OPEB liability | <u>\$ 4,026,877</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56%:

| |
|--------------------|
| <u>Fiscal Year</u> |
| 2018 |
| 2017 |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by the LGERS.

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

| | 1% Decrease (2.89%) | Current Discount Rate (3.89%) | 1% Increase (4.89%) |
|----------------------|--------------------------------|--|--------------------------------|
| Total OPEB Liability | \$ 4,840,573 | \$ 4,026,877 | \$ 3,397,914 |

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

| | 1% Decrease (6.5%) | Current Rate (7.5%) | 1% Increase (8.5%) |
|----------------------|-------------------------------|--------------------------------|-------------------------------|
| Total OPEB Liability | \$ 3,317,933 | \$ 4,026,877 | \$ 4,966,719 |

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$208,347. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|--|
| Differences between expected and actual experience | \$ 11,551 | \$ 2,852 |
| Changes of assumptions | - | 517,602 |
| Benefit payments and administrative costs made subsequent to the measurement date | 82,165 | - |
| Total | <u>\$ 93,716</u> | <u>\$ 520,454</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

\$82,165 reported as deferred outflows of resources related to OPEB resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ending June 30:

| | | |
|------------|----|------------------|
| 2020 | \$ | (98,599) |
| 2021 | | (98,599) |
| 2022 | | (98,599) |
| 2023 | | (98,599) |
| 2024 | | (85,584) |
| Thereafter | | (28,923) |
| Total | \$ | <u>(508,903)</u> |

g. 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 the minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

3. Deferred Outflows and Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| Differences between expected and actual experience - pension and OPEB | \$ 122,458 | \$ 64,319 |
| Changes of assumptions - pension and OPEB | 198,146 | 522,792 |
| Net difference between projected and actual earnings on pension plan investments - pension and OPEB | 99,482 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions - pension and OPEB | 5,735 | 23,544 |
| Employer contributions subsequent to the measurement date | 258,046 | - |
| Prepaid taxes not yet earned (Government Wide and General Fund) | - | 47,301 |
| Taxes receivable, net, less penalties (General Fund) | - | 502,876 |
| Total | <u>\$ 683,867</u> | <u>\$ 1,160,832</u> |

4. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$1 billion for any one occurrence, general, auto, professional, employment practices liability coverage of \$2 million per occurrence, cyber liability coverage of \$1 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage, and \$1,500,000 of each loss in excess of \$500,000 per occurrence for property, and auto physical damage. For workers compensation there is a per occurrence retention of \$750,000.

The County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated as an "A" area (an area close to a river, lake, or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP.

In accordance with G.S. 159-29, County 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 Director of Finance and the tax collector are individually bonded for \$57,798 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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.

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

In accordance with G.S. 159-29, the finance officer for Tyrrell County Tourism Development Authority is individually bonded for \$50,000.

5. Commitments

At June 30, 2019, the County had seven service contract commitments. The commitments are as follows:

- | | |
|--|---|
| 1 Washington County, NC | For Emergency medical services. Initial term is effective 7/7/17 and shall continue for a period of two years ending 6/30/19. Agreement shall be deemed to automatically renew for successive and additional periods of 1 year each, unless notice of non-renewal is provided by either party. In exchange for services, Tyrrell shall pay a flat fee of \$625,000 per year in 12 equal monthly installments. In addition, the County agrees to make an additional \$25,000 per year available to Washington for unforeseeable emergency maintenance needs related to non-routine maintenance of vehicles used for Tyrrell County services. |
| 2 Dare County, NC | For housing of inmates. The County shall pay \$50 per day for each day, or any portion thereof, that an inmate from Tyrrell County is housed in the Dare County Detention Center or by Dare County. The County per diem costs incurred by the Tyrrell County inmate(s) while confined in the Dare County Detention Center. |
| 3 Tyrrell Volunteer Fire Department, Inc. | For fire protection services. This is a fiscal year agreement requiring monthly per diem payments for a total of \$ 115,600 and shall continue fiscal year to fiscal year unless terminated by either party. |
| 4 Tyrrell Volunteer Fire Department, Inc. | For equipment upgrades. This is a fiscal year agreement requiring quarterly payments for a total of \$ 40,000 and shall continue fiscal year to fiscal year unless terminated by either party. |
| 5 Tyrrell Volunteer Fire Department, Inc. | For Capital Reserve. This is a fiscal year agreement requiring an annual \$25,000 reserve to be held by the County and shall continue fiscal year to fiscal year unless terminated by either party. |
| 6 Republic Services, LLC | For collection of solid waste, recyclable materials, white goods, and brown goods at the rate of \$12.76 per customer per cart account per month. This fee shall increase on each anniversary date based on the percentage increase of the Consumer Price Index, All Urban Consumers, for All Items, U.S. City Average as compiled and published by the U.S. Dept of Labor for the preceding calendar year, not exceeding 5% annually. This agreement shall be binding for a period of 5 years, ending June 30, 2019. |
| 7 Hyde County Non-Profit Private Transportation Corp | For operation and administration of Community Transportation System. This agreement, effective June 6, 2017, is binding for 2 years. The cost of these services is based on the fully allocated cost as determined by the approved fiscal year budget. |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

6. Operating Leases

At June 30, 2019, the Board had 5 operating leases for facilities and equipment. Lease expense under these leases was \$91,182 for the fiscal year ended June 30, 2019. The leases are set to expire at various dates though January 1, 2023, renewable on a year-to-year basis.

Future minimum lease payments during the next 5 years are as follows:

| <u>Fiscal Year</u> | <u>Amount</u> |
|--------------------|-------------------|
| 2020 | \$ 92,182 |
| 2021 | 18,124 |
| 2022 | 8,684 |
| 2023 | 1,922 |
| Total | <u>\$ 120,912</u> |

7. Long-Term Obligations

a. Installment Purchase

In October 2015, the County entered into an installment purchase contract to finance the acquisition of computer software and related support services for the Tax office. The financing contract requires quarterly installments of \$4,081, which includes interest at a rate of 2.6%.

Annual debt service requirements to maturity for the County's installment purchase contract are as follows:

| <u>Year Ending June 30:</u> | <u>Governmental Activities</u> | |
|-----------------------------|--------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2020 | \$ 15,835 | \$ 489 |
| 2021 | 8,084 | 81 |
| Total | <u>\$ 23,919</u> | <u>\$ 570</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

b. Term Debt

On March 11, 2002, the County executed an agreement with the U.S. Department of Agriculture for \$900,000 to assist in the construction and renovation of court facilities. The loan is secured by a deed of trust on certain real property and is payable over a 30 year period. The terms of the agreement require annual installments of \$57,798, including interest of 4.75% on March 11 of each year.

\$ 550,440

On July 2, 2007, the County executed an agreement with First National Bank for \$2,500,000 to assist in the construction of a gymnasium for Columbia High School. The loan was subsequently refinanced in November of 2011. The loan is secured by a deed of trust on certain real property and is payable over an 11 year period. The terms of the agreement require semi-annual installments of \$103,404, including interest of 2.125% on December 1 and June 1 of each year beginning in June, 2012. Due to the economic substance of the transaction, the capital assets associated with the note payable are recorded by the Board of Education.

\$ 720,902

Annual debt service requirements to maturity for the County’s term debt are as follows:

| Year Ended June 30 | USDA Building | | School Gymnasium | |
|-----------------------|-------------------|-------------------|-------------------|------------------|
| | Principal | Interest | Principal | Interest |
| 2020 | \$ 31,619 | \$ 26,179 | \$ 192,439 | \$ 14,369 |
| 2021 | 33,121 | 24,677 | 196,569 | 10,240 |
| 2022 | 34,694 | 23,104 | 200,787 | 6,022 |
| 2023 | 36,342 | 21,456 | 131,107 | 1,401 |
| 2024 | 38,068 | 19,730 | - | - |
| 2025-2029 | 219,243 | 69,747 | - | - |
| 2030-2034 | 157,353 | 15,244 | - | - |
| Total | <u>\$ 550,440</u> | <u>\$ 200,137</u> | <u>\$ 720,902</u> | <u>\$ 32,032</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

c. Revenue Bond

Serviced by the County's Water and Sewer Fund:

\$2,794,000 Water Revenue Bonds, Series 2013A, issued for water system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 3.125%.

\$ 2,585,000

\$730,000 Water Revenue Bonds, Series 2013B, issued for water system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an annual interest rate of 2.5%.

\$ 668,000

\$1,002,000 Sewer System Revenue Bonds, Series 2016A, issued for sewer system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 2.25%.

\$ 985,000

\$373,000 Sewer System Revenue Bonds, Series 2016B, issued for sewer system improvements. Principal installments are due annually on June 1 with annual interest payments due on June 1 at an interest rate of 2.25%.

\$ 367,000

| Year Ended June 30 | Series 2013A | | Series 2013B | | Series 2016A | | Series 2016B | |
|-----------------------|----------------------------|----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Principal | Interest | Principal | Interest | Principal | Interest | Principal | Interest |
| 2020 | \$ 46,000 | \$ 80,781 | \$ 13,000 | \$ 16,700 | \$ 17,000 | \$ 22,163 | \$ 6,000 | \$ 8,258 |
| 2021 | 47,000 | 79,344 | 14,000 | 16,375 | 18,000 | 21,780 | 7,000 | 8,123 |
| 2022 | 49,000 | 77,875 | 14,000 | 16,025 | 18,000 | 21,375 | 7,000 | 7,965 |
| 2023 | 50,000 | 76,344 | 14,000 | 15,675 | 19,000 | 20,970 | 7,000 | 7,808 |
| 2024 | 52,000 | 74,781 | 15,000 | 15,325 | 19,000 | 20,543 | 7,000 | 7,650 |
| 2024-2028 | 284,000 | 348,594 | 79,000 | 70,925 | 101,000 | 98,370 | 38,000 | 35,820 |
| 2029-2033 | 330,000 | 301,406 | 89,000 | 60,550 | 114,000 | 86,693 | 42,000 | 31,365 |
| 2034-2038 | 387,000 | 246,375 | 123,000 | 57,050 | 126,000 | 73,620 | 47,000 | 26,415 |
| 2039-2043 | 451,000 | 182,063 | 117,000 | 32,700 | 142,000 | 59,085 | 53,000 | 20,858 |
| 2044-2048 | 645,000 | 118,188 | 133,000 | 17,275 | 158,000 | 42,773 | 59,000 | 14,603 |
| 2049-2053 | 244,000 | 11,500 | 57,000 | 2,125 | 177,000 | 24,548 | 66,000 | 7,650 |
| 2054-2058 | - | - | - | - | 76,000 | 5,110 | 28,000 | 945 |
| Total | <u><u>\$ 2,585,000</u></u> | <u><u>\$ 1,597,251</u></u> | <u><u>\$ 668,000</u></u> | <u><u>\$ 320,725</u></u> | <u><u>\$ 985,000</u></u> | <u><u>\$ 497,030</u></u> | <u><u>\$ 367,000</u></u> | <u><u>\$ 177,460</u></u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

The County is in compliance with the covenants as to rates, fees, rentals, and charges of the Bond Order that authorized the issuance of the Water Revenue Bonds, Series 2013. Section 5.01(b) of the Bond Order requires the debt service coverage ratio to be no less than 110%.

The County is in compliance with the covenants as to rates, fees, rentals, and charges of the Bond Order, authorizing the issuance of the Sewer Revenue Bonds, Series 2016 A& B. Section 3.01(f) of the Bond Order requires the debt service coverage ratio to be no less than 110%.

The debt service coverage ratio calculations for the year ended June 30, 2019, are as follows:

| | <u>Water Bonds</u> | <u>Sewer Bonds</u> |
|--|--------------------|--------------------|
| Operating revenues | \$ 1,071,379 | \$ 237,295 |
| Operating expenses* | (751,189) | (162,673) |
| Operating income | 320,190 | 74,622 |
| Nonoperating revenues (expenses)** | 10,613 | 349 |
| Income available for debt service | <u>330,803</u> | <u>74,971</u> |
| Debt service, principal paid (Revenue bond only) | 57,000 | 23,000 |
| Debt service, interest paid (Revenue bond only) | 99,181 | 30,938 |
| Debt service coverage ratio | 2.12 | 1.39 |

** Per the covenants, operating expenses do not include depreciation expense or debt service expense.

The County has pledged future water customer revenues, net of specified operating expenses, to repay \$3,524,000 in water system revenue bonds issued in February 2013 (Series 2013A and 2013B). Proceeds from the bonds provided financing for the construction of a reverse osmosis water treatment plant, wells, pumping stations, water mains, a ground water storage tank and water treatment process effluent transmission and discharge facilities to serve Tyrrell County. The bonds are payable solely from water customer net revenues and are payable through 2052. The total principal and interest remaining to be paid on the bonds is \$5,170,976. Principal and interest paid for the current year and total customer net revenues were \$156,181 and \$330,803, respectively.

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$1,375,000 in sewer system revenue bonds issued in September 2016 (Series 2016A and 2016B). Proceeds from the bonds provided financing for the construction improvements and sewer system expansion to serve Tyrrell County. The bonds are payable solely from sewer customer net revenues and are payable through 2056. The total principal and interest remaining to be paid on the bonds is \$2,026,490. Principal and interest paid for the current year and total customer net revenues were \$53,938 and \$74,971 respectively.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

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

| | Balance July 1, 2018 | Increases | Decreases | Balance June 30, 2019 | Current Portion |
|---------------------------------------|---------------------------------|-------------------|-------------------|----------------------------------|----------------------------|
| Governmental activities: | | | | | |
| Installment Purchase | \$ 39,361 | \$ - | \$ 15,442 | \$ 23,919 | \$ 15,835 |
| Term loan - court facility | 580,657 | - | 30,217 | 550,440 | 31,619 |
| Term loan - Gymnasium | 909,369 | - | 188,467 | 720,902 | 192,439 |
| Compensated absences | 126,595 | 17,170 | - | 143,765 | - |
| Total pension liability (LEOSSA) | 117,738 | - | 33,420 | 84,318 | - |
| Net pension liability (LGERS) | 468,302 | 161,141 | - | 629,443 | - |
| OPEB | 3,567,070 | - | 23,419 | 3,543,651 | - |
| Total Governmental activities | \$ 5,809,092 | \$ 178,311 | \$ 290,965 | \$ 5,696,439 | \$ 239,893 |
| Business-type activities: | | | | | |
| Water Revenue bonds | \$ 2,629,000 | \$ - | \$ 44,000 | \$ 2,585,000 | \$ 46,000 |
| Water Revenue bonds | 681,000 | - | 13,000 | 668,000 | 13,000 |
| Sewer Revenue Bonds | 1,002,000 | - | 17,000 | 985,000 | 17,000 |
| Sewer Revenue Bonds | 373,000 | - | 6,000 | 367,000 | 6,000 |
| Compensated absences | 21,971 | 4,479 | - | 26,450 | - |
| Net pension liability (LGERS) | 67,165 | 21,974 | - | 89,139 | - |
| OPEB | 486,419 | - | 3,193 | 483,226 | - |
| Total Business-type activities | \$ 5,260,555 | \$ 26,453 | \$ 83,193 | \$ 5,203,814 | \$ 82,000 |
| ABC Board: | | | | | |
| Construction Note | \$ 149,695 | \$ - | \$ 14,267 | \$ 135,428 | 17,413 |
| Net pension liability (LGERS) | 4,278 | 5,211 | - | 9,489 | - |
| Vacation payable | - | 2,605 | - | 2,605 | - |
| Total Business-type activities | \$ 153,973 | \$ 7,816 | \$ 14,267 | \$ 147,522 | \$ 17,413 |

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

C. Inter-fund Balances and Activity

The composition of inter-fund balances as of June 30, 2019 is as follows:

| | Interfund | |
|------------------|--------------------|-------------------|
| | <u>Receivables</u> | <u>Payables</u> |
| General Fund | \$ 70,665 | \$ - |
| General Fund | 136,828 | - |
| Recreation Fund | - | 70,665 |
| Flood Mitigation | - | 136,828 |
| | <u>\$ 207,493</u> | <u>\$ 207,493</u> |

The General Fund made various payments to vendors on behalf of the Flood Mitigation Fund. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2019.

The General Fund made payments on behalf of the Recreation Fund. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2019.

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

| | |
|--|-------------------|
| From the General Fund to Capital Outlay Fund for a Reserve for Ambulance & Elections Equipment | \$ 30,000 |
| From the General Fund to Alligator Sewer Fund for a Local Match | 2,860 |
| From the General Fund to Road Street Improvement Fund for a Local Match | 851 |
| From the Capital Outlay Fund to the General Fund for an Ambulance | 36,000 |
| From the General Fund to Access Park Fund for a Local Match | 4,000 |
| From the General Fund to Revaluation Fund for Revaluation | 5,000 |
| From the School Capital Outlay to the General Fund to cover Article 44 Sales Tax for Economic Development | 104,767 |
| | <u>\$ 183,478</u> |

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 3—Detail notes on all funds (continued)

D. Net Investment in Capital Assets

| | Governmental | Business-Type |
|----------------------------------|---------------------|----------------------|
| Capital assets | \$ 3,117,127 | \$ 18,526,700 |
| less: long-term debt | (1,295,261) | (4,605,000) |
| Net investment in capital assets | <u>\$ 1,821,866</u> | <u>\$ 13,921,700</u> |

E. Fund Balance

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

| | |
|-----------------------------------|---------------------|
| Total Fund Balance - General Fund | <u>\$ 1,246,508</u> |
| Less: | |
| Prepays | 431 |
| Stabilization by State Statute | 490,168 |
| Controlled substance tax | 7,382 |
| HAVA grant funds | 7,130 |
| Drug forfeiture funds | 38,567 |
| Court facilities | 65,773 |
| Register of Deeds | 9,852 |
| USDA reserve | 60,743 |
| Tax revaluation | 28,525 |
| Capital outlay | 63,610 |
| Recreation | 47,044 |
| Fire Protection | 35,989 |
| Subsequent year's expenditures | 977,317 |
| Remaining Fund Balance | <u>\$ (586,023)</u> |

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. At June 30, 2019, there are no outstanding encumbrances.

Note 4—Joint Ventures

The County participates with three other counties to operate the Pettigrew Regional Library. Each participating government appoints one member to a twelve-member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$128,962 to the Library to supplement its activities. Complete financial statements for the Library can be obtained from the Library's office at 201 E. 3rd Street, Plymouth, NC 27962.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 4—Joint Ventures (continued)

The County participates with 25 other counties to operate Trillium Health Resources, a local management Entity-Managed Care Organization. Each participating government appoints two members to the regional advisory board. The regional advisory boards name two members to the Trillium Governing Board. The County Manager of Tyrrell County sits on the Trillium Governing Board. None of the participating governments have any equity interest in the Agency, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$9,906 to the Agency to supplement its activities. Complete financial statements for Trillium Health Resources can be obtained from the Joy Futrell, Vice President of Operations, Trillium Health Resources, 144 Community College Road, Ahoskie, NC 29710.

The County participates with two other counties to operate the Martin, Tyrrell and Washington Regional Health Department. Each participating government appoints members to the Board based upon population. The County currently has two members on the Board. The County has an ongoing financial responsibility for the joint venture because the Health Department's existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Health Department, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$58,801 to the Health Department to supplement its activities. Complete financial statements for the Health Department can be obtained from the Regional offices at the Washington County Health Department, Plymouth, NC 27962.

The County participates with nine other counties to operate the Albemarle Commission. Each participating government appoints one member to a 14-member board plus four at-large members. The County has an ongoing financial responsibility for the joint venture because the Albemarle Commission's existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Albemarle Commission, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$3,578 to the Albemarle Commission to supplement its activities. Complete financial statements for the Albemarle Commission can be obtained from the Albemarle Commission at Post Office Box 646, Hertford, NC 27944.

The County participates with three other counties to operate the Partnership for the Sounds. The Board of Directors for the Partnership appoints members from its service area to fill vacancies. The County has an ongoing financial responsibility for the joint venture because the Partnership for the Sounds' existence depends on the participating governments' continued funding. In addition, the County Manager of Tyrrell County serves as the Chairman of the Board. None of the participating governments have any equity interest in the Partnership for the Sounds, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$12,000 to the Partnership for the Sounds to supplement its activities. Complete financial statements for the Partnership for the Sounds can be obtained from the Partnership for the Sounds at Post Office Box 55, Columbia, NC 27925.

The County participates with eight other counties to operate the Albemarle Solid Waste Authority. Each participating government appoints two members to a 16-member board. The County has an ongoing financial responsibility for the joint venture because the Albemarle Solid Waste Authority's existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Albemarle Solid Waste Authority, so none was reflected in the County's financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$3,690 to the Albemarle Solid Waste Authority to supplement its activities. Complete financial statements for the Albemarle Solid Waste Authority can be obtained from the Albemarle Solid Waste Authority at Post Office Box 189, Elizabeth City, NC 27909.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 4—Joint Ventures (continued)

The County participates with other jurisdictions to assist as a pass-through entity for the funding of the Juvenile Crime Prevention Commission. During the fiscal year ending June 30, 2019, the County made appropriations to the school system in the amount of \$51,583, of which consisted of \$46,894 in grant funds obtained from the State and \$4,689 in County funds.

The County is a party to an interlocal agreement for the provision of law enforcement and related services by the office of the sheriff with the jurisdiction Town of Columbia. The Town shall pay a fee of \$96,366 in four quarterly installments. The agreement will remain in force until terminated by either party.

The County is party to a transit service agreement with Hyde County Non-Profit Private Transportation Corporation, a Community Transportation System as defined by the North Carolina Public Transportation Division (hereinafter referred to as "HCT"). The County may appoint five board members to the governing board of HCT. The County provides payment for services of HCT in Tyrrell County as well as provides the local match requirements for the Administrative Budget when so billed by HCT. These services are funded by grants through the Rural Operating Assistance Program.

The County participated in a merger of State 911 funds for the construction and continued operation of a three County comprehensive enhanced 911 center located in Dare County. The relationship among the three Counties and the State is a cooperative agreement.

The County, in order to confirm the stationing of a full complement of Agriculture Extension Services, has entered into an agreement with North Carolina State University to provide a portion of the salaries and benefits for all programmatic extension employees assigned to Tyrrell County. During the fiscal year ending June 30, 2019, the County made appropriations to NCSU in the amount of \$110,109 for those provided services.

Note 5—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 moneys.

Note 6—Subsequent events

Management has evaluated subsequent events through February 3, 2020, the date on which the financial statements were available to be issued.

The State of North Carolina executives and legislators made an announcement subsequent to June 30, 2019 that they would be shutting down the Tyrrell Prison Work Farm within the next six months. The sale of potable water to the Tyrrell Prison Work Farm by the County is approximately 30% of the water charges for services revenues of the County.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY (ASSET) FOR LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM

LAST SIX YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| County's proportion of the net pension liability (asset) % | 0.03029% | 0.03505% | 0.03392% | 0.03419% | 0.03361% | 0.00341% |
| County's proportionate share of the net pension liability (asset) | \$ 718,582 | \$ 468,302 | \$ 719,896 | \$ 153,443 | \$ (198,214) | \$ 411,036 |
| County's covered payroll | \$ 2,300,438 | \$ 2,030,939 | \$ 2,168,566 | \$ 2,071,619 | \$ 1,677,022 | \$ 1,702,945 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 31.24% | 23.06% | 33.20% | 7.41% | -11.82% | 24.14% |
| Plan fiduciary net position as a percentage of the total pension liability | 91.63% | 94.18% | 91.47% | 98.09% | 102.64% | 94.35% |

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

** Information is not required to be presented retroactively. This schedule will not present 10 years of information until fiscal year 2023.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS FOR LOCAL GOVERNMENT
EMPLOYEES' RETIREMENT SYSTEM

LAST SIX YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Contractually required contribution | \$ 175,595 | \$ 164,972 | \$ 159,574 | \$ 140,888 | \$ 138,232 | \$ 135,365 |
| Contribution in relation to the contractually required contribution | <u>175,595</u> | <u>164,972</u> | <u>159,574</u> | <u>140,888</u> | <u>138,232</u> | <u>135,365</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 2,219,587 | \$ 2,300,438 | \$ 2,030,939 | \$ 2,168,566 | \$ 2,071,619 | \$ 1,677,022 |
| Contributions as a percentage of covered payroll | 7.91% | 7.17% | 7.86% | 6.50% | 6.67% | 8.07% |

** Information is not required to be presented retroactively. This schedule will not present 10 years of information until fiscal year 2023.

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) FOR REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

LAST SIX YEARS

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| County's proportion of the net pension liability (asset) % | 0.03189% | 0.03070% | 0.03724% | 0.03382% | 0.04226% | 0.03636% |
| County's proportionate share of the net pension liability (asset) | \$ (5,282) | \$ (5,242) | \$ (6,964) | \$ (7,838) | \$ (9,576) | \$ (7,766) |
| County's covered payroll | \$ 46,326 | \$ 37,670 | \$ 60,931 | \$ 54,711 | \$ 76,083 | \$ 76,083 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | -11.40% | -13.92% | -11.43% | -12.86% | -17.50% | 10.21% |
| Plan fiduciary net position as a percentage of the total pension liability | 153.31% | 153.77% | 160.17% | 197.29% | 193.88% | 190.50% |

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

** Information is not required to be presented retroactively. This schedule will not present 10 years of information until fiscal year 2023.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF COUNTY CONTRIBUTIONS FOR REGISTER OF DEEDS'
SUPPLEMENTAL PENSION PLAN

LAST SIX YEARS

| | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|-------------|-------------|-------------|-------------|-------------|-------------|
| Contractually required contribution | \$ 286 | \$ 273 | \$ 267 | \$ 304 | \$ 271 | \$ 345 |
| Contribution in relation to the contractually required contribution | 286 | 273 | 267 | 304 | 271 | 345 |
| Contribution deficiency (excess) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| County's covered-employee payroll | 47,252 | 46,326 | 37,670 | \$ 60,931 | \$ 54,711 | \$ 76,083 |
| Contributions as a percentage of covered-employee payroll | 0.61% | 0.59% | 0.71% | 0.50% | 0.50% | 0.45% |

** Information is not required to be presented retroactively. This schedule will not present 10 years of information until fiscal year 2023.

TYRRELL COUNTY, NORTH CAROLINA**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY LAW ENFORCEMENT OFFICERS'
SPECIAL SEPARATION ALLOWANCE***LAST THREE YEARS*

| | 2019 | 2018 | 2017 |
|--|------------------|-------------------|-------------------|
| Beginning balance | \$ 117,738 | \$ 122,441 | \$ 111,580 |
| Service cost | 11,423 | 10,406 | 13,567 |
| Interest on the total pension liability | 3,712 | 4,714 | 3,938 |
| Changes of benefit terms | - | - | - |
| Differences between expected and actual experience in the measurement of the total pension liability | (44,587) | (29,842) | - |
| Changes of assumptions or other inputs | (3,425) | 10,650 | (4,120) |
| Benefit payments | (543) | (631) | (2,524) |
| Other changes | - | - | - |
| Ending balance of the total pension liability | <u>\$ 84,318</u> | <u>\$ 117,738</u> | <u>\$ 122,441</u> |

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

** Information is not required to be presented retroactively. This schedule will not present ten years of information until fiscal year 2026.

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

LAST THREE YEARS

| | <u>2019</u> | <u>2018</u> | <u>2017</u> |
|--|-------------|-------------|-------------|
| Total pension liability | \$ 84,318 | \$ 117,738 | \$ 122,441 |
| Covered payroll | 424,870 | 425,942 | 493,228 |
| Total pension liability as a percentage of covered payroll | 19.85% | 27.64% | 24.82% |

Notes to the schedule:

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

** Information is not required to be presented retroactively. This schedule will not present ten years of information until fiscal year 2026.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY
AND RELATED RATIOS

LAST TWO YEARS

| | 2018 | 2017 |
|--|---------------------|---------------------|
| Beginning balance | \$ 4,053,488 | \$ 4,258,658 |
| Service cost | 164,142 | 188,168 |
| Interest on the total OPEB liability | 142,804 | 126,705 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | (3,344) | 16,375 |
| Changes of assumptions or other inputs | (245,209) | (437,318) |
| Benefit payments and implicit subsidy credit | (85,004) | (99,100) |
| Other changes | - | - |
| Ending balance of the total OPEB liability | <u>\$ 4,026,877</u> | <u>\$ 4,053,488</u> |
| Covered payroll | \$ 2,063,295 | \$ 2,063,295 |
| Total OPEB liability as a percentage of covered payroll | 195.17% | 196.46% |

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

| <u>Fiscal Year</u> | <u>Rate</u> |
|--------------------|-------------|
| 2018 | 3.89% |
| 2017 | 3.56% |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GENERAL FUND – BUDGET AND ACTUAL**

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|--|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Ad valorem taxes | | | | |
| Current year | \$ 3,836,636 | \$ 3,978,064 | \$ | \$ 3,858,342 |
| Penalties and interest | 38,000 | 66,153 | | 46,944 |
| Total ad valorem taxes | <u>3,874,636</u> | <u>4,044,217</u> | <u>169,581</u> | <u>3,905,286</u> |
| Local option sales taxes | | | | |
| Articles 39, 40, & 42 | 421,241 | 447,084 | | 473,695 |
| Total local option sales taxes | <u>421,241</u> | <u>447,084</u> | <u>25,843</u> | <u>473,695</u> |
| Other taxes and licenses | | | | |
| Deed stamp excise tax | 20,500 | 50,129 | | 23,867 |
| Scrap tire disposal tax | 5,800 | 5,918 | | 5,590 |
| Videoprogramming tax | 550 | 546 | | 555 |
| White goods disposal tax | 2,000 | 1,717 | | 2,249 |
| Solid waste tax | 3,000 | 3,000 | | 2,820 |
| Occupancy tax | - | 111 | | 218 |
| Total other taxes and licenses | <u>31,850</u> | <u>61,421</u> | <u>29,571</u> | <u>35,299</u> |
| Unrestricted intergovernmental revenues | | | | |
| Gas tax refund | - | - | | 877 |
| Controlled substance tax | 1,400 | 3,200 | | 2,110 |
| Payments in lieu of taxes | 53,800 | 50,197 | | 43,803 |
| Beer and wine tax | 15,000 | 14,972 | | 14,272 |
| Total unrestricted intergovernmental revenues | <u>70,200</u> | <u>68,369</u> | <u>(1,831)</u> | <u>61,062</u> |
| Restricted intergovernmental revenues | | | | |
| Federal and State grants | 1,258,375 | 1,207,943 | | 1,243,780 |
| Court facility fees | 38,500 | 45,227 | | 39,161 |
| ABC bottles tax | 1,350 | 1,612 | | 1,477 |
| Total restricted intergovernmental revenues | <u>1,298,225</u> | <u>1,254,782</u> | <u>(43,443)</u> | <u>1,284,418</u> |
| Licenses and permits | | | | |
| Gun permits | 1,900 | 2,340 | | 2,005 |
| Officer service fees | 158,366 | 185,426 | | 158,143 |
| Animal control fees | 1,900 | 2,050 | | 2,186 |
| Building permits and inspection fees | 21,400 | 27,885 | | 21,643 |
| Candidate filing fees | - | - | | 2,454 |
| License revocation fees | 62,220 | 64,260 | | 60,406 |
| Other fees | 16,200 | 17,743 | | 17,369 |
| Total licenses and permits | <u>261,986</u> | <u>299,704</u> | <u>37,718</u> | <u>264,206</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|---------------------------------------|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Revenues (continued) | | | | |
| Sales and services | | | | |
| Rents and other | \$ 23,914 | \$ 23,324 | \$ | \$ 22,415 |
| Jail fees | 3,000 | 2,236 | | 2,814 |
| Total sales and services | <u>26,914</u> | <u>25,560</u> | <u>(1,354)</u> | <u>25,229</u> |
| Interest earned on investments | <u>31,800</u> | <u>36,303</u> | <u>4,503</u> | <u>26,392</u> |
| Miscellaneous | | | | |
| Donations and contributions | 5,839 | 9,176 | | 8,945 |
| Recreation fees | - | - | | 15,329 |
| Other revenues | 24,535 | 40,400 | | 44,083 |
| Total miscellaneous | <u>30,374</u> | <u>49,576</u> | <u>19,202</u> | <u>68,357</u> |
| Total revenues | <u>6,047,226</u> | <u>6,287,016</u> | <u>239,790</u> | <u>6,143,944</u> |
| Expenditures | | | | |
| Current | | | | |
| General government | | | | |
| Governing body | | | | |
| Salaries and employee benefits | 262,391 | 256,323 | | 230,444 |
| Other operating expenditures | 65,085 | 57,639 | | 58,844 |
| Contract services | 103,966 | 56,938 | | 50,526 |
| Total | <u>431,442</u> | <u>370,900</u> | <u>60,542</u> | <u>339,814</u> |
| Elections | | | | |
| Salaries and employee benefits | 47,163 | 45,493 | | 34,370 |
| Other operating expenditures | 29,000 | 29,023 | | 21,848 |
| Total | <u>76,163</u> | <u>74,516</u> | <u>1,647</u> | <u>56,218</u> |
| Finance | | | | |
| Salaries and employee benefits | 182,930 | 181,507 | | 215,758 |
| Other operating expenditures | 12,400 | 12,212 | | 12,843 |
| Total | <u>195,330</u> | <u>193,719</u> | <u>1,611</u> | <u>228,601</u> |
| Taxes | | | | |
| Salaries and employee benefits | 145,741 | 144,395 | | 139,389 |
| Other operating expenditures | 67,450 | 69,835 | | 73,973 |
| Contract services | 9,161 | 3,033 | | 3,521 |
| Capital outlay | 5,000 | 2,453 | | 264 |
| Total | <u>227,352</u> | <u>219,716</u> | <u>7,636</u> | <u>217,147</u> |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)**

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|---------------------------------------|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| General government (continued) | | | | |
| Register of deeds | | | | |
| Salaries and employee benefits | \$ 102,917 | \$ 99,647 | \$ | \$ 96,927 |
| Other operating expenditures | 32,133 | 30,698 | | 19,216 |
| Contract services | 11,800 | 12,533 | | 12,557 |
| Total | <u>146,850</u> | <u>142,878</u> | <u>3,972</u> | <u>128,700</u> |
| Planning | | | | |
| Other operating expenditures | 5,367 | 2,974 | 2,393 | 2,985 |
| Hurricane relief | | | | |
| Other operating expenditures | 8,905 | 7,873 | 1,032 | 9,151 |
| Buildings and grounds | | | | |
| Salaries and employee benefits | 151,640 | 149,635 | | 148,547 |
| Other operating expenditures | 366,269 | 344,439 | | 327,206 |
| Capital outlay | - | - | | 32,000 |
| Total | <u>517,909</u> | <u>494,074</u> | <u>23,835</u> | <u>507,753</u> |
| Total general government | <u>1,609,318</u> | <u>1,506,650</u> | <u>102,668</u> | <u>1,490,369</u> |
| Public safety | | | | |
| Sheriff | | | | |
| Salaries and employee benefits | 754,651 | 711,277 | | 707,193 |
| Other operating expenditures | 267,304 | 220,748 | | 233,325 |
| Contract services | 2,600 | 2,129 | | 2,151 |
| Total | <u>1,024,555</u> | <u>934,154</u> | <u>90,401</u> | <u>942,669</u> |
| Emergency management | | | | |
| Salaries and employee benefits | 40,720 | 40,492 | | 39,207 |
| Other operating expenditures | 34,532 | 24,734 | | 22,095 |
| Capital outlay | - | - | | 41,596 |
| Total | <u>75,252</u> | <u>65,226</u> | <u>10,026</u> | <u>102,898</u> |
| Department of motor vehicles | | | | |
| Salaries and employee benefits | 35,350 | 35,229 | | 33,677 |
| Other operating expenditures | 420 | - | | 110 |
| Total | <u>35,770</u> | <u>35,229</u> | <u>541</u> | <u>33,787</u> |
| Fire protection | | | | |
| Forest fire control | 53,772 | 42,867 | | 49,022 |
| Contribution to the fire department | 120,000 | 120,000 | | 120,000 |
| Capital outlay | 65,000 | 55,000 | | 40,000 |
| Total | <u>238,772</u> | <u>217,867</u> | <u>20,905</u> | <u>209,022</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|----------------------------------|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Public safety (continued) | | | | |
| Building inspector | | | | |
| Salaries and employee benefits | \$ 70,340 | \$ 69,951 | \$ | \$ 66,230 |
| Other operating expenditures | 12,775 | 11,967 | | 9,814 |
| Contract services | - | 30 | | - |
| Total | <u>83,115</u> | <u>81,948</u> | <u>1,167</u> | <u>76,044</u> |
| Medical examiner | | | | |
| Other operating expenditures | 2,000 | 200 | 1,800 | 6,050 |
| Animal control | | | | |
| Salaries and employee benefits | 49,997 | 49,067 | | 47,563 |
| Capital outlay | - | - | | 7,495 |
| Other operating expenditures | 13,464 | 13,267 | | 11,963 |
| Total | <u>63,461</u> | <u>62,334</u> | <u>1,127</u> | <u>67,021</u> |
| Total public safety | <u>1,522,925</u> | <u>1,396,958</u> | <u>125,967</u> | <u>1,437,491</u> |
| Human services | | | | |
| Health | | | | |
| MTW health | 58,801 | 58,801 | | 58,430 |
| Trillium health | 9,906 | 9,906 | | 9,906 |
| Medical transportaion | | | | |
| Emergency medical services | 669,595 | 669,175 | 420 | 506,827 |
| Social services | | | | |
| Administration | | | | |
| Salaries and employee benefits | 903,457 | 864,208 | | 806,391 |
| Other operating expenditures | 231,554 | 220,390 | | 180,311 |
| Contracted services | 60,000 | 60,000 | | 52,494 |
| Total | <u>1,195,011</u> | <u>1,144,598</u> | <u>50,413</u> | <u>1,039,196</u> |
| Public assistance | | | | |
| Medical assistance payments | 16,000 | 10,464 | | 17,015 |
| Income maintenance | 32,000 | 32,956 | | 29,546 |
| Total | <u>48,000</u> | <u>43,420</u> | <u>4,580</u> | <u>46,561</u> |
| Food stamps/coupons | | | | |
| Other operating expenditures | 2,500 | 1,192 | 1,308 | 1,494 |
| Day care | | | | |
| Assistance payments | 6,500 | 206 | 6,294 | 6,175 |
| Legal aid children | | | | |
| Other operating expenditures | 25,000 | 24,986 | 14 | 23,280 |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|---------------------------------------|------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Human Services (continued) | | | | |
| Senior citizens assistance | | | | |
| Other operating expenditures | \$ 91,892 | \$ 84,596 | \$ 7,296 | \$ 87,461 |
| Transportation - nutritional | | | | |
| Salaries and employee benefits | 91,430 | 91,040 | | 84,761 |
| Contracted services | 8,631 | 8,631 | | 8,631 |
| Other operating expenditures | 37,131 | 35,801 | | 34,809 |
| Total | <u>137,192</u> | <u>135,472</u> | <u>1,720</u> | <u>128,201</u> |
| Crisis intervention | | | | |
| Other operating expenditures | 29,708 | 27,573 | 2,135 | 23,088 |
| Foster care | | | | |
| Other operating expenditures | 23,770 | 3,173 | 20,597 | 4,838 |
| Blind administration | | | | |
| Other operating expenditures | 1,922 | 1,922 | - | 1,776 |
| Other Social Services | | | | |
| Other operating expenditures | 138,740 | 120,514 | 18,226 | 103,653 |
| Veteran's Services | | | | |
| Other operating expenditures | 215 | 137 | 78 | 11 |
| Total | <u>215</u> | <u>137</u> | <u>78</u> | <u>11</u> |
| Total human services | <u>2,438,752</u> | <u>2,325,671</u> | <u>113,081</u> | <u>2,040,897</u> |
| Education | | | | |
| Public schools - current | 592,595 | 592,595 | | 582,595 |
| Total education | <u>592,595</u> | <u>592,595</u> | <u>-</u> | <u>582,595</u> |
| Environmental protection | | | | |
| Drainage | | | | |
| Contract services | - | - | - | 2,500 |
| Solid waste | | | | |
| Salaries and employee benefits | 11,695 | 10,942 | | 9,314 |
| Capital outlay | - | - | | 6,368 |
| Other operating expenses | 116,180 | 113,459 | | 73,503 |
| Contract services | 394,290 | 395,172 | | 385,202 |
| Total | <u>522,165</u> | <u>519,573</u> | <u>2,592</u> | <u>474,387</u> |
| Total environmental protection | <u>522,165</u> | <u>519,573</u> | <u>2,592</u> | <u>476,887</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|--|--------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Expenditures (continued) | | | | |
| Current (continued) | | | | |
| Economic and physical development | | | | |
| Agriculture extension | | | | |
| Salaries and employee benefit | \$ 133 | \$ 133 | | \$ (8) |
| Other operating expenditures | 139,752 | 129,479 | | 119,732 |
| Appropriations - Ablemarle Commission | 3,578 | 3,578 | | 3,653 |
| Appropriations - River Festival | 8,850 | 8,850 | | 8,000 |
| Appropriations - Albemarle RC&D | 750 | 750 | | 750 |
| Appropriations - PFS | 12,000 | 12,000 | | 11,500 |
| Total | <u>165,063</u> | <u>154,790</u> | <u>10,273</u> | <u>143,627</u> |
| Board of Supervisors - soil conservation | | | | |
| Salaries and employee benefits | 47,864 | 47,926 | | 46,154 |
| Other operating expenditures | 10,750 | 6,475 | | 156,844 |
| Total | <u>58,614</u> | <u>54,401</u> | <u>4,213</u> | <u>202,998</u> |
| Total economic and physical development | <u>223,677</u> | <u>209,191</u> | <u>14,486</u> | <u>346,625</u> |
| Cultural and recreational | | | | |
| Pettigrew Regional Library | 130,464 | 130,464 | | 129,000 |
| Recreation Commission | 45,250 | 40,348 | | 36,729 |
| Total cultural and recreational | <u>175,714</u> | <u>170,812</u> | <u>4,902</u> | <u>165,729</u> |
| Debt service | | | | |
| Note principal | 45,625 | 45,659 | | 43,889 |
| Interest and fees | 28,523 | 28,464 | | 30,258 |
| Total debt service | <u>74,148</u> | <u>74,123</u> | <u>25</u> | <u>74,147</u> |
| Total expenditures | <u>7,159,294</u> | <u>6,795,573</u> | <u>363,721</u> | <u>6,614,740</u> |
| Revenues over (under) expenditures | <u>(1,112,068)</u> | <u>(508,557)</u> | <u>603,511</u> | <u>(470,796)</u> |
| Other financing sources (uses) | | | | |
| Sale of capital assets | - | 3,000 | 3,000 | 3,261 |
| Transfers from other funds | 140,767 | 140,767 | - | - |
| Transfers to other funds | (66,860) | (42,711) | 24,149 | (4,203) |
| Total other financing sources (uses) | <u>73,907</u> | <u>101,056</u> | <u>27,149</u> | <u>(942)</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 1 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GENERAL FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2019

| | <u>2019</u> | | | <u>2018</u> |
|--|------------------|---------------------|---|---------------------|
| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> | |
| Revenues and other financing sources under expenditures and other financing uses | \$ (1,038,161) | \$ (407,501) | \$ 630,660 | \$ (471,738) |
| Appropriated fund balance | <u>1,038,161</u> | <u>-</u> | <u>(1,038,161)</u> | <u>-</u> |
| Revenues and other financing sources (uses) and appropriated fund balance over expenditures | <u>\$ -</u> | <u>(407,501)</u> | <u>\$ (407,501)</u> | <u>(471,738)</u> |
| Fund balance | | | | |
| Beginning of year - July 1 | | <u>1,561,874</u> | | <u>2,033,612</u> |
| End of year - June 30 | | <u>\$ 1,154,373</u> | | <u>\$ 1,561,874</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 2 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – CAPITAL OUTLAY FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

| | 2019 | | | 2018 |
|--|----------|-----------|------------------------------------|-----------|
| | Budget | Actual | Variance Positive (Negative) | |
| Revenues | | | | |
| Investment earnings | \$ - | \$ 1,769 | \$ 1,769 | \$ 643 |
| Expenditures | | | | |
| Capital outlay | 5,000 | - | 5,000 | - |
| Reserve for Ambulance | - | - | - | 25,000 |
| | 5,000 | - | 5,000 | 25,000 |
| Revenues over expenditures | (5,000) | 1,769 | 6,769 | (24,357) |
| Other financing sources (uses): | | | | |
| Transfers from other funds | 30,000 | 30,000 | - | 30,000 |
| Transfers to other funds | (36,000) | (36,000) | - | - |
| | (6,000) | (6,000) | - | 30,000 |
| Appropriated fund balance | 11,000 | - | 11,000 | - |
| Revenues and other financing sources (uses) | \$ - | (4,231) | \$ (4,231) | 5,643 |
| Fund balances | | | | |
| Beginning of year - July 1 | | 67,841 | | 62,198 |
| End of year - June 30 | | \$ 63,610 | | \$ 67,841 |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 3 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REVALUATION FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|--|----------------|------------------|---|------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Investment earnings | \$ 291 | \$ 544 | \$ 253 | \$ 270 |
| Expenditures | | | | |
| Contract services | 5,291 | - | 5,291 | - |
| Revenues over expenditures | <u>(5,000)</u> | <u>544</u> | <u>5,544</u> | <u>270</u> |
| Other financing sources (uses): | | | | |
| Transfers from other funds | 5,000 | 5,000 | - | - |
| Appropriated fund balance | <u>-</u> | <u>-</u> | <u>-</u> | <u>(270)</u> |
| Revenues and other financing sources (uses) and appropriated fund balance over expenditures | <u>\$ -</u> | <u>5,544</u> | <u>\$ 5,544</u> | |
| Fund balances | | | | |
| Beginning of year - July 1 | | <u>22,981</u> | | <u>22,711</u> |
| End of year - June 30 | | <u>\$ 28,525</u> | | <u>\$ 22,981</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 4 – COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

| | School Capital Outlay Fund | Flood Mitigation Assistance | Total Nonmajor Special Revenue Funds |
|---|---|--|---|
| Assets | | | |
| Restricted cash and investments | \$ 229,668 | \$ - | \$ 229,668 |
| Due from other governments | 98,865 | 136,828 | 235,693 |
| Total assets | \$ 328,533 | \$ 136,828 | \$ 465,361 |
| Liabilities: | | | |
| Due to other funds | \$ - | \$ 136,828 | \$ 136,828 |
| Total liabilities | - | 136,828 | 136,828 |
| Fund balances: | | | |
| Restricted: | | | |
| Stabilization by state statute | 98,865 | - | 98,865 |
| School capital outlay | 229,668 | - | 229,668 |
| Total fund balances | 328,533 | - | 328,533 |
| Total liabilities, deferred inflows of resources and fund balances | \$ 328,533 | \$ 136,828 | \$ 465,361 |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 4 – COMBINING BALANCE SHEET - NON-MAJOR GOVERNMENTAL FUNDS

JUNE 30, 2019

| | Road Street Project Fund | Total Nonmajor Capital Projects Funds | Total Nonmajor Governmental Funds |
|---|---|--|--|
| Assets | | | |
| Restricted cash and investments | \$ - | \$ - | \$ 229,668 |
| Due from other governments | - | - | 235,693 |
| Total assets | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 465,361</u> |
| Liabilities: | | | |
| Due to other funds | \$ - | \$ - | \$ 136,828 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>136,828</u> |
| Fund balances: | | | |
| Restricted: | | | |
| Stabilization by state statute | - | - | 98,865 |
| School capital outlay | - | - | 229,668 |
| Total fund balances | <u>-</u> | <u>-</u> | <u>328,533</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 465,361</u> |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 5 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS**

YEAR ENDED JUNE 30, 2019

| | Special Revenue Funds | | |
|--|---|--|---|
| | School Capital Outlay Fund | Flood Mitigation Assistance | Total Nonmajor Special Revenue Funds |
| Revenues | | | |
| Restricted intergovernmental | \$ 450,657 | \$ 147,975 | \$ 598,632 |
| Investment earnings | 2,459 | - | 2,459 |
| Total revenues | <u>453,116</u> | <u>147,975</u> | <u>601,091</u> |
| Expenditures | | | |
| General government | - | 147,975 | 147,975 |
| Public safety | - | - | - |
| Education | 3,849 | - | 3,849 |
| Economic and physical development | - | - | - |
| Capital outlay | 120,000 | - | 120,000 |
| Debt service | | | |
| Note principal | 184,535 | - | 184,535 |
| Interest and fees | 22,274 | - | 22,274 |
| Total expenditures | <u>330,658</u> | <u>147,975</u> | <u>478,633</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>122,458</u> | <u>-</u> | <u>122,458</u> |
| Other financing sources (uses) | | | |
| Other | - | - | - |
| Transfers in | - | - | - |
| Transfers out | <u>(104,767)</u> | <u>-</u> | <u>(104,767)</u> |
| Total other financing sources (uses) | <u>(104,767)</u> | <u>-</u> | <u>(104,767)</u> |
| Net change in fund balances | 17,691 | - | 17,691 |
| Fund balance - beginning | <u>310,842</u> | <u>-</u> | <u>310,842</u> |
| Fund balance - ending | <u>\$ 328,533</u> | <u>\$ -</u> | <u>\$ 328,533</u> |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 5 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)**

YEAR ENDED JUNE 30, 2019

| | Estuarine Access Park Fund | Road Street Project Fund | Hurricane Matthew Debris Removal Project | Total Nonmajor Capital Project Funds | Total Nonmajor Governmental Funds |
|--|----------------------------------|-----------------------------------|---|---|--|
| Revenues | | | | | |
| Restricted intergovernmental | \$ - | \$ 404,234 | \$ 21,004 | \$ 425,238 | \$ 1,023,870 |
| Investment earnings | - | - | - | - | 2,459 |
| Total revenues | <u>-</u> | <u>404,234</u> | <u>21,004</u> | <u>425,238</u> | <u>1,026,329</u> |
| Expenditures | | | | | |
| General government | - | - | 22,313 | 22,313 | 170,288 |
| Public safety | - | - | - | - | - |
| Education | - | - | - | - | 3,849 |
| Economic and physical development | - | 730,085 | - | 730,085 | 730,085 |
| Capital outlay | 4,000 | - | - | 4,000 | 124,000 |
| Debt service | | | | | |
| Note principal | - | - | - | - | 184,535 |
| Interest and fees | - | - | - | - | 22,274 |
| Total expenditures | <u>4,000</u> | <u>730,085</u> | <u>22,313</u> | <u>756,398</u> | <u>1,235,031</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(4,000)</u> | <u>(325,851)</u> | <u>(1,309)</u> | <u>(331,160)</u> | <u>(208,702)</u> |
| Other financing sources (uses) | | | | | |
| Other | - | 325,000 | 1,309 | 326,309 | 326,309 |
| Transfers in | 4,000 | 851 | - | 4,851 | 4,851 |
| Transfers out | - | - | - | - | (104,767) |
| Total other financing sources (uses) | <u>4,000</u> | <u>325,851</u> | <u>1,309</u> | <u>331,160</u> | <u>226,393</u> |
| Net change in fund balances | - | - | - | - | 17,691 |
| Fund balance - beginning | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>310,842</u> |
| Fund balance - ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 328,533</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 6 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – SCHOOL CAPITAL OUTLAY FUND

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|---|----------------|-------------------|------------------------------------|-------------------|
| | Budget | Actual | | |
| Revenues | | | | |
| Restricted intergovernmental revenue | | | | |
| Local option sales tax - Article 40 | \$ 74,296 | \$ 78,247 | \$ 3,951 | \$ 148,145 |
| Local option sales tax - Article 42 | 155,784 | 161,362 | 5,578 | 73,148 |
| Local option sales tax - Article 44 | 126,896 | 131,048 | 4,152 | 125,767 |
| Public school building capital fund - lottery | 80,000 | 80,000 | - | - |
| Investment earnings | - | 2,459 | 2,459 | 1,353 |
| Total revenues | <u>436,976</u> | <u>453,116</u> | <u>16,140</u> | <u>348,413</u> |
| Expenditures | | | | |
| Insurance | 5,400 | 3,849 | 1,551 | 3,729 |
| Capital outlay | 120,000 | 120,000 | - | 97,675 |
| Debt service | | | | |
| Note principal | 188,397 | 184,535 | 3,862 | 184,535 |
| Interest and fees | 18,412 | 22,274 | (3,862) | 22,274 |
| Total expenditures | <u>332,209</u> | <u>330,658</u> | <u>1,551</u> | <u>308,213</u> |
| Other financing sources (uses) | | | | |
| Transfers to other funds | (104,767) | (104,767) | - | (30,966) |
| Revenues over expenditures | <u>\$ -</u> | <u>17,691</u> | <u>\$ 17,691</u> | <u>9,234</u> |
| Fund balances | | | | |
| Beginning of year - July 1 | | <u>310,842</u> | | <u>301,608</u> |
| End of year - June 30 | | <u>\$ 328,533</u> | | <u>\$ 310,842</u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 7 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – FLOOD MITIGATION ASSISTANCE FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------------|------------------------|-------------------------|--------------------------|---|
| Revenues | | | | | |
| Restricted intergovernmental FMA | \$ 174,720 | \$ 14,478 | \$ 147,975 | \$ 162,453 | \$ 12,267 |
| Expenditures | | | | | |
| Program costs | 174,720 | 14,478 | 147,975 | 162,453 | 12,267 |
| Total expenditures | <u>174,720</u> | <u>14,478</u> | <u>147,975</u> | <u>162,453</u> | <u>12,267</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance | | | | | |
| Beginning of year - July 1 | | | <u>-</u> | | |
| End of year - June 30 | | | <u>\$ -</u> | | |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 8 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ESTUARINE ACCESS PARK PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|---|
| Revenues | | | | | |
| Restricted Intergovernmental Public Beach & Coastal Waterfront Access Program Grant | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total revenues | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Expenditures | | | | | |
| Administration | 4,000 | - | 4,000 | 4,000 | - |
| Total expenditures | <u>4,000</u> | <u>-</u> | <u>4,000</u> | <u>4,000</u> | <u>-</u> |
| Revenues over (under) expenditures | (4,000) | - | (4,000) | (4,000) | - |
| Other financing sources | | | | | |
| Transfers from other funds | 4,000 | - | 4,000 | 4,000 | - |
| County inkind match | - | - | - | - | - |
| Total other financing sources | <u>4,000</u> | <u>-</u> | <u>4,000</u> | <u>4,000</u> | <u>-</u> |
| Revenues, other financing sources (uses) over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>-</u> | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance | | | | | |
| Beginning of year - July 1 | | | <u>-</u> | | |
| End of year - June 30 | | | <u>\$ -</u> | | |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 9 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – ROAD STREET PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|---|----------------------------------|------------------------|-------------------------|--------------------------|---|
| Revenues | | | | | |
| Restricted Intergovernmental NC Department of Commerce Critical Needs Grant | \$ 422,161 | \$ 17,927 | \$ 404,234 | \$ 422,161 | \$ - |
| Expenditures | | | | | |
| Road improvements | 772,161 | 17,927 | 730,085 | 748,012 | 24,149 |
| Revenues over (under) expenditures | (350,000) | - | (325,851) | (325,851) | 24,149 |
| Other financing sources (uses) | | | | | |
| NCDOT contribution | 325,000 | - | 325,000 | 325,000 | - |
| County contribution | 25,000 | - | 851 | 851 | (24,149) |
| Total other financing sources | 350,000 | - | 325,851 | 325,851 | (24,149) |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance | | | | | |
| Beginning of year - July 1 | | | - | | |
| End of year - June 30 | | | <u>\$ -</u> | | |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 10 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – HURRICANE MATTHEW DEBRIS REMOVAL PROJECT
FUND**

FROM INCEPTION AND YEAR ENDED JUNE 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> | <u>Variance Positive (Negative)</u> |
|--|----------------------------------|------------------------|-------------------------|--------------------------|---|
| Revenues | | | | | |
| Restricted Intergovernmental Hurricane Debris Removal Grant | \$ 968,882 | \$ - | \$ 21,004 | \$ 21,004 | \$ (947,878) |
| Expenditures | | | | | |
| Debris Removal | 968,882 | - | 21,004 | 21,004 | 947,878 |
| In-Kind contribution | 3,159 | - | 1,309 | 1,309 | 1,850 |
| Total expenditures | <u>972,041</u> | <u>-</u> | <u>22,313</u> | <u>22,313</u> | <u>949,728</u> |
| Other financing sources | | | | | |
| County inkind match | 3,159 | - | 1,309 | 1,309 | 1,850 |
| Total other financing sources | <u>3,159</u> | <u>-</u> | <u>1,309</u> | <u>1,309</u> | <u>1,850</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | - | <u>\$ -</u> | <u>\$ -</u> |
| Fund balance | | | | | |
| Beginning of year - July 1 | | | - | | |
| End of year - June 30 | | | <u>\$ -</u> | | |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 11 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – PROPRIETARY FUND – WATER AND SEWER OPERATIONS

YEAR ENDED JUNE 30, 2019

| | 2019 | | Variance Positive (Negative) | 2018 |
|--|---------------------|------------------|------------------------------------|------------------|
| | Budget | Actual | | |
| Operating revenues | | | | |
| Water: | | | | |
| Charges for services | | \$ 1,016,198 | | \$ 1,012,237 |
| Connection fees | | 15,025 | | 13,025 |
| Tap fees | | 5,707 | | 3,000 |
| Late fees | | 23,041 | | 21,075 |
| Other operating revenues | | 11,703 | | 53,615 |
| Total Water Operating Revenues | \$ 1,079,850 | 1,071,674 | \$ (8,176) | 1,102,952 |
| Sewer: | | | | |
| Charges for services | | 236,334 | | 254,757 |
| Other miscellaneous revenue | | 211 | | - |
| Total Sewer Operating Revenues | 252,254 | 236,545 | (15,709) | 254,757 |
| Total operating revenues | 1,332,104 | 1,308,219 | (23,885) | 1,357,709 |
| Nonoperating revenues and other financing sources | | | | |
| Interest earned on investments | 4,000 | 10,962 | 6,962 | 6,377 |
| Total Nonoperating revenues and other financing sources | 4,000 | 10,962 | 6,962 | 6,377 |
| Total revenues, other financing sources and fund balance appropriations | 1,336,104 | 1,319,181 | (16,923) | 1,364,086 |
| Operating expenditures | | | | |
| Water expenditures | | | | |
| Salaries and employee benefits | | 401,600 | | 356,106 |
| Operating expenditures | | 363,641 | | 561,245 |
| Total water expenditures | 845,996 | 765,241 | 80,755 | 917,351 |
| Sewer expenditures | | | | |
| Salaries and employee benefits | | 43,223 | | 30,071 |
| Operating expenditures | | 119,450 | | 116,935 |
| Total sewer expenditures | 192,894 | 162,673 | 30,221 | 147,006 |
| Total operating expenditures | 1,038,890 | 927,914 | 110,976 | 1,064,357 |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 11 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET
AND ACTUAL – PROPRIETARY FUND – WATER AND SEWER OPERATIONS (CONTINUED)**

YEAR ENDED JUNE 30, 2019

| | 2019 | | | 2018 |
|--|-----------------|-------------------|---|-------------------|
| | Budget | Actual | Variance Positive (Negative) | |
| Other expenditures and financing (sources) uses | | | | |
| Principal payments | 80,000 | 80,000 | - | 56,000 |
| Interest and fees | 130,119 | 130,119 | - | 131,788 |
| Capital outlay | 49,700 | 46,571 | 3,129 | - |
| Total other expenditures and financing uses | <u>259,819</u> | <u>256,690</u> | <u>3,129</u> | <u>187,788</u> |
| Total expenditures and other financing uses | 1,298,709 | 1,184,604 | 114,105 | 1,252,145 |
| Other financing sources (uses) | | | | |
| Donation of equipment | - | 20,000 | 20,000 | - |
| Transfers from other funds | - | - | - | - |
| Transfers to other funds | - | - | - | - |
| Appropriated fund balance | <u>(37,395)</u> | <u>-</u> | <u>37,395</u> | <u>-</u> |
| Total other financing sources | <u>(37,395)</u> | <u>20,000</u> | <u>57,395</u> | <u>-</u> |
| Revenues over expenditures | <u>\$ -</u> | <u>\$ 154,577</u> | <u>\$ 154,577</u> | <u>\$ 111,941</u> |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 11 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET
AND ACTUAL – PROPRIETARY FUND – WATER AND SEWER OPERATIONS (CONTINUED)**

YEAR ENDED JUNE 30, 2019

**Reconciliation of modified accrual
basis to full accrual basis**

| | |
|--|-------------------------|
| Total revenues and other financing sources | \$ 1,339,181 |
| Total expenditures and other financing uses | <u>1,184,604</u> |
| | 154,577 |
| Debt principal | 80,000 |
| Capital outlay | 46,571 |
| Depreciation | (510,863) |
| Increase (decrease) in deferred outflows of resources - pensions | (528) |
| (Increase) decrease in net pension liability | (21,974) |
| (Increase) decrease in deferred inflows of resources- pensions | (142) |
| (Increase) decrease in compensated absences | (4,479) |
| OPEB expense | (4,941) |
| Capital contributions from Alligator Sewer Project Fund | 226,639 |
| Local contribution to Alligator Sewer Project Fund | <u>2,860</u> |
| Total reconciling items | <u>(140,286)</u> |
| Change in net position | <u><u>\$ 14,291</u></u> |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 12 – SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – ALLIGATOR SEWER PROJECT FUND

FROM INCEPTION AND YEAR ENDED JUNE 30, 2019

| | <u>Project Authorization</u> | <u>Prior Years</u> | <u>Current Year</u> | <u>Total to Date</u> |
|---|----------------------------------|------------------------|-------------------------|--------------------------|
| Revenues | | | | |
| Restricted Intergovernmental Community Development Block Grant | \$ 2,997,000 | \$ 2,694,788 | \$ 226,639 | \$ 2,921,427 |
| Total revenues | <u>2,997,000</u> | <u>2,694,788</u> | <u>226,639</u> | <u>2,921,427</u> |
| Expenditures | | | | |
| Capital outlay | | | | |
| Sewer improvements | 2,698,500 | 2,680,308 | 67,464 | 2,747,772 |
| Sewer connections | 17,500 | - | - | - |
| Administration | 298,500 | 127,341 | 49,174 | 176,515 |
| Total expenditures | <u>3,014,500</u> | <u>2,807,649</u> | <u>116,638</u> | <u>2,924,287</u> |
| Revenues over (under) expenditures | <u>(17,500)</u> | <u>(112,861)</u> | <u>110,001</u> | <u>(2,860)</u> |
| Other financing sources (uses) | | | | |
| Transfers from other funds | 17,500 | - | 2,860 | 2,860 |
| Total other financing sources | <u>17,500</u> | <u>-</u> | <u>2,860</u> | <u>2,860</u> |
| Revenues and other financing sources over (under) expenditures | <u>\$ -</u> | <u>\$ (112,861)</u> | <u>\$ 112,861</u> | <u>\$ -</u> |

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 13 – COMBINING SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES –
AGENCY FUNDS**

JUNE 30, 2019

| | <u>Balance July 1, 2018</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance June 30, 2019</u> |
|----------------------------------|---------------------------------|------------------|-------------------|----------------------------------|
| Social Services: | | | | |
| Assets | | | | |
| Cash and investments | \$ 396 | \$ 15,711 | \$ 14,270 | \$ 1,837 |
| Liabilities | | | | |
| Miscellaneous liabilities | \$ 396 | \$ 15,711 | \$ 14,270 | \$ 1,837 |
| Fines and Forfeitures: | | | | |
| Assets | | | | |
| Cash and investments | \$ - | \$ 106,425 | \$ 106,425 | \$ - |
| Liabilities | | | | |
| Miscellaneous liabilities | \$ - | \$ 106,425 | \$ 106,425 | \$ - |
| Deed of Trust: | | | | |
| Assets | | | | |
| Cash and investments | \$ 137 | \$ 2,641 | \$ 2,778 | \$ - |
| Liabilities | | | | |
| Miscellaneous liabilities | \$ 137 | \$ 2,641 | \$ 2,778 | \$ - |
| Total - All Agency Funds: | | | | |
| Assets | | | | |
| Cash and investments | \$ 533 | \$ 124,777 | \$ 123,473 | \$ 1,837 |
| Liabilities | | | | |
| Miscellaneous liabilities | \$ 533 | \$ 124,777 | \$ 123,473 | \$ 1,837 |

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE 14 – SCHEDULE OF AD VALOREM TAXES RECEIVABLE

JUNE 30, 2019

| Fiscal Year | Uncollected Balance June 30, 2018 | Additions | Collections and Credits | Uncollected Balance June 30, 2019 |
|-------------------------------------|---|--------------|----------------------------|---|
| 2018-2019 | \$ - | \$ 3,962,040 | \$ 3,776,351 | \$ 185,689 |
| 2017-2018 | 198,896 | | 104,499 | 94,397 |
| 2016-2017 | 106,264 | - | 53,048 | 53,216 |
| 2015-2016 | 66,718 | - | 23,593 | 43,125 |
| 2014-2015 | 42,800 | - | 12,079 | 30,721 |
| 2013-2014 | 31,709 | - | 9,601 | 22,108 |
| 2012-2013 | 28,100 | - | 7,702 | 20,398 |
| 2011-2012 | 20,998 | - | 2,318 | 18,680 |
| 2010-2011 | 23,285 | - | 2,472 | 20,813 |
| 2009-2010 | 16,059 | - | 2,330 | 13,729 |
| 2008-2009 | 14,625 | - | 14,625 | - |
| | \$ 549,454 | \$ 3,962,040 | \$ 4,008,618 | \$ 502,876 |
| Ad valorem taxes receivable - net | | | | \$ 502,876 |
| Reconciliation with revenues: | | | | |
| Ad valorem taxes - General Fund | | | | \$ 4,044,217 |
| Reconciling items | | | | |
| Refunds | | | | 9,072 |
| Penalties paid | | | | 2,916 |
| Abatements | | | | 14,489 |
| Interest and penalties collected | | | | (66,153) |
| Amounts written off for prior years | | | | 4,077 |
| Total reconciling items | | | | (35,599) |
| Total Collections and Credits | | | | \$ 4,008,618 |

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 15 – ANALYSIS OF CURRENT TAX LEVY – COUNTY-WIDE LEVY

YEAR ENDED JUNE 30, 2019

| | <u>County Wide</u> | | | <u>Total Levy</u> | |
|--|---------------------------|-------------|-----------------------|---|----------------------------------|
| | <u>Property Valuation</u> | <u>Rate</u> | <u>Amount of Levy</u> | <u>Property Excluding Registered Motor Vehicles</u> | <u>Registered Motor Vehicles</u> |
| Original Levy: | | | | | |
| Property taxed at Current Year Rates | \$ 411,971,321 | 0.84 | \$ 3,460,559 | \$ 3,198,589 | \$ 261,970 |
| Penalties | N/A | | 3,061 | 3,061 | - |
| Public Utilities | 11,505,391 | 0.84 | 96,645 | 96,645 | - |
| Solid Waste | N/A | | 396,800 | 396,800 | - |
| Total | <u>423,476,712</u> | | <u>3,957,065</u> | <u>3,695,095</u> | <u>261,970</u> |
| Discoveries: | | | | | |
| Current year taxes | 825,595 | 0.84 | 6,935 | 6,935 | - |
| Solid Waste | - | | - | - | - |
| Total | <u>825,595</u> | | <u>6,935</u> | <u>6,935</u> | <u>-</u> |
| Abatements: | <u>(233,333)</u> | | <u>(1,960)</u> | <u>(1,960)</u> | <u>-</u> |
| Total Property Valuation | <u>\$ 424,068,974</u> | | | | |
| Net levy | | | 3,962,040 | 3,700,070 | 261,970 |
| Uncollected taxes at June 30, 2019 | | | <u>185,689</u> | <u>184,628</u> | <u>1,061</u> |
| Current year's taxes collected | | | <u>\$ 3,776,351</u> | <u>\$ 3,515,442</u> | <u>\$ 260,909</u> |
| Current net levy collection percentage | | | <u>95.31%</u> | <u>95.01%</u> | <u>99.59%</u> |

**Report of Independent Auditor 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***

To the Board of County Commissioners
Tyrrell County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tyrrell County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated February 3, 2020. Our report includes a reference to another auditor, who audited the financial statements of the Tyrrell County Alcoholic Beverage Control Board (the "Board"), as described in our report on the County's financial statements. This report does not include the results of the other auditor's testing of internal control over financial reporting or compliance and other matters that are reported separately by the other auditor. The financial statements of the Board and Tyrrell County Development Authority (the "Authority") were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 County's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Chemy Bekaert LLP

Raleigh, North Carolina
February 3, 2020

**Report of Independent Auditor on Compliance with Requirements Applicable to
Each Major Federal Program and Internal Control over Compliance in
Accordance with the Uniform Guidance and the
State Single Audit Implementation Act**

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Compliance for Each Major Federal Program

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

Our audit, described below, did not include the operations of the Tyrrell County Alcoholic Beverage Control Board (the "Board"), a discretely presented component unit. Our audit, described below, did not include the operations of this component unit since it was audited by other auditors.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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.

Chemy Bekaert LLP

Raleigh, North Carolina
February 3, 2020

**Report of Independent Auditor on Compliance with Requirements
Applicable to Each Major State Program and Internal Control Over
Compliance in Accordance with the Uniform Guidance and the
State Single Audit Implementation Act**

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on Compliance for Each Major State Program

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

Our audit, described below, did not include the operations of the Tyrrell County Alcoholic Beverage Control Board (the "Board"), a discretely presented component unit. Our audit, described below, did not include the operations of this component unit since it was audited by other auditors.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its State programs.

Auditor's Responsibility

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

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

Opinion on Each Major State Program

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

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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.

Chemy Bekaert LLP

Raleigh, North Carolina
February 3, 2020

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2019

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that
is not considered to be material
weakness ___ yes X none reported

Noncompliance material to financial statements
noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that
is not considered to be material weakness ___ yes X no

Noncompliance material to federal awards ___ yes X no

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 X no

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Section I. Summary of Auditor's Results (continued)

Identification of major federal programs:

| <u>CFDA#</u> | <u>Program Name</u> |
|--------------|--|
| 14.228 | Community Development Block Grant |
| 93.778 | Medical Assistance Program (Medicaid: Title XIX) |

Federal programs that did not meet the criteria for a major program using the criteria discussed in the Uniform Guidance 2 CFR 200.516(a) but were tested as a major program because the State awards met the threshold for a major State program or were required to be tested as major by the State are included in the list of major federal programs.

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

Auditee qualified as low-risk auditee? ___ yes X no

State Awards

Internal control over major State programs:

- Material weakness identified? ___ yes X no
- Significant deficiency identified that is not considered to be material weakness ___ yes X no

Noncompliance material to State awards ___ yes X no

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

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

Identification of major State programs:

Critical Needs Infrastructure Grant
 Public School Building Capital Fund - Lottery Proceeds

State match on federal programs included in the list of major federal programs above for Medical Assistance Program (Medicaid: Title XIX).

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)

YEAR ENDED JUNE 30, 2019

Section II. Financial Statement Findings

None reported.

Section III. Federal Awards Findings and Questioned Costs

None reported.

Section IV. State Awards Findings and Questioned Costs

None reported.

TYRRELL COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2019

Section V. Status of Prior Year Findings and Questioned Costs

None reported

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2019

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | State/Pass-Through Grantor's Number | Federal Expenditures (Direct and Pass-Through) | State Expenditures | Passed to Subrecipients |
|---|---------------------------|--|---|-----------------------|----------------------------|
| Federal Awards: | | | | | |
| <u>U.S. Department of Agriculture</u> | | | | | |
| Passed-through N.C. Department of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | | \$ 100,551 | \$ - | \$ - |
| Total U.S. Dept. of Agriculture | | | <u>100,551</u> | <u>-</u> | <u>-</u> |
| <u>U.S. Department of Homeland Security</u> | | | | | |
| Passed-through N.C. Dept. of Public Safety | | | | | |
| Division of Emergency Management: | | | | | |
| Emergency Mgmt Performance Grant | 97.042 | | 19,262 | 19,262 | - |
| Passed-through Washington County: | | | | | |
| Local Emergency Management Performance Grant Tier II | 97.042 | | 1,000 | - | - |
| Total U.S. Dept. of Homeland Security | | | <u>20,262</u> | <u>19,262</u> | <u>-</u> |
| <u>U.S. Department of Emergency Management</u> | | | | | |
| Flood Mitigation Assistance | 97.029 | | 147,975 | - | - |
| Total U.S. Dept. of Emergency Management | | | <u>147,975</u> | <u>-</u> | <u>-</u> |
| <u>U.S. Department of Health and Human Services</u> | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| <u>Foster Care and Adoption Cluster:</u> | | | | | |
| Title IV-E Foster Care - CPS | 93.658 | | 429 | 129 | - |
| Title IV-E Foster Care - Adoption Subsidy | 93.659 | | 4,688 | 1,142 | - |
| Title IV-E Foster Care - Administration | 93.659 | | 2,060 | - | - |
| Total Foster Care Adoption Cluster | | | <u>7,177</u> | <u>1,271</u> | <u>-</u> |
| <u>Temporary Assistance for Needy Families Cluster:</u> | | | | | |
| TANF Payments and Penalties | 93.558 | | 7,480 | - | - |
| Work First - Services | 93.558 | | 50,823 | - | - |
| Work First - Administration | 93.558 | | 23,984 | - | - |
| Total TANF Cluster | | | <u>82,287</u> | <u>-</u> | <u>-</u> |
| <u>Low-Income Home Energy Assistance:</u> | | | | | |
| Energy Assistance Payment - Direct Benefit Payments | 93.568 | | 39,600 | - | - |
| Administration | 93.568 | | 4,975 | - | - |
| Crisis Intervention Program | 93.568 | | 27,573 | - | - |
| | | | <u>72,148</u> | <u>-</u> | <u>-</u> |

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | State/Pass-Through Grantor's Number | Federal Expenditures (Direct and Pass-Through) | State Expenditures | Passed to Subrecipients |
|--|---------------------------|--|---|-----------------------|----------------------------|
| <u>Social Services Block Grant:</u> | | | | | |
| SSBG - Other Services and Training | 93.667 | | \$ 68,508 | \$ - | \$ - |
| Child Welfare Services - Permanency Planning | 93.645 | | (3,619) | - | - |
| Child Support Enforcement Administration | 93.563 | | 42,196 | - | - |
| Family preservation | 93.556 | | 1,999 | - | - |
| Administration: | | | | | |
| State Children's Insurance Program - NC Health Choice | 93.767 | | 12,792 | - | - |
| Total State Children's NC Health Choice | | | <u>12,792</u> | <u>-</u> | <u>-</u> |
| Subsidized Child Care | | | | | |
| <u>Child Care Development Fund Cluster:</u> | | | | | |
| Division of Social Services | | | | | |
| Child Care Development Fund - Administration | 93.596 | | 55,294 | - | - |
| Total Child Care Fund Cluster: | | | <u>55,294</u> | <u>-</u> | <u>-</u> |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Medical Assistance: | | | | | |
| Medical Assistance Administration | 93.778 | | 355,410 | - | - |
| Medical Assistance Transpiration Administration | 93.778 | | 57,306 | - | - |
| Adult Home Spec | 93.778 | | 10,403 | 1,011 | - |
| MAC Cord/Trans | 93.778 | | 16 | - | - |
| State County Special Assistance | 93.778 | | 7,938 | - | - |
| Total Medical Assistance Program | | | <u>431,073</u> | <u>1,011</u> | <u>-</u> |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Aging and Adult Services: | | | | | |
| Special Programs for the Aging - Title III, Part C | 93.045 | | 7,881 | - | - |
| Passed-through N.C. Dept. of Insurance | | | | | |
| Senior Health Insurance Program | 93.324 | | 1,990 | - | - |
| Medicare Improvement for Patients and Providers Act | 93.071 | | 2,389 | - | - |
| Total U.S. Dept. of Health and Human Services | | | <u>782,115</u> | <u>2,282</u> | <u>-</u> |
| <u>U.S. Election Assistance Commission</u> | | | | | |
| Passed-through the State Board of Elections: | | | | | |
| HAVA Title I | 39.011 | | 1,675 | - | - |
| <u>U.S. Department of Housing and Urban Development</u> | | | | | |
| Passed-through the N.C. Department of Environmental Quality: | | | | | |
| Division of Water Infrastructure: | | | | | |
| Infrastructure - Alligator | 14.228 | | 226,639 | - | - |
| Total U.S. Dept. of Housing and Urban Development | | | <u>226,639</u> | <u>-</u> | <u>-</u> |
| Total Federal Programs | | | <u>1,279,217</u> | <u>21,544</u> | <u>-</u> |

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS (CONTINUED)

YEAR ENDED JUNE 30, 2019

| Grantor/Pass-Through Grantor/Program Title | Federal CFDA Number | State/Pass-Through Grantor's Number | Federal Expenditures (Direct and Pass-Through) | State Expenditures | Passed to Subrecipients |
|---|---------------------------|--|---|-----------------------|----------------------------|
| State Awards: | | | | | |
| <u>N.C. Department of Agriculture and Consumer Services</u> | | | | | |
| Division of Soil and Water Conservation: | | | | | |
| Hurricane Matthew Debris Removal | | | \$ - | \$ 21,004 | \$ - |
| Agriculture Cost Share Program | | XXXX | - | 21,317 | - |
| Total N.C. Department of Agriculture and Consumer Services | | | - | 42,321 | - |
| <u>N.C. Department of Environmental Quality</u> | | | | | |
| Division of Coastal Management: | | | | | |
| White Goods Mgmt Program | | XXXX | - | 1,717 | - |
| Scrap Tire Program | | XXXX | - | 5,918 | - |
| Total N.C. Department of Environmental Quality | | | - | 7,635 | - |
| <u>N.C. Department of Commerce</u> | | | | | |
| Division of Rural Economic Development: | | | | | |
| Critical Needs Infrastructure Grants | | 2017-130-3214-2593 | - | 404,234 | - |
| Total N.C. Department of Commerce | | | - | 404,234 | - |
| <u>North Carolina Department of Transportation</u> | | | | | |
| Rural Operating Assistance Program: | | | | | |
| ROAP Elderly and Disabled Transportation Assistance Program | | DOT-16CL | - | 84,595 | - |
| State Secondary Roads Agreement | | DOT-18 | - | 325,000 | - |
| Total N.C. Department of Transportation | | | - | 409,595 | - |
| <u>N.C. Department of Public Safety</u> | | | | | |
| Juvenile Crime Prevention Program | | XXXX | - | 46,894 | 46,894 |
| Total N.C. Department of Public Safety | | | - | 46,894 | 46,894 |
| <u>N.C. Department of Public Instruction</u> | | | | | |
| Public School Building Capital Fund - Lottery Proceeds | | XXXX | - | 80,000 | 80,000 |
| | | | - | 80,000 | 80,000 |
| <u>N.C. Department of Administration</u> | | | | | |
| Veterans Service | | XXXX | - | 215 | - |
| Total N.C. Department of Administration | | | - | 215 | - |
| <u>N.C. Department of Health and Human Services</u> | | | | | |
| Division of Aging: | | | | | |
| Senior Center General Purpose Grant | | XXXX | - | 3,565 | - |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| Child Welfare Services Adoption Subsidy | | XXXX | - | 11,412 | - |
| AFDC Incent/Prog Integrit | | XXXX | - | 175 | - |
| Child Protective Services | | XXXX | - | 1,092 | - |
| State Foster Home | | XXXX | - | 634 | - |
| SAA/SAD HB 1030 | | XXXX | - | 2,040 | - |
| SC/SA Domiciliary Care Payment | | XXXX | - | 29,953 | - |
| Total N.C. Department of Administration | | | - | 48,871 | - |
| Total State Programs | | | - | 1,039,765 | 126,894 |
| Total Assistance | | | \$ 1,279,217 | \$ 1,061,309 | \$ 126,894 |

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS

YEAR ENDED JUNE 30, 2019

Note 1—Basis of presentation

The accompanying schedule of expenditures of federal and State awards ("SEFSA") includes the federal and State grant activity of the County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 U.S. *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 SEFSA presents only a selected portion of the operations of the County, it is not intended to, and does not, present the financial position, changes in net assets, or cash flows of the County.

Note 2—Summary of significant accounting policies

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

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

Note 3—Cluster of Programs

The following are clustered by the N.C. Department of Health and Human Services and are treated separately for state audit requirement purposes: SNAP, Subsidized Child Care, Foster Care and Adoption, and Temporary Assistance for Needy Families.