

TYRRELL COUNTY, NORTH CAROLINA

FINANCIAL AND COMPLIANCE REPORT

As of and for the Year Ended June 30, 2023

And Reports of Independent Auditor

TYRRELL COUNTY, NORTH CAROLINA
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Report of Independent Auditor

To the Board of County Commissioners
Tyrrell County, North Carolina

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Tyrrell County ABC Board (the "Board") which represents 93% of the assets, 91% of the net position, and 98% of the revenues of the aggregate discretely presented component units as of June 30, 2023. 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

Supplementary 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, other supplemental information, and the schedule of expenditures of federal and state awards, as required by 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, are presented for purpose of additional analysis and are not a required part of the basic financial statements. Such information is 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. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit and the report of the other auditors, 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.

Certain supplementary information includes summarized comparative information which relate to the previously audited 2022 financial statements. In our opinion, the summarized comparative information is consistent, in all material respects, in relation to the audited financial statements from which it was derived.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 29, 2024, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Cherry Bekaert LLP

Raleigh, North Carolina
January 29, 2024

TYRRELL COUNTY, NORTH CAROLINA

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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, 2023. 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 \$16,579,321 (net position).
- The government's total net position increased by \$629,462.
- As of the close of the current fiscal year, the County's governmental funds reported combined ending fund balances of \$2,936,704 after a net increase in fund balances of \$374,135. Approximately 43.4% of this total amount, or \$1,273,659 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$935,747.
- The County's total long-term liabilities increased by \$542,862 during the current fiscal year. The key factors in the change were reporting leases in accordance with GASB 87, changes in pension liabilities and principal payments on debt.

Overview of the Financial Statements

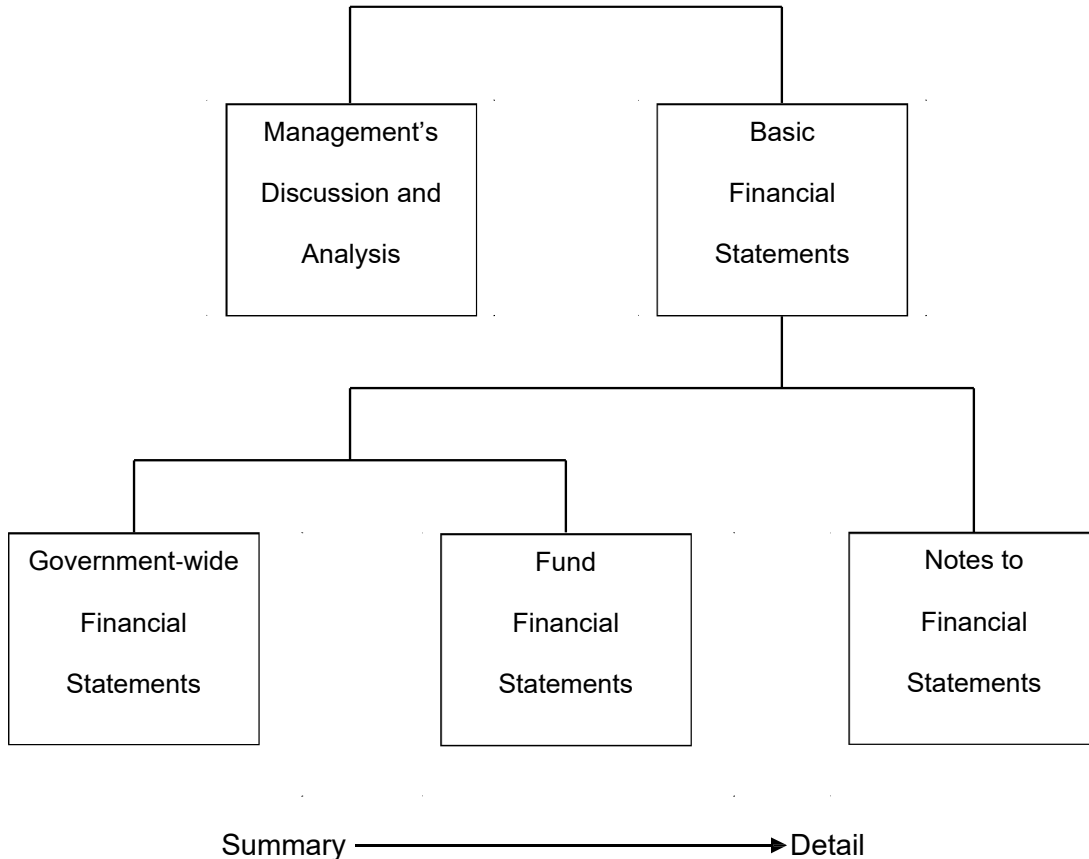
This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements consist of the following three components: government-wide financial statements, fund financial statements, and notes to the financial statements. 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, 2023

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 8) 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 three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; and 3) the proprietary 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 North Carolina General Statutes also can be found in this part of the statements.

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

TYRRELL COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

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 two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called modified accrual accounting. 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, 2023

Proprietary Funds – The County has one 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.

Notes to 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 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 70 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. 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 \$16,579,321 as of June 30, 2023. The County's net position increased by \$629,462 during fiscal year ended June 30, 2023. One of the largest portions \$16,019,278 (96.6%) 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 \$1,427,712 (8.6%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$867,669) (-5.2%) is unrestricted.

**TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government
	2022	2023	2022	2023	2022	2023
Assets						
Current and other assets	\$ 3,745,561	\$ 4,491,452	\$ 2,218,950	\$ 2,644,461	\$ 5,964,511	\$ 7,135,913
Capital assets	3,881,533	4,621,578	17,101,100	16,686,051	20,982,633	21,307,629
Total assets	<u>7,627,094</u>	<u>9,113,030</u>	<u>19,320,050</u>	<u>19,330,512</u>	<u>26,947,144</u>	<u>28,443,542</u>
Deferred outflows of resources	<u>1,543,275</u>	<u>1,671,246</u>	<u>173,948</u>	<u>191,385</u>	<u>1,717,223</u>	<u>1,862,631</u>
Liabilities						
Accounts payable and accrued liabilities	283,674	318,182	58,592	91,509	342,266	409,691
Total long-term liabilities	5,609,731	6,564,285	4,981,830	4,915,968	10,591,561	11,480,253
Total liabilities	<u>5,893,405</u>	<u>6,882,467</u>	<u>5,040,422</u>	<u>5,007,477</u>	<u>10,933,827</u>	<u>11,889,944</u>
Deferred inflows of resources	<u>1,594,461</u>	<u>1,653,590</u>	<u>186,220</u>	<u>183,318</u>	<u>1,780,681</u>	<u>1,836,908</u>
Net position						
Net investment in capital assets	3,430,631	3,592,227	12,752,100	12,427,051	16,182,731	16,019,278
Restricted	1,297,098	1,225,334	179,528	202,378	1,476,626	1,427,712
Unrestricted	(3,045,226)	(2,569,342)	1,335,728	1,701,673	(1,709,498)	(867,669)
Total net position	<u>\$ 1,682,503</u>	<u>\$ 2,248,219</u>	<u>\$ 14,267,356</u>	<u>\$ 14,331,102</u>	<u>\$ 15,949,859</u>	<u>\$ 16,579,321</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 97%.
- The County has received several grants to fund various improvement projects in the County such as the Hurricane Matthew Debris Removal Project, Golden Leaf Disaster Recovery Grant to relocate the County Maintenance Garage, the Community Development Block Grant – Neighborhood Revitalization for Residential Housing Rehabilitation and the Food Pantry, ARPA funds through NCDEQ for the Gum Neck Elevated Storage Tank and Booster Station Project, CAMA and BIG grants for the expansion of the Scuppernon River Dock, and support from The Cannon Foundation, Inc. for the Tyrrell County Food Pantry building. The Food Pantry and the County Maintenance Garage buildings have been completed. The other projects are still in progress.
- The County received appropriations from the State Capital & Infrastructure Fund and the 2022 Appropriations Act. The scope of work for these was approved by the Office of State Budget & Management and work continues to bring these projects to fruition.
- The County also received funding through the Local Assistance and Tribal Consistency Fund as a general revenues enhancement program.
- Additional funding was received through the Needs-Based Public School Capital Fund to enable the moving forward of the Schools Technology & Learning Center project.

**TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

	<u>Governmental Activities</u> <u>2022</u>	<u>Governmental Activities</u> <u>2023</u>	<u>Business-Type Activities</u> <u>2022</u>	<u>Business-Type Activities</u> <u>2023</u>	<u>Total Primary Government</u> <u>2022</u>	<u>Total Primary Government</u> <u>2023</u>
Revenues						
Program Revenues						
Charges for Services	\$ 457,088	\$ 498,945	\$ 1,646,827	\$ 1,658,935	\$ 2,103,915	\$ 2,157,880
Operating Grants and Contributions	3,164,892	1,762,044	-	-	3,164,892	1,762,044
Capital Grants and Contributions	241,857	473,500	-	82,250	241,857	555,750
General Revenues						
Property Taxes	4,728,084	4,831,731	-	-	4,728,084	4,831,731
Other Taxes	1,120,099	1,146,580	-	-	1,120,099	1,146,580
Other	99,039	383,396	934	23,456	99,973	406,852
Total Revenues	<u>9,811,059</u>	<u>9,096,196</u>	<u>1,647,761</u>	<u>1,764,641</u>	<u>11,458,820</u>	<u>10,860,837</u>
Expenses						
General government	1,527,322	2,013,181	-	-	1,527,322	2,013,181
Public safety	1,452,454	1,875,583	-	-	1,452,454	1,875,583
Human services	2,476,463	2,423,709	-	-	2,476,463	2,423,709
Education	595,216	1,035,213	-	-	595,216	1,035,213
Environmental protection	569,976	633,796	-	-	569,976	633,796
Economic and physical development	1,102,816	299,387	-	-	1,102,816	299,387
Cultural and recreational	185,956	184,345	-	-	185,956	184,345
Interest on Debt	29,061	65,266	-	-	29,061	65,266
Water and Sewer	-	-	1,789,949	1,700,895	1,789,949	1,700,895
Total Expenses	<u>7,939,264</u>	<u>8,530,480</u>	<u>1,789,949</u>	<u>1,700,895</u>	<u>9,729,213</u>	<u>10,231,375</u>
Increase (decrease) in net position before capital contributions	1,871,795	565,716	(142,188)	63,746	1,729,607	629,462
Transfers	(196,407)	-	196,407	-	-	-
Increase in net position	1,675,388	565,716	54,219	63,746	1,729,607	629,462
Net Position, beginning	7,115	1,682,503	14,213,137	14,267,356	14,220,252	15,949,859
Net Position, ending	<u>\$ 1,682,503</u>	<u>\$ 2,248,219</u>	<u>\$ 14,267,356</u>	<u>\$ 14,331,102</u>	<u>\$ 15,949,859</u>	<u>\$ 16,579,321</u>

Governmental Activities – Governmental activities increased the County's net position by \$565,716. Key elements of this increase are as follows:

- Increase in Property and Motor Vehicle Tax revenue
- Increase in Local Option Sales Tax
- Increase in Interest Income earned on investments
- LATCF Funding for General Revenue enhancement
- Increase in Salaries and Benefits
- Increase in Solid Waste disposal costs

Business-type Activities – Business-type activities increased the County's net position by \$63,746. Key elements for this overall decrease were:

- Water Revenue continues to be affected by the low number of inmates and staff occupying the Tyrrell County Prison Work Farm
- NC Department of Public Safety provided a Grant-in-Aid to cover the debt payments

**TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, Tyrrell County's fund balance available in the General Fund was \$1,995,689 while total fund balance reached \$2,415,694. The County currently has an available fund balance of 25.97% of general fund expenditures, the total fund balance represents 31.44% of the same amount.

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 increased total budgeted revenues by \$623,386. Appropriated fund balance decreased by \$538,063.

Capital Assets and Long-term Debt Highlights

Capital Assets – The County's investment in capital assets for its governmental and business-type activities as of June 30, 2023, totals \$21,307,629 (net of accumulated depreciation). These assets include land, buildings, machinery, vehicles, and equipment.

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

- Tyrrell County Maintenance Garage
- Tyrrell County Food Pantry Building
- 2 new Ford Police Interceptors for Sherriff's Department
- 22' Rehab Trailer for Emergency Management
- 30 HP Pump & Motor for Water Department
- Trane 10 ton Compressor for water plant
- 5 ton York Gas Pack for Library
- 2008 Toyota 4Runner for Building Inspections
- 1998 Stewart & Stevenson LMTV for Emergency Management

	<u>Governmental Activities</u> <u>2022</u>	<u>Governmental Activities</u> <u>2023</u>	<u>Business-Type Activities</u> <u>2022</u>	<u>Business-Type Activities</u> <u>2023</u>	<u>Total Primary Government</u> <u>2022</u>	<u>Total Primary Government</u> <u>2023</u>
Land	\$ 851,558	\$ 851,558	\$ 68,261	\$ 68,261	\$ 919,819	\$ 919,819
Buildings and improvements	1,783,236	2,784,148	4,952	3,222	1,788,188	2,787,370
Equipment and vehicles	356,574	392,612	87,800	58,892	444,374	451,504
Plant and distribution system	-	-	16,940,087	16,473,426	16,940,087	16,473,426
Right to use - buildings	-	593,260	-	-	-	593,260
Construction in progress	890,165	-	-	82,250	890,165	82,250
Total Capital Assets, net	<u>\$ 3,881,533</u>	<u>\$ 4,621,578</u>	<u>\$ 17,101,100</u>	<u>\$ 16,686,051</u>	<u>\$ 20,982,633</u>	<u>\$ 21,307,629</u>

Additional information on the County's capital assets can be found in Note 2.A.5 of the Basic Financial Statements.

**TYRRELL COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

JUNE 30, 2023

Long-term Debt – As of June 30, 2023, the County had total long-term liabilities outstanding of \$10,874,785. This debt consists of term debt with the United States Department of Agriculture for renovations of the court facilities. Revenue bonds for the construction of both water and sewer projects. It also consists of compensated absences, net pension liabilities, lease liabilities and other postemployment benefits.

	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total Primary Government	Total Primary Government
	2022	2023	2022	2023	2022	2023
Term debt	\$ 581,923	\$ 414,522	\$ -	\$ -	\$ 581,923	\$ 414,522
Leases	-	614,829	-	-	-	614,829
Revenue bonds	-	-	4,349,000	4,259,000	4,349,000	4,259,000
Net pension liabilities	529,963	1,453,444	53,720	180,140	583,683	1,633,584
Compensated absences	163,216	146,254	23,429	22,768	186,645	169,022
Total other postemployment benefits	4,074,991	3,329,768	555,681	454,060	4,630,672	3,783,828
Total Long-Term Debt	<u>\$ 5,350,093</u>	<u>\$ 5,958,817</u>	<u>\$ 4,981,830</u>	<u>\$ 4,915,968</u>	<u>\$ 10,331,923</u>	<u>\$ 10,874,785</u>

Tyrrell County's total long-term liabilities increased by \$542,862 during the past year.

Additional information on the County's long-term debt can be found in Note 2.B.6 of the Basic Financial Statements.

TYRRELL COUNTY, NORTH CAROLINA MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2023

Economic Factors and Next Year's Budgets and Rates

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

- Visitor center traffic increased.
- School rating increases.
- Infrastructure for water/sewer has begun.
- Pocosin Arts classes are booming.
- 4-H Center is back to pre-pandemic levels.
- Fish market sold.
- Increase in crabbing/aquaculture provided additional employment and revenue.
- Assisted Living Center provided additional economic engine.
- Marked increase in hunting and birding.
- Significant ABC Store revenue enhancement.
- Increased tourism to Red Wolf Education Center's mural by Matthew Wiley.
- Focus on a regional passenger ferry has been consistent and productive.
- Increased ecotourism.
- Increased B&B rentals.
- Inner Banks Mercantile gets publicity in Our State Magazine.

Budget Highlights for the Fiscal Year Ending June 30, 2024

Governmental Activities — Budgeted expenditures in the General Fund are expected to rise approximately 4% to \$8,490,828. The budget moves the pay plan and salaries by 6 percent to help combat issues of retention and market-based salaries. The property tax rate was held to \$.95 per one hundred dollars of taxable value. Local Option Sales Taxes were estimated to increase 6% over prior year along with a significant increase in earnings on investments. Solid Waste removal fees increased by 4.7% but with a collection rate of the current fee at 90%, no increase in the fee was recommended.

Business-type Activities – The County continues to negotiate with State executive and legislative leaders to minimize the impact of the shutdown and ultimate return of a limited number of inmates and staff to the Tyrrell Prison Work Farm. This decreased use of the facility will continue to negatively affect private sector employment and sales, as well as the County's sale of potable water to the facility. There were no water or sewer rate changes included.

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
EXHIBIT 1 – STATEMENT OF NET POSITION

JUNE 30, 2023

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total Primary Government	Tyrrell County Tourism Development Authority	Tyrrell County ABC Board
Assets					
Cash and cash equivalents	\$ 2,106,407	\$ 2,153,758	\$ 4,260,165	\$ -	\$ 253,456
Restricted cash and cash equivalents	1,337,662	202,378	1,540,040	53,823	-
Receivables, net	431,714	220,363	652,077	2,416	-
Due from other governments	532,572	-	532,572	-	-
Internal balances	2,000	(2,000)	-	-	-
Leases receivable	76,824	-	76,824	-	-
Inventories	-	69,962	69,962	-	200,993
Net pension asset - ROD	4,273	-	4,273	-	-
Capital assets:					
Nondepreciable	851,558	150,511	1,002,069	-	21,735
Depreciable, net	3,770,020	16,535,540	20,305,560	-	258,160
Total capital assets	4,621,578	16,686,051	21,307,629	-	279,895
Total assets	9,113,030	19,330,512	28,443,542	56,239	734,344
Deferred outflows of resources	1,671,246	191,385	1,862,631	-	11,869
Liabilities					
Accounts payable and accrued liabilities	317,982	91,509	409,491	79	90,056
Customer deposits	200	-	200	-	-
Unearned revenue	605,468	-	605,468	-	-
Long-term liabilities:					
Due in less than one year	81,519	93,000	174,519	-	17,184
Due in more than one year	5,877,298	4,822,968	10,700,266	-	71,918
Total long-term liabilities	5,958,817	4,915,968	10,874,785	-	89,102
Total liabilities	6,882,467	5,007,477	11,889,944	79	179,158
Deferred inflows of resources	1,653,590	183,318	1,836,908	-	1,569
Net position					
Net investment in capital assets	3,592,227	12,427,051	16,019,278	-	207,153
Restricted for:					
Stabilization by State statute	552,659	-	552,659	-	-
Controlled substance tax	16,765	-	16,765	-	-
Drug forfeiture funds	15,487	-	15,487	-	-
Court facilities	76,782	-	76,782	-	-
Register of Deeds	17,628	-	17,628	-	-
School capital outlay	350,404	-	350,404	-	-
USDA reserve	64,131	202,378	266,509	-	-
Tax revaluation	89,253	-	89,253	-	-
Opioid settlement fund	35,671	-	35,671	-	-
Tourism Development	-	-	-	56,160	-
Health services	2,281	-	2,281	-	-
Capital improvements	-	-	-	-	127,920
Pensions	4,273	-	4,273	-	-
Working capital	-	-	-	-	27,285
Unrestricted	(2,569,342)	1,701,673	(867,669)	-	203,128
Total net position	\$ 2,248,219	\$ 14,331,102	\$ 16,579,321	\$ 56,160	\$ 565,486

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

TYRRELL COUNTY, NORTH CAROLINA
EXHIBIT 2 – STATEMENT OF ACTIVITIES

YEAR ENDED JUNE 30, 2023

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 2,013,181	\$ 136,201	\$ 75,020	\$ 313,448
Public safety	1,875,583	359,170	105,455	-
Human services	2,423,709	3,574	1,466,313	-
Education	1,035,213	-	-	25,500
Environmental protection	633,796	-	26,190	-
Economic and physical development	299,387	-	89,066	77,595
Cultural and recreational	184,345	-	-	56,957
Interest on debt	65,266	-	-	-
Total governmental activities	<u>8,530,480</u>	<u>498,945</u>	<u>1,762,044</u>	<u>473,500</u>
Business-type activities:				
Water and sewer	1,700,895	1,658,935	-	82,250
Total business-type activities	<u>1,700,895</u>	<u>1,658,935</u>	<u>-</u>	<u>82,250</u>
Total primary government	<u>\$ 10,231,375</u>	<u>\$ 2,157,880</u>	<u>\$ 1,762,044</u>	<u>\$ 555,750</u>
Component units:				
Tyrrell Tourism Development Authority	\$ 13,581	\$ 19,983	\$ -	\$ -
Tyrrell County ABC Board	844,801	915,043	-	-
Total component units	<u>\$ 858,382</u>	<u>\$ 935,026</u>	<u>\$ -</u>	<u>\$ -</u>

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

TYRRELL COUNTY, NORTH CAROLINA
EXHIBIT 2 – STATEMENT OF ACTIVITIES (CONTINUED)

YEAR ENDED JUNE 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position				
	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total	Tyrrell County Tourism Development Authority	Tyrrell County ABC Board
Governmental activities:					
General government	\$ (1,488,512)	\$ -	\$ (1,488,512)	\$ -	\$ -
Public safety	(1,410,958)	-	(1,410,958)	-	-
Human Services	(953,822)	-	(953,822)	-	-
Education	(1,009,713)	-	(1,009,713)	-	-
Environmental protection	(607,606)	-	(607,606)	-	-
Economic and physical development	(132,726)	-	(132,726)	-	-
Cultural and recreational	(127,388)	-	(127,388)	-	-
Interest on debt	(65,266)	-	(65,266)	-	-
Total governmental activities	<u>(5,795,991)</u>	<u>-</u>	<u>(5,795,991)</u>	<u>-</u>	<u>-</u>
Business-type activities:					
Water and sewer	-	40,290	40,290	-	-
Total business-type activities	<u>-</u>	<u>40,290</u>	<u>40,290</u>	<u>-</u>	<u>-</u>
Total primary government	<u>(5,795,991)</u>	<u>40,290</u>	<u>(5,755,701)</u>	<u>-</u>	<u>-</u>
Component units:					
Tyrrell Tourism Development Authority				6,402	-
Tyrrell County ABC Board				-	70,242
Total component units				<u>6,402</u>	<u>70,242</u>
General revenues:					
Property taxes, levied for general purpose	4,831,731	-	4,831,731	-	-
Local option sales taxes	1,100,484	-	1,100,484	-	-
Other taxes and licenses	46,096	-	46,096	-	-
Unrestricted intergovernmental	59,280	-	59,280	-	-
Investment earnings, unrestricted	151,156	23,456	174,612	39	1,112
Miscellaneous, unrestricted	172,960	-	172,960	-	-
Total general revenues	<u>6,361,707</u>	<u>23,456</u>	<u>6,385,163</u>	<u>39</u>	<u>1,112</u>
Change in net position	565,716	63,746	629,462	6,441	71,354
Net position - beginning	1,682,503	14,267,356	15,949,859	49,719	494,132
Net position - ending	<u>\$ 2,248,219</u>	<u>\$ 14,331,102</u>	<u>\$ 16,579,321</u>	<u>\$ 56,160</u>	<u>\$ 565,486</u>

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

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

JUNE 30, 2023

	Major		Total Non-Major Funds	Total Governmental Funds
	General	Directed Grants		
Assets				
Cash and cash equivalents	\$ 2,106,407	\$ -	\$ -	\$ 2,106,407
Restricted cash and cash equivalents	329,785	603,832	404,045	1,337,662
Receivables, net	418,637	-	13,077	431,714
Lease receivable	76,824	-	-	76,824
Due from other funds	2,000	-	-	2,000
Due from other governments	414,260	-	118,312	532,572
Total assets	\$ 3,347,913	\$ 603,832	\$ 535,434	\$ 4,487,179
Liabilities				
Accounts payable and accrued liabilities	\$ 305,194	\$ -	\$ 12,788	\$ 317,982
Customer deposits	200	-	-	200
Unearned revenue	-	590,468	15,000	605,468
Total liabilities	305,394	590,468	27,788	923,650
Deferred inflows of resources	626,825	-	-	626,825
Fund balances				
Restricted:				
Stabilization by State Statute	420,005	13,364	119,290	552,659
Controlled substance tax	16,765	-	-	16,765
Drug forfeiture funds	15,487	-	-	15,487
Court facilities	76,782	-	-	76,782
Register of Deeds	17,628	-	-	17,628
School capital outlay	-	-	350,404	350,404
Capital outlay	52,598	-	-	52,598
USDA reserve	64,131	-	-	64,131
Health services	-	-	2,281	2,281
Opioid settlement fund	-	-	35,671	35,671
Tax revaluation	89,253	-	-	89,253
Assigned:				
Recreation	49,539	-	-	49,539
Fire Protection	1,171	-	-	1,171
Subsequent year's expenditures	676,588	-	-	676,588
Unassigned	935,747	-	-	935,747
Total fund balances	2,415,694	13,364	507,646	2,936,704
Total liabilities, deferred inflows of resources, and fund balances	\$ 3,347,913	\$ 603,832	\$ 535,434	\$ 4,487,179

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

TYRRELL COUNTY, NORTH CAROLINA

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

JUNE 30, 2023

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

Ending fund balance - governmental funds	\$	2,936,704
Capital assets are not financial resources, and therefore, are not reported in the funds		4,621,578
Net pension asset - ROD		4,273
Pension liabilities - LGERS and LEOSSA		(1,453,444)
Pension and OPEB related deferrals		228,125
Deferred inflows of resources for unavailable taxes, special assessments and lease revenues		416,356
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.		<u>(4,505,373)</u>
Net position of governmental activities	\$	<u>2,248,219</u>

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

TYRRELL COUNTY, NORTH CAROLINA

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

YEAR ENDED JUNE 30, 2023

	<u>Major</u>		<u>Total Non-Major Funds</u>	<u>Total Governmental Funds</u>
	<u>General</u>	<u>Directed Grants</u>		
Revenues				
Ad valorem taxes	\$ 4,817,676	\$ -	\$ -	\$ 4,817,676
Other taxes	684,821	-	-	684,821
Unrestricted intergovernmental revenue	59,280	-	-	59,280
Restricted intergovernmental revenue	1,657,240	54,170	995,275	2,706,685
Licenses and permits	328,144	-	2,480	330,624
Sales and services	26,155	-	107,282	133,437
Interest earned on investments	132,614	12,985	5,557	151,156
Miscellaneous	138,888	-	-	138,888
Total revenues	<u>7,844,818</u>	<u>67,155</u>	<u>1,110,594</u>	<u>9,022,567</u>
Expenditures				
Current:				
General government	1,669,737	-	133,506	1,803,243
Public safety	1,724,741	-	-	1,724,741
Economic and physical development	225,385	-	56,957	282,342
Human services	2,353,574	-	1,408	2,354,982
Cultural and recreational	184,345	-	-	184,345
Education	596,265	-	438,948	1,035,213
Environmental protection	633,796	-	-	633,796
Infrastructure	-	4,170	-	4,170
Capital outlay	785,011	50,000	228,588	1,063,599
Debt service:				
Principal payments	36,380	-	131,020	167,400
Interest and fees	21,418	-	1,396	22,814
Principal payments - leases	65,918	-	-	65,918
Interest and fees - leases	46,188	-	-	46,188
Total expenditures	<u>8,342,758</u>	<u>54,170</u>	<u>991,823</u>	<u>9,388,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(497,940)</u>	<u>12,985</u>	<u>118,771</u>	<u>(366,184)</u>
Other financing sources (uses)				
Sale of capital assets	33,027	-	-	33,027
Lease liabilities issued	680,747	-	-	680,747
Local contribution	-	-	26,545	26,545
Transfers in	190,222	-	5,000	195,222
Transfers out	(21,900)	-	(173,322)	(195,222)
Total other financing sources (uses)	<u>882,096</u>	<u>-</u>	<u>(141,777)</u>	<u>740,319</u>
Net change in fund balances	<u>384,156</u>	<u>12,985</u>	<u>(23,006)</u>	<u>374,135</u>
Fund balance - beginning	<u>2,031,538</u>	<u>379</u>	<u>530,652</u>	<u>2,562,569</u>
Fund balance - ending	<u>\$ 2,415,694</u>	<u>\$ 13,364</u>	<u>\$ 507,646</u>	<u>\$ 2,936,704</u>

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

TYRRELL COUNTY, NORTH CAROLINA

**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, 2023

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

Net change in fund balances - total governmental funds		\$	374,135
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.			761,614
Capital Outlay	\$	1,043,666	
Depreciation		(277,080)	
Assets disposed		(4,972)	
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.			(513,347)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.			14,055
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.			<u>(70,741)</u>
Change in net position of governmental activities		\$	<u>565,716</u>

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

TYRRELL COUNTY, NORTH CAROLINA

EXHIBIT 5 – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND

YEAR ENDED JUNE 30, 2023

General Fund				
	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 4,678,025	\$ 4,678,025	\$ 4,817,676	\$ 139,651
Other taxes	707,635	710,635	684,821	(25,814)
Unrestricted intergovernmental revenue	56,100	60,883	59,280	(1,603)
Restricted intergovernmental revenue	1,366,050	1,737,321	1,657,240	(80,081)
Licenses and permits	310,416	308,416	328,144	19,728
Sales and services	24,985	25,465	26,155	690
Interest earned on investments	2,000	103,321	127,682	24,361
Miscellaneous	8,981	153,512	138,888	(14,624)
Total revenues	<u>7,154,192</u>	<u>7,777,578</u>	<u>7,839,886</u>	<u>62,308</u>
Expenditures:				
Current:				
General government	1,922,121	1,812,316	1,676,687	135,629
Public safety	1,802,163	2,005,074	1,822,055	183,019
Economic and physical development	299,539	258,886	225,385	33,501
Human services	2,634,847	2,697,744	2,465,680	232,064
Cultural and recreational	186,814	186,814	184,345	2,469
Education	596,265	596,265	596,265	-
Environmental protection	650,194	650,194	633,796	16,398
Debt service:				
Principal payments	36,342	36,342	36,380	(38)
Interest and fees	21,456	21,456	21,418	38
Total expenditures	<u>8,149,741</u>	<u>8,265,091</u>	<u>7,662,011</u>	<u>603,080</u>
Revenues over (under) expenditures	<u>(995,549)</u>	<u>(487,513)</u>	<u>177,875</u>	<u>665,388</u>
Other financing sources (uses):				
Sale of capital assets	-	30,027	33,027	3,000
Transfers in	173,270	173,270	173,322	52
Transfers out	(21,900)	(21,900)	(21,900)	-
Total other financing sources (uses)	<u>151,370</u>	<u>181,397</u>	<u>184,449</u>	<u>3,052</u>
Revenues and other financing sources over expenditures and other financing uses	<u>(844,179)</u>	<u>(306,116)</u>	<u>362,324</u>	<u>668,440</u>
Appropriated fund balance	<u>844,179</u>	<u>306,116</u>	<u>-</u>	<u>(306,116)</u>
Net Change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>362,324</u>	<u>\$ 362,324</u>

Fund Balances:

Beginning of year, July 1	<u>1,911,520</u>
End of year, June 30	<u>2,273,844</u>

The legally budgeted Revaluation Fund and Capital Outlay Fund are consolidated into the General Fund for reporting purposes:

Investment earnings	4,932
Transfers from other funds	16,900
Fund Balance, Beginning of year	<u>120,018</u>
	<u>141,850</u>
Fund Balance, End of year	<u>\$ 2,415,694</u>

The following table presents a reconciliation of resulting basis differences in the fund balance (budgetary basis) at June 30, 2023 to the fund balance on a modified accrual basis (GAAP).

Fund Balance (Non-GAAP) June 30, 2023	\$ 2,415,694
Reconciling adjustments:	
Other financing sources (uses)	680,747
Lease capital outlay	<u>(680,747)</u>
Fund Balance (GAAP basis) June 30, 2023	<u>\$ 2,415,694</u>

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

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

JUNE 30, 2023

	<u>Water & Sewer Fund</u>
Assets	
Current assets	
Cash and investments	\$ 2,153,758
Receivables, net	220,363
Inventories	69,962
Total current assets	<u>2,444,083</u>
Noncurrent assets	
Cash and Investments - Restricted	202,378
Capital assets, net of accumulated depreciation	16,686,051
Total noncurrent assets	<u>16,888,429</u>
Total assets	<u>19,332,512</u>
Deferred outflows of resources	<u>191,385</u>
Liabilities	
Current liabilities	
Accounts payable and accrued liabilities	91,509
Current portion of bonds	93,000
Due to other funds	2,000
Total current liabilities	<u>186,509</u>
Noncurrent liabilities	
Bonds payable, net of current portion	4,166,000
Compensated absences	22,768
Net pension liability - LGERS	180,140
Other postemployment benefits liability	454,060
Total noncurrent liabilities	<u>4,822,968</u>
Total liabilities	<u>5,009,477</u>
Deferred inflows of resources	<u>183,318</u>
Net position	
Net investment in capital assets	12,427,051
Restricted	202,378
Unrestricted	1,701,673
Total net position	<u>\$ 14,331,102</u>

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

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

YEAR ENDED JUNE 30, 2023

	Water & Sewer Fund
Operating revenues	
Charges for services	\$ 1,604,158
Other operating revenue	54,777
Total operating revenues	<u>1,658,935</u>
Operating expenses	
Salaries and employee benefits	438,078
Operating expenses	629,457
Depreciation	512,563
Total operating expenses	<u>1,580,098</u>
Operating income	<u>78,837</u>
Nonoperating revenue (expense)	
Interest earned on investments	23,456
Interest expense	(120,797)
Total nonoperating revenue (expense)	<u>(97,341)</u>
Capital Contributions	<u>82,250</u>
Change in net position	<u>63,746</u>
Total net position - beginning	<u>14,267,356</u>
Total net position - ending	<u><u>\$ 14,331,102</u></u>

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

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

YEAR ENDED JUNE 30, 2023

	Water & Sewer Fund
Operating activities	
Cash received from customers	\$ 1,542,007
Cash paid for goods and services	(608,592)
Cash paid to employees for services	(434,280)
Other operating revenue	56,777
Net cash provided by operating activities	<u>555,912</u>
Capital and related financing activities	
Acquisition of capital assets	(41,264)
Disposal of capital assets	26,001
Interest paid on long-term debt	(120,797)
Principal paid on long-term debt	(90,000)
Net cash used in capital and related financing activities	<u>(226,060)</u>
Investing activities	
Investment earnings	23,456
Net cash provided by investing activities	<u>23,456</u>
Net increase in cash and cash equivalents	<u>353,308</u>
Cash and cash equivalents	
Beginning of year	<u>2,002,828</u>
End of year	<u>\$ 2,356,136</u>
Reconciliation of operating income to net cash provided by (used in) operating activities	
Operating income	\$ 78,837
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:	
Depreciation expense	512,563
Net pension expense	15,104
OPEB expense	(10,645)
Change in assets and liabilities:	
(Increase) decrease in receivables	(62,151)
(Increase) decrease in inventory	(12,052)
Increase (decrease) in accounts payable and accrued liabilities	32,917
Increase (decrease) in compensated absences	(661)
Increase (decrease) in due to other funds	2,000
Total adjustments	<u>477,075</u>
Net cash provided by (used in) operating activities	<u>\$ 555,912</u>
Noncash investing, capital, and financing activities	
Cash and cash equivalents	
Unrestricted	\$ 2,153,758
Restricted	202,378
Total	<u>\$ 2,356,136</u>

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies

The accounting policies of Tyrrell County and its component units 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 separately from governmental and business-type activities (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 Authority exists to promote tourism within the county. The County commissioners appointed the governing board of the Authority and at least one-half of the members are required to be active in the promotion of travel and tourism within the County or must be affiliated with businesses that collect the occupancy taxes. The County has final approval of the appointees to the governing board. The county finance officer is the ex officio finance officer of the Authority.	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. 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

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

Fund Financial Statements – The fund financial statements provide information about the County's funds. Separate statements for each fund category – *governmental and proprietary* – 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 funds:

General Fund – This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation fund and the Capital Outlay fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation they are consolidated in the General Fund.

Directed Grants Fund – This fund is used to account for income and expenses relating to certain grants obtained by the County.

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 Gum Neck Water Tank capital project fund has been consolidated into this fund for reporting purposes.

The County reports the following fund types:

Non-major Funds – The County maintains several non-major funds. The School Capital Outlay fund, Representative Payee fund, Deed of Trust fund, Fines and Forfeitures fund, Opioid Settlement fund, American Rescue Plan fund and Golden Leaf Disaster Recovery Grant fund are reported as a non-major special revenue funds. The Stream Debris Removal Project fund, CDBG Projects fund, Gum Neck Water Tank Fund, ESFRLP-DR fund and the Tyrrell County Schools Technology & Learning Center 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, 2023

Note 1—Summary of significant accounting policies (continued)

Government-wide and Proprietary Fund Financial Statements – The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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 and in the period in which it was intended to fund. 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 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, lease liabilities, 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 lease liabilities 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. 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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 Revaluation Fund, School Capital Outlay Fund, Capital Outlay Fund, Representative Payee Fund, Deed of Trust Fund, Fines and Forfeitures Fund, and the Water and Sewer Fund. All annual appropriations lapse at the fiscal year-end. Project Ordinances are adopted for the ARPA Special Revenue Fund, the Golden Leaf Disaster Recovery Fund, Directed Grants Fund, Grants Fund, the CDBG Projects Fund, the Schools Technology & Learning Center Fund, the Stream Debris Removal Project, Opioid Settlement Fund, Gum Neck Water Tank Fund and the ESFRLP-DR Fund.

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 Net Position / Fund Balance

1. Deposits and Investments

All deposits of the County, the Tyrrell County Tourism Development Authority, and the Tyrrell County 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").

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

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.

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	Customer deposits	\$ 200
General Fund	Drug forfeiture funds	15,487
General Fund	Court facilities funds	76,782
General Fund	Register of Deeds	17,628
General Fund	USDA reserve	64,131
General Fund	Recreation	49,539
General Fund	Tax revaluation	89,253
General Fund	Controlled substance tax	16,765
ARPA Fund	Unassigned proceeds	15,000
CDBG	Unexpended grant funds	689
Opioid Settlement Fund	Unexpended settlement proceeds	35,671
Directed Grants Fund	Unexpended grant funds	603,832
Representative Payee Fund	Representative payee funds	2,281
School Capital Outlay Fund	Unexpended restricted sales tax	350,404
	Total Governmental Activities	<u>\$ 1,337,662</u>
Business-Type Activities		
Water & Sewer Funds	USDA reserve	\$ 202,378
	Total Business-Type Activities	<u>\$ 202,378</u>
Tyrrell County Tourism Development Authority Restricted Cash		
Business-Type Activities	Unexpended occupancy tax funds	\$ 53,823
		<u>\$ 53,823</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

4. Ad Valorem Taxes Receivable

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

5. Lease Receivable

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

6. 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.

7. Inventories

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.

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets 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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

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
Equipment	3 - 10 years
Furniture	10 years
Vehicles	6 years

Capital assets of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

	<u>Useful Life</u>
Building	20 years
Furniture	10 years
Fixtures	10-20 years

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

9. 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 assets 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 other postemployment benefit plan (“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 assets 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, leases and pension related deferrals.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

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.

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. Opioid Settlement Funds

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

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

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

The County received \$24,347 as part of this settlement in Fiscal Year 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30th, 2023. The MOA offered the County two options of expending the funds. The County opted for Option A, which allows the County to fund one or more high-impact strategies from a list of evidence-based strategies to combat the opioid epidemic.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

12. Net Position/Fund Balances

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

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

The governmental fund types classify fund balances as follows:

Nonspendable Fund Balance – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained in tact. There was no nonspendable fund balance as of year end.

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 – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State Statute ("RSS") is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 158-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute". Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures at that the close of the fiscal year next preceding the budget. Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation". RSS is reduced by inventories and prepaids as they are classified as non-spendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Restricted 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 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)].

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

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 Reserve – 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].

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

Restricted for Opioid Settlement Fund – portion of fund balance that can only be used based on the requirements of the Opioid Settlement.

Restricted for Capital Outlay – portion of fund balance that is restricted for capital outlay.

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.

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

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 1—Summary of significant accounting policies (continued)

13. Defined Benefit Pension and OPEB Plans

The County participates in three cost-sharing, multiple employer defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System ("LGERS") and the Registers of Deeds' Supplemental Pension Fund ("RODSPF"); the Law Enforcement Officers' Special Separation Allowance ("LEOSSA") (collectively, the "state-administered defined benefit pension plans"); and one OPEB, the Healthcare Benefits Plan. 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, 2023

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 (\$688,485) 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)	\$ 8,539,943
Less accumulated depreciation	<u>(3,918,365)</u>
Net capital assets	4,621,578
Pension related deferrals	228,125
Net pension asset - ROD	4,273
Deferred inflows of resources for taxes and special assessments	416,356
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:	
Leases payable	(614,829)
Notes payable	(414,522)
Pension liabilities - LGERS and LEOSSA	(1,453,444)
Other postemployment benefits	(3,329,768)
Compensated absences	<u>(146,254)</u>
Total adjustment	<u>\$ (688,485)</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

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 \$191,581 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	\$ 1,043,666
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	(277,080)
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	(513,347)
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	16,962
Other postemployment benefits	745,223
Pension expense	(924,061)
Deferred inflows	(81,187)
Deferred outflows	127,973
	<u>(115,090)</u>
Expenses reported in the statement of activities related to recording right to use assets	
Change in rent expense	86,801
Interest expense	(42,452)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Decrease in deferred inflows of resources - at the end of year	14,055
Total adjustment	<u>\$ 191,581</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds

A. Assets

1. Deposits

All of the County's, the Authority's, and the ABC Board's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage 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, 2023, County's deposits had a carrying amount of \$674,776 and a bank balance of \$753,973. Of the bank balance, \$250,000 was covered by federal depository insurance and \$503,973 was covered by collateral held under the Pooling Method. At June 30, 2023, the County had \$496 cash on hand.

At June 30, 2023, the carrying amount of deposits for the Authority was \$53,823 and the bank balance was \$53,823. All of the bank balance was covered by federal depository insurance.

At June 30, 2023, the carrying amount of deposits for the ABC Board was \$252,456 and the bank balance was \$245,799. All of the bank balance was covered by federal depository insurance.

At June 30, 2023, the ABC Board had \$1,000 cash on hand.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

2. Investments

At June 30, 2023, the County had the following investments and maturities.

<u>Investments by Type</u>	<u>Valuation Measurement Method</u>	<u>Book Value at June 30, 2023</u>	<u>Maturity</u>	<u>Rating</u>
NC Capital Management Trust - Government Portfolio	Fair Value Level 1	\$ 5,124,933	N/A	AAAm
		<u>\$ 5,124,933</u>		

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

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

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets.

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of not more than three years.

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, 2023. The Authority has no policy on credit risk. These amounts are included within cash on the statement of net position.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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>
2020	\$ 884,464	\$ 289,662	\$ 1,174,126
2021	944,806	224,391	1,169,197
2022	966,534	142,564	1,109,098
2023	965,602	55,522	1,021,124
	<u>\$ 3,761,406</u>	<u>\$ 712,139</u>	<u>\$ 4,473,545</u>

4. Receivables

Receivables at the government-wide level at June 30, 2023 were as follows:

	<u>Accounts</u>	<u>Taxes Receivable</u>	<u>Lease Receivable</u>	<u>Due from Other Governments</u>	<u>Total</u>
Governmental Activities:					
General Fund	\$ 22,280	\$ 396,357	\$ 76,824	\$ 414,260	\$ 909,721
Other governmental	13,077	-	-	118,312	131,389
Total governmental activities	<u>\$ 35,357</u>	<u>\$ 396,357</u>	<u>\$ 76,824</u>	<u>\$ 532,572</u>	<u>\$ 1,041,110</u>
Business-type Activities:					
Water and sewer	\$ 358,985	\$ -	\$ -	\$ -	\$ 358,985
Allowance for doubtful accounts	(138,622)	-	-	-	(138,622)
Total business-type activities	<u>\$ 220,363</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 220,363</u>

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

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>
Local option sales tax	\$ 181,411	\$ -
Sales taxes	351,161	-
Total	<u>\$ 532,572</u>	<u>\$ -</u>

In 2021, the County entered into a lease of a building for a period of five years. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payment expected to be received during the lease term at a discount rate of 0%. In fiscal year 2023, the County recognized \$22,056 of lease revenue under the lease.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 851,558	\$ -	\$ -	\$ 851,558
Construction in Process	890,165	-	890,165	-
Total capital assets not being depreciated	<u>1,741,723</u>	<u>-</u>	<u>890,165</u>	<u>851,558</u>
Capital assets being depreciated:				
Buildings and improvements	3,836,846	1,114,421	-	4,951,267
Vehicles and equipment	1,912,893	138,663	31,351	2,020,205
Furniture	57,735	-	-	57,735
Right to use - buildings	-	659,178	-	659,178
Total capital assets being depreciated	<u>5,807,474</u>	<u>1,912,262</u>	<u>31,351</u>	<u>7,688,385</u>
Less accumulated depreciation for:				
Buildings and improvements	2,053,610	113,509	-	2,167,119
Vehicles and equipment	1,570,998	92,149	26,379	1,636,768
Furniture	43,056	5,504	-	48,560
Right to use - buildings	-	65,918	-	65,918
Total accumulated depreciation	<u>3,667,664</u>	<u>\$ 277,080</u>	<u>\$ 26,379</u>	<u>3,918,365</u>
Total capital assets being depreciated, net	<u>2,139,810</u>			<u>3,770,020</u>
Governmental capital assets, net	<u><u>\$ 3,881,533</u></u>			<u><u>\$ 4,621,578</u></u>

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

Governmental activities:	
General government	\$ 116,641
Public safety	85,807
Human services	73,071
Economic and physical development	1,561
Total	<u><u>\$ 277,080</u></u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—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	-	82,250	-	82,250
Total capital assets not being depreciated	68,261	82,250	-	150,511
Capital assets being depreciated:				
Plant and distribution systems	23,506,991	15,266	-	23,522,257
Buildings	21,837	-	-	21,837
Furniture	1,602	-	-	1,602
Vehicles and equipment	615,118	25,999	58,188	582,929
	24,145,548	41,265	58,188	24,128,625
Less accumulated depreciation for:				
Plant and distribution system	6,566,904	481,927	-	7,048,831
Buildings	16,885	1,730	-	18,615
Furniture	1,601	-	-	1,601
Vehicles and equipment	527,319	28,906	32,187	524,038
	7,112,709	512,563	32,187	7,593,085
Total capital assets being depreciated, net	17,032,839			16,535,540
Water and Sewer capital assets, net	\$ 17,101,100			\$ 16,686,051

Construction commitments

The government has an active construction project as of June 30, 2023. This project consists of the construction of the Gum Neck Elevated Water Tank. At June 30, 2023, the government's commitment with the contract is as follows:

Project	Spent to date	Remaining Commitment
Gum Neck Water Tank	\$ 82,250	\$ 280,750
	\$ 82,250	\$ 280,750

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2023 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:				
Building	357,527	-	-	357,527
Furniture and fixtures	35,752	-	-	35,752
Total capital assets being depreciated	<u>393,279</u>	<u>-</u>	<u>-</u>	<u>393,279</u>
Less accumulated depreciation	123,726	<u>\$ 11,393</u>	<u>\$ -</u>	<u>135,119</u>
Total capital assets being depreciated, net	<u>269,553</u>			<u>258,160</u>
ABC Board capital assets, net	<u>\$ 291,288</u>			<u>\$ 279,895</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

B. Liabilities

1. 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, 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, 2023

Note 2—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, 2023 was 13.04% of compensation for law enforcement officers and 12.18% 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 \$295,842 for the year ended June 30, 2023.

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, 2023, the County reported a liability of \$1,476,926 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was .02618%, which was a decrease of .00143% from its proportion as of June 30, 2022 (measured as of June 30, 2020.)

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

For the year ended June 30, 2023, the County recognized pension expense of \$421,706. At June 30, 2023, 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	\$ 63,639	\$ 6,239
Changes of assumptions	147,364	-
Net difference between projected and actual earnings on pension plan investments	488,139	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,474	5,292
Employer contributions subsequent to the measurement date	295,842	-
Total	<u>\$ 1,003,458</u>	<u>\$ 11,531</u>

\$295,842 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30:</u>	
2024	\$ 224,794
2025	184,863
2026	53,869
2027	232,559
	<u>\$ 696,085</u>

Actuarial Assumptions – The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary Increases	3.5% to 8.10%, including inflation and productivity factor
Investment rate of return	6.5%, net of pension plan investment expense, including inflation

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29%	1.1%
Global Equity	42%	6.5%
Real Estate	8%	5.9%
Alternatives	8%	7.5%
Opportunistic Income	7%	5.0%
Inflation Sensitive	6%	2.7%
Total	100%	

The information above is based on 30-year expectations developed with an investment consulting firm as a part of a study that was completed in 2022 and is part of the asset, liability, and investment policy study of 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 2.25%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. 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, 2023

Note 2—Detail notes on all funds (continued)

Sensitivity of the County's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.5%, as well as what the County's proportionate share of the net pension liability would be as if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	1% Decrease (5.5%)	Current Discount Rate (6.5%)	1% Increase (7.5%)
County's proportionate share of the net pension liability (asset)	\$ 2,665,661	\$ 1,476,926	\$ 497,339

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

b. Law Enforcement Officers' Special Separation Allowance

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, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	11
	<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.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

Actuarial Assumptions – The entry age actuarial cost method was used in the December 31, 2021 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5% per annum
Salary increases	3.25-7.75% per annum
Discount rate	4.31% per annum, compounded annually

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2021.

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate

Deaths after Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and set forward by 1 year.

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

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

Deaths after Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are set back 3 years for all ages.

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 \$9,281 as benefits came due for the reporting period.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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

At June 30, 2023, the County reported a total pension liability of \$156,658. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$18,189.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 30,008	\$ 10,473
Changes of assumptions	18,589	28,257
Total	<u>\$ 48,597</u>	<u>\$ 38,730</u>

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

<u>Years Ending June 30:</u>	
2024	\$ 3,535
2025	9,051
2026	1,618
2027	(2,290)
2028	(1,986)
Thereafter	(61)
	<u>\$ 9,867</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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 4.31%, 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 (3.31%) or 1-percentage-point higher (5.31%) than the current rate:

	1% Decrease (3.31%)	Current Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 170,110	\$ 156,658	\$ 144,498

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

Beginning Balance	\$ 160,257
Service Cost	14,158
Interest on total pension liability	3,501
Difference between expected and actual experience	17,251
Changes in assumptions or other inputs	(29,228)
Benefit payments	(9,281)
Net Changes	(3,599)
Ending Balance of the Total Pension Liability	<u>\$ 156,658</u>

Changes of assumptions: Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% at December 31, 2021 to 4.31% at December 31, 2022 (measurement date).

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

The actuarial assumptions used in the December 31, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—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, a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of 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, 2023 were \$28,904, which consisted of \$24,552 from the County and \$4,352 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, 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for 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, 2023 were \$6,520, which consisted of \$-0- from the County and \$6,520 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, NC 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—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 \$278 for the year ended June 30, 2023.

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

At June 30, 2023, the County reported an asset of \$4,273 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County’s proportion was .03227%, which was an increase of .000701% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$703. At June 30, 2023, 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	\$ 33	\$ 77
Changes of assumptions	226	-
Net difference between projected and actual earnings on pension plan investments	1,776	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	366	960
Employer contributions subsequent to the measurement date	278	-
Total	<u>\$ 2,679</u>	<u>\$ 1,037</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

\$278 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Years Ending June 30:</u>	
2024	\$ 413
2025	(87)
2026	591
2027	447
	<u>\$ 1,364</u>

Actuarial Assumptions – The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%
Salary Increases	3.25% to 8.25%, including inflation and positivity factor
Investment rate of return	3.0%, 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, 2021 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the Bond Index Investment Pool. The best estimate of arithmetic real rate of return for the Bond Index Investment Pool as of June 30, 2023 is .78%.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

The information above is based on 30-year expectations developed with a consulting an investment consulting firm as a part of a study that was completed in 2022 and is part of the asset, liability and investment policy study of 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 2.25%. All rates of return and inflation are annualized.

Discount Rate – The discount rate used to measure the total pension liability was 3.00%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s Proportionate Share of the Net Pension Asset to Changes in the Discount Rate – The following presents the County’s proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County’s proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

	1% Decrease (2.00%)	Current Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension asset	\$ (3,018)	\$ (4,273)	\$ (5,329)

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

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

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for the LEOSSA was measured as of December 31, 2022, with an actuarial valuation date of December 31, 2021. 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:

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 1,476,926	\$ 4,273	\$ -	\$ 1,481,199
Proportion Share of Net Pension Liability (Asset)	0.02618%	0.03227%	n/a	
Total Pension Liability	-	-	\$ 156,658	\$ 156,658
Pension Expense	421,706	703	18,189	\$ 440,598
Deferred Outflows of Resources				
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Differences between expected and actual experience	\$ 63,639	\$ 33	\$ 30,008	\$ 93,680
Changes of assumptions	147,364	226	18,589	166,179
Net difference between projected and actual earnings				
on pension plan investments	488,139	1,776	-	489,915
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,474	366	-	8,840
Employer contributions subsequent to the measurement date	295,842	278	-	296,120
Deferred Inflows of Resources				
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Differences between expected and actual experience	\$ 6,239	\$ 77	\$ 10,473	\$ 16,789
Net difference between employer contributions and proportionate share of contributions	-	-	-	-
Changes of assumptions	-	-	28,257	28,257
Changes in proportion and differences between employer contributions and proportionate share of contributions	5,292	960	-	6,252

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, 2023, the County’s total contributions were \$103,998.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

Membership of the Retiree Health Plan consisted of the following at June 30, 2021, the date of the latest actuarial valuation:

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	21
Inactive Members Entitled to but not yet	
Receiving Benefits	-
Active Employees	60
Total	<u>81</u>

Actuarial Assumptions

The County's total OPEB liability of \$3,783,828 was measured as of June 30, 2022 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	3.25% to 8.41%, average, including inflation
Discount rate	3.54%
Healthcare cost trend rates	
Pre-Medicare	7.0% for 2021 decreasing to an ultimate rate of 4.5% by 2031
Medicare	5.125% for 2021 decreasing to an ultimate rate of 4.5% by 2024

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:

	2023
Beginning balance	<u>\$ 4,630,672</u>
Service cost	183,190
Interest on the total OPEB liability	102,856
Differences between expected and actual experience	11,932
Changes of assumptions or other inputs	(1,040,225)
Benefit payments and implicit subsidy credit	(104,597)
Other changes	-
Ending balance of the total OPEB liability	<u>\$ 3,783,828</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.16% to 3.54%.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

Mortality rates were based on the Pub-2010 Mortality Table with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2021 valuation were based on a review of recent plan experience performed concurrently with the June 30, 2021 valuation.

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 (2.54%) or 1 percentage point higher (4.54%) than the current discount rate:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Total OPEB Liability	\$ 4,499,893	\$ 3,783,828	\$ 3,223,873

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

	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 3,145,072	\$ 3,783,828	\$ 4,621,368

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$21,894. At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 11,866	\$ 573,831
Changes of assumptions	692,033	1,001,310
Benefit payments and administrative costs made subsequent to the measurement date	103,998	-
Total	<u>\$ 807,897</u>	<u>\$ 1,575,141</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

\$103,998 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in OPEB expense as follows:

<u>Years Ending June 30:</u>	
2024	\$ (251,137)
2025	(194,476)
2026	(101,432)
2027	(142,400)
2028	(171,614)
Thereafter	<u>(10,183)</u>
Total	<u>\$ (871,242)</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 \$60,000. 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, 2023

Note 2—Detail notes on all funds (continued)

2. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience - pension and OPEB	\$ 105,546	\$ 590,620
Changes of assumptions - pension and OPEB	858,212	1,029,567
Net difference between projected and actual earnings on pension plan investments - pension and OPEB	489,915	-
Changes in proportion and differences between employer contributions and proportionate share of contributions - pension and OPEB	8,840	6,252
Employer contributions subsequent to the measurement date	400,118	-
Unavailable revenues (Government Wide and General Fund)	-	135,109
Lease receivable (Government Wide and General Fund)	-	75,360
Taxes receivable, net, less penalties (General Fund)	-	416,356
Total	<u>\$ 1,862,631</u>	<u>\$ 2,253,264</u>

3. 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 Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence. The pools also provide \$1,000,000 in Cyber Event Coverage per loss occurrence. The County has the option to purchase higher liability and cyber limits. Auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to the statutory limits are provided by the pools.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$750,000, up to a \$2 million limit for liability coverage and limits above the \$2,000,000 are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and a private reinsurer. Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$500,000 per occurrence for property including auto physical damage, with additional limits of \$997,500,000 purchased through a group of commercial reinsurers through the multi-state public entity captive. In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere. The County carries commercial coverage for all other risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

The County 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 \$1,000,000 and \$10,000, respectively. The remaining employees that have access to funds are bonded under a blanket bond for \$50,000.

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.

TYRRELL COUNTY, NORTH CAROLINA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

4. Commitments

At June 30, 2023, the County had fourteen 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 \$675,000 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 \$16.16 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, 2024.
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 and is thereafter renewable for periods as agreed upon by the parties. The cost of these services is based on the fully allocated cost as determined by the approved fiscal year budget.
8 Johnny Spencer	Consultant and Operator in Responsible Charge of the Tyrrell County Utilities Department Agreement will remain in effect until December 31, 2022 and may be extended annually with the written consent of the parties. Services shall be invoiced monthly by the Consultant. Expected fee is \$24,000 annually.
9 Town of Creswell, NC	For wastewater services. The rates charged should be sufficient to pay the costs of operation and maintenance of the WWTP. The agreement is binding for a period of 28 years and from year to year subsequently except that beginning with the 28th year, the Town or the County may at any time give other notice of its desire to terminate the Agreement.
10 Town of Columbia, NC	For wastewater treatment to customers in the Goat Neck community in northern Tyrrell County. Service is limited to no more than 17 user connections and is charged based on the County's water customer usage records for the sewer customers served by the Columbia system. The agreement shall continue for forty years from the date up on which wastewater sewer service is first treated for the County. It may be terminated at any time upon five year's written notice.
11 Pearson's Appraisal Services, Inc.	For 2025 Property Revaluation, the County shall pay \$27 per parcel based upon an exact count of the total number of parcels appraised. Estimated parcels of 4,518 would amount to \$121,986.
12 Jones Street Consulting	For lobbying the General Assembly on all issues concerning Tyrrell County. This agreement, effective January 1, 2023, shall terminate on December 31, 2024. The County will pay \$1,500 per month for the entire contract period.
13 WolfeStein, LLC	For government relations work for Tyrrell County. This agreement is effective February 1, 2023 and will terminate on December 31, 2024. The County will pay \$1,500 per month for the entire contract period.
14 Brink's Complete Service Agreement	To provide certain cash management solutions and logistics services. Effective February 28, 2023 and shall continue for a period of 5 years. The monthly rate is \$550 plus additional service fees per instance. The agreement shall automatically renew for successive one year periods unless either party gives written notice of cancellation.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

5. Long-Term Obligations

a. Leases

The County has entered into an agreement to lease a building which has been recorded at the present value of the future minimum lease payments as of the date of its' inception.

The agreement was effective July 1, 2022, to lease the Department of Social Services building and requires 36 monthly payments of \$7,233, 48 monthly payments of \$7,790, and then 36 monthly payments of \$8,346. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 7.3%, which is the County's bank borrowing rate. As a result of the lease, the County has recorded a right to use asset with a net book value of \$659,178 at June 30, 2023.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Years Ended			
June 30	Principal	Interest	Total
2024	\$ 43,411	\$ 43,390	\$ 86,801
2025	46,684	40,117	86,801
2026	57,108	36,370	93,478
2027	61,413	32,065	93,478
2028	66,043	27,435	93,478
2029-2032	340,170	53,773	393,943
	<u>\$ 614,829</u>	<u>\$ 233,150</u>	<u>\$ 847,979</u>

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.

\$ 414,522

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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

Years Ended June 30	USDA Building	
	Principal	Interest
2024	\$ 38,108	\$ 19,690
2025	39,918	17,880
2026	41,814	15,984
2027	43,801	13,997
2028	45,881	11,917
2029-2032	205,000	24,813
Total	<u>\$ 414,522</u>	<u>\$ 104,281</u>

c. Revenue Bond

\$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%. \$ 2,393,000

\$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%. 613,000

\$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%. 913,000

\$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%. 340,000

\$ 4,259,000

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

Years Ended June 30	Series 2013A		Series 2013B		Series 2016A		Series 2016B	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 52,000	\$ 74,781	\$ 15,000	\$ 15,325	\$ 19,000	\$ 20,543	\$ 7,000	\$ 7,650
2024	53,000	73,156	15,000	14,950	19,000	20,115	7,000	7,493
2025	55,000	71,500	15,000	14,575	20,000	19,688	7,000	7,335
2026	57,000	69,781	16,000	14,200	20,000	19,238	8,000	7,178
2027	59,000	68,000	16,000	13,800	21,000	18,788	8,000	6,998
2028-2032	320,000	311,406	87,000	62,725	111,000	86,693	41,000	32,288
2033-2037	375,000	258,094	99,000	51,300	124,000	73,620	46,000	27,450
2038-2042	437,000	195,719	111,000	38,325	138,000	59,085	52,000	22,028
2043-2047	512,000	122,938	127,000	23,700	155,000	42,773	58,000	15,908
2048-2052	473,000	37,531	112,000	7,050	173,000	24,548	64,000	9,090
2053-2057	-	-	-	-	113,000	5,108	42,000	1,890
Total	<u>\$ 2,393,000</u>	<u>\$ 1,282,906</u>	<u>\$ 613,000</u>	<u>\$ 255,950</u>	<u>\$ 913,000</u>	<u>\$ 390,199</u>	<u>\$ 340,000</u>	<u>\$ 145,308</u>

Management believes 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%.

Management believes 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, 2023, are as follows:

	<u>Water Bonds</u>	<u>Sewer Bonds</u>
Operating revenues	\$ 1,372,880	\$ 286,055
Operating expenses*	(908,789)	(158,746)
Operating income	464,091	127,309
Nonoperating revenues (expenses)*	22,092	1,364
Income available for debt service	<u>486,183</u>	<u>128,673</u>
Debt service, principal paid (Revenue bond only)	64,000	26,000
Debt service, interest paid (Revenue bond only)	92,019	28,778
Debt service coverage ratio	3.12	2.35

* 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 \$4,544,856. Principal and interest paid for the current year and total customer net revenues were \$156,019 and \$486,183, respectively.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

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 \$1,788,507. Principal and interest paid for the current year and total customer net revenues were \$54,778 and \$128,673 respectively.

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2023:

	<u>Balance</u> <u>July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2023</u>	<u>Current</u> <u>Portion</u>
Governmental activities:					
Term loan - court facility	\$ 450,902	\$ -	\$ 36,380	\$ 414,522	\$ 38,108
Term loan - Gymnasium	131,021	-	131,021	-	-
Leases	-	680,747	65,918	614,829	43,411
Compensated absences	163,216	-	16,962	146,254	-
Total pension liability (LEOSSA)	160,257	-	3,599	156,658	-
Net pension liability (LGERS)	369,706	927,080	-	1,296,786	-
OPEB	4,074,991	-	745,223	3,329,768	-
Total governmental activities	<u>\$ 5,350,093</u>	<u>\$ 1,607,827</u>	<u>\$ 999,103</u>	<u>\$ 5,958,817</u>	<u>\$ 81,519</u>
Business-type activities:					
Water Revenue bonds	\$ 2,443,000	\$ -	\$ 50,000	\$ 2,393,000	\$ 52,000
Water Revenue bonds	627,000	-	14,000	613,000	15,000
Sewer Revenue Bonds	932,000	-	19,000	913,000	19,000
Sewer Revenue Bonds	347,000	-	7,000	340,000	7,000
Compensated absences	23,429	-	661	22,768	-
Net pension liability (LGERS)	53,720	126,420	-	180,140	-
OPEB	555,681	-	101,621	454,060	-
Total business-type activities	<u>\$ 4,981,830</u>	<u>\$ 126,420</u>	<u>\$ 192,282</u>	<u>\$ 4,915,968</u>	<u>\$ 93,000</u>
ABC Board:					
Construction Note	\$ 89,299	\$ -	\$ 16,557	\$ 72,742	17,184
Net pension liability (LGERS)	4,447	11,913	-	16,360	-
Vacation payable	937	-	937	-	-
Total business-type activities	<u>\$ 94,683</u>	<u>\$ 11,913</u>	<u>\$ 17,494</u>	<u>\$ 89,102</u>	<u>\$ 17,184</u>

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. Pension and OPEB are accounted for as used.

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

C. Inter-fund Balances and Activity

The composition of inter-fund balances as of June 30, 2023 is as follows:

	Interfund	
	<u>Receivables</u>	<u>Payables</u>
General Fund	\$ 2,000	\$ -
Gum Neck Water Tank Fund	-	2,000
	<u>\$ 2,000</u>	<u>\$ 2,000</u>

The General Fund made various payments to vendors on behalf of various grant funds. This amount represents the amount that was due to the General Fund but had not been remitted as of June 30, 2023.

Transfers to/from other funds at June 30, 2023, consist of the following:

To the General Fund from the Maintenance Garage Project	\$ 52
From the General Fund to the Revaluation Fund	16,900
From the School Capital Outlay Fund to the General Fund	173,270
From the General Fund to the CDBG Project Fund	5,000
	<u>\$ 195,222</u>

TYRRELL COUNTY, NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2023

Note 2—Detail notes on all funds (continued)

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-Type</u>
Capital assets	\$ 4,621,578	\$ 16,686,051
Less: Long-term debt	(1,029,351)	(4,259,000)
Net investment in capital assets	<u>\$ 3,592,227</u>	<u>\$ 12,427,051</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>\$ 2,415,694</u>
Less:	
Stabilization by State Statute	420,005
Controlled substance tax	16,765
Drug forfeiture funds	15,487
Court facilities	76,782
Register of Deeds	17,628
Capital outlay	52,598
USDA reserve	64,131
Tax revaluation	89,253
Recreation	49,539
Fire Protection	1,171
Subsequent year's expenditures	<u>676,588</u>
Remaining Fund Balance	<u>\$ 935,747</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, 2023, there are no outstanding encumbrances.

Note 3—Joint ventures

The County participates with three other counties to operate the Pettigrew Regional Library. Each participating government appoints one member to a 12-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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$144,481 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, 2023

Note 3—Joint ventures (continued)

The County participates with 27 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 and serves as Finance Committee Chair. 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, 2023. 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 Melissa Owens, Chief Financial Officer, 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$50,980 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$2,775 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, 2023. 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, 2023. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$3,877 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, 2023

Note 3—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, 2023, the County made appropriations to the school system in the amount of \$60,892, of which consisted of \$55,356 in grant funds obtained from the State and \$5,536 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, 2023, the County made appropriations to NCSU in the amount of \$111,372 for those provided services.

Note 4—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 5—Subsequent events

Management has evaluated subsequent events through January 29, 2024, the date on which the financial statements were available to be issued.

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

LAST TEN YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.02618%	0.02761%	0.02869%	0.02839%	0.03029%	0.03505%	0.03392%	0.03419%	0.03361%	0.00341%
County's proportionate share of the net pension liability (asset)	\$ 1,476,926	\$ 423,426	\$ 1,025,216	\$ 775,309	\$ 718,582	\$ 468,302	\$ 719,896	\$ 153,443	\$ (198,214)	\$ 411,036
County's covered payroll *	\$ 2,249,169	\$ 2,206,230	\$ 2,271,719	\$ 2,219,587	\$ 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	65.67%	19.19%	45.13%	34.93%	31.24%	23.06%	33.20%	7.41%	-11.82%	24.14%
Plan fiduciary net position as a percentage of the total pension liability	84.14%	95.51%	88.81%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 295,842	\$ 260,156	\$ 228,527	\$ 208,187	\$ 175,595	\$ 164,972	\$ 159,574	\$ 140,888	\$ 138,232	\$ 135,365
Contribution in relation to the contractually required contribution	<u>295,842</u>	<u>260,156</u>	<u>228,527</u>	<u>208,187</u>	<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>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 2,395,222	\$ 2,249,169	\$ 2,206,230	\$ 2,271,719	\$ 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	12.35%	11.57%	10.36%	9.16%	7.91%	7.17%	7.86%	6.50%	6.67%	8.07%

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

LAST TEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) %	0.03227%	0.02526%	0.03061%	0.03008%	0.03189%	0.03070%	0.03724%	0.03382%	0.04226%	0.03636%
County's proportionate share of the net pension liability (asset)	\$ (4,273)	\$ (4,853)	\$ (7,015)	\$ (5,938)	\$ (5,282)	\$ (5,242)	\$ (6,964)	\$ (7,838)	\$ (9,576)	\$ (7,766)
County's covered payroll *	\$ 50,607	\$ 48,197	\$ 48,197	\$ 47,252	\$ 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	-8.44%	-10.07%	-14.55%	-12.57%	-11.40%	-13.92%	-11.43%	-12.86%	-17.50%	10.21%
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

LAST TEN YEARS

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 278	\$ 370	\$ 303	\$ 293	\$ 286	\$ 273	\$ 267	\$ 304	\$ 271	\$ 345
Contribution in relation to the contractually required contribution	278	370	303	293	286	273	267	304	271	345
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	56,680	50,607	48,197	48,197	47,252	46,326	37,670	\$ 60,931	\$ 54,711	\$ 76,083
Contributions as a percentage of covered-employee payroll	0.49%	0.73%	0.63%	0.61%	0.61%	0.59%	0.71%	0.50%	0.50%	0.45%

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

LAST SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 160,257	\$ 164,400	\$ 106,622	\$ 84,318	\$ 117,738	\$ 122,441	\$ 111,580
Service cost	14,158	15,105	9,255	8,821	11,423	10,406	13,567
Interest on the total pension liability	3,501	3,031	3,236	2,814	3,712	4,714	3,938
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	17,251	(2,283)	21,547	21,361	(44,587)	(29,842)	-
Changes of assumptions or other inputs	(29,228)	(5,286)	38,450	3,335	(3,425)	10,650	(4,120)
Benefit payments	(9,281)	(14,710)	(14,710)	(14,027)	(543)	(631)	(2,524)
Other changes	-	-	-	-	-	-	-
Ending balance of the total pension liability	<u>\$ 156,658</u>	<u>\$ 160,257</u>	<u>\$ 164,400</u>	<u>\$ 106,622</u>	<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 SEVEN YEARS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 156,658	\$ 160,257	\$ 164,400	\$ 106,622	\$ 84,318	\$ 117,738	\$ 122,441
Covered payroll	437,293	440,574	399,718	407,008	452,487	425,942	493,228
Total pension liability as a percentage of covered payroll	35.82%	36.37%	41.13%	26.20%	18.63%	27.64%	24.82%

Notes to the schedule:

The County has no assets accumulated in a trust 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 SEVEN YEARS

	2023	2022	2021	2020	2019	2018	2017
Beginning balance	\$ 4,630,672	\$ 4,625,327	\$ 3,544,281	\$ 4,026,877	\$ 4,053,488	\$ 4,053,488	\$ 4,258,658
Service cost	183,190	194,397	125,714	153,633	164,142	164,142	188,168
Interest on the total OPEB liability	102,856	105,421	126,705	154,826	142,804	142,804	126,705
Differences between expected and actual experience	11,932	(483,270)	(8,439)	(650,805)	(3,344)	(3,344)	16,375
Changes of assumptions or other inputs	(1,040,225)	288,417	937,632	(45,785)	(245,209)	(245,209)	(437,318)
Benefit payments and implicit subsidy credit	(104,597)	(99,620)	(100,566)	(94,465)	(85,004)	(85,004)	(99,100)
Other changes	-	-	-	-	-	-	-
Ending balance of the total OPEB liability	<u>\$ 3,783,828</u>	<u>\$ 4,630,672</u>	<u>\$ 4,625,327</u>	<u>\$ 3,544,281</u>	<u>\$ 4,026,877</u>	<u>\$ 4,026,877</u>	<u>\$ 4,053,488</u>
Covered payroll	\$ 2,114,633	\$ 2,114,633	\$ 1,967,588	\$ 1,967,588	\$ 2,063,295	\$ 2,063,295	\$ 2,063,295
Total OPEB liability as a percentage of covered payroll	178.94%	218.98%	235.08%	180.13%	195.17%	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:

Fiscal Year	Rate
2022	3.54%
2021	2.16%
2020	2.21%
2019	3.50%
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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Revenues				
Ad valorem taxes				
Current year	\$ 4,635,025	\$ 4,751,132	\$	\$ 4,769,867
Penalties and interest	43,000	66,544		53,110
Total ad valorem taxes	<u>4,678,025</u>	<u>4,817,676</u>	139,651	<u>4,822,977</u>
Local option sales taxes				
Articles 39, 40, & 42	659,735	638,725		634,651
Total local option sales taxes	<u>659,735</u>	<u>638,725</u>	(21,010)	<u>634,651</u>
Other taxes and licenses				
Deed stamp excise tax	39,200	34,859		58,758
Scrap tire disposal tax	6,000	5,951		5,335
Video programming tax	400	354		377
White goods disposal tax	1,900	1,630		1,765
Solid waste tax	3,000	2,739		2,668
Occupancy tax	400	563		467
Total other taxes and licenses	<u>50,900</u>	<u>46,096</u>	(4,804)	<u>69,370</u>
Unrestricted intergovernmental revenues				
Controlled substance tax	2,500	1,877		2,075
Payments in lieu of taxes	45,383	45,383		40,558
Beer and wine tax	13,000	12,020		10,097
Total unrestricted intergovernmental revenues	<u>60,883</u>	<u>59,280</u>	(1,603)	<u>52,730</u>
Restricted intergovernmental revenues				
Federal and State grants	1,703,821	1,615,196		1,435,090
Court facility fees	31,500	30,894		29,599
ABC bottles tax	2,000	11,150		6,512
Total restricted intergovernmental revenues	<u>1,737,321</u>	<u>1,657,240</u>	(80,081)	<u>1,471,201</u>
Licenses and permits				
Gun permits	2,200	2,365		2,785
Officer service fees	184,866	200,920		186,948
Animal control fees	1,250	1,690		693
Building permits and inspection fees	23,000	19,068		27,608
Candidate filing fees	-	-		1,856
License revocation fees	78,100	79,994		79,402
Other fees	19,000	24,107		22,504
Total licenses and permits	<u>308,416</u>	<u>328,144</u>	19,728	<u>321,796</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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Revenues (continued)				
Sales and services				
Rents and other	\$ 23,965	\$ 26,023	\$	\$ 23,572
Jail fees	1,500	132		1,191
Total sales and services	<u>25,465</u>	<u>26,155</u>	<u>690</u>	<u>24,763</u>
Interest earned on investments	<u>103,321</u>	<u>127,682</u>	<u>24,361</u>	<u>4,359</u>
Miscellaneous				
Donations and contributions	6,025	3,425		2,410
Other revenues	147,487	135,463		32,350
Total miscellaneous	<u>153,512</u>	<u>138,888</u>	<u>(14,624)</u>	<u>34,760</u>
Total revenues	<u>7,777,578</u>	<u>7,839,886</u>	<u>62,308</u>	<u>7,436,607</u>
Expenditures				
Current				
General government				
Governing body				
Salaries and employee benefits	307,017	300,775		284,848
Other operating expenditures	66,470	58,526		59,502
Contract services	113,253	106,378		61,893
Total	<u>486,740</u>	<u>465,679</u>	<u>21,061</u>	<u>406,243</u>
Elections				
Salaries and employee benefits	77,068	66,178		60,893
Other operating expenditures	30,995	18,521		13,056
Capital outlay	-	-		41,000
Total	<u>108,063</u>	<u>84,699</u>	<u>23,364</u>	<u>114,949</u>
Finance				
Salaries and employee benefits	225,083	224,168		198,819
Other operating expenditures	19,300	11,447		6,884
Total	<u>244,383</u>	<u>235,615</u>	<u>8,768</u>	<u>205,703</u>
Taxes				
Salaries and employee benefits	184,001	183,329		160,080
Other operating expenditures	79,985	79,533		74,164
Contract services	5,680	1,532		1,528
Capital outlay	1,500	-		99
Total	<u>271,166</u>	<u>264,394</u>	<u>6,772</u>	<u>235,871</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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
General government (continued)				
Register of deeds				
Salaries and employee benefits	\$ 125,304	\$ 124,363	\$	\$ 112,132
Other operating expenditures	38,549	38,252		21,920
Contract services	14,530	13,877		12,314
Total	178,383	176,492	1,891	146,366
Planning				
Other operating expenditures	6,075	2,597	3,478	3,163
Emergency protective measures				
Other operating expenditures	2,000	-	2,000	2,191
Total	2,000	-	2,000	2,191
Buildings and grounds				
Salaries and employee benefits	196,669	158,293		160,786
Other operating expenditures	308,237	281,968		302,497
Capital outlay	10,600	6,950		
Total	515,506	447,211	68,295	463,283
Total general government	1,812,316	1,676,687	135,629	1,577,769
Public safety				
Sheriff				
Salaries and employee benefits	892,754	827,848		756,400
Other operating expenditures	311,090	233,878		319,264
Contract services	1,700	1,569		1,489
Capital outlay	2,000	192		51,928
Total	1,207,544	1,063,487	144,057	1,129,081
Emergency management				
Salaries and employee benefits	51,334	51,044		45,315
Other operating expenditures	49,769	40,195		36,199
Capital outlay	82,122	82,122		-
Total	183,225	173,361	9,864	81,514
Department of motor vehicles				
Salaries and employee benefits	44,547	44,267		39,523
Other operating expenditures	200	126		174
Total	44,747	44,393	354	39,697
Fire protection				
Forest fire control	74,800	58,981		51,196
Contribution to the fire department	282,000	282,000		182,926
Total	356,800	340,981	15,819	234,122

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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Public safety (continued)				
Building inspector				
Salaries and employee benefits	\$ 87,847	\$ 86,824	\$	\$ 77,143
Other operating expenditures	13,520	10,457		9,818
Capital outlay	15,000	15,000		30
Total	<u>116,367</u>	<u>112,281</u>	<u>4,086</u>	<u>86,991</u>
Medical examiner				
Other operating expenditures	5,650	1,800	3,850	3,700
Animal control				
Salaries and employee benefits	72,014	71,453		63,679
Other operating expenditures	18,727	14,299		14,771
Total	<u>90,741</u>	<u>85,752</u>	<u>4,989</u>	<u>78,450</u>
Total public safety	<u>2,005,074</u>	<u>1,822,055</u>	<u>183,019</u>	<u>1,653,555</u>
Human services				
Health				
MTW health	61,386	61,386		61,386
Medical transportation				
Emergency medical services	685,252	683,306	1,946	684,034
Social services				
Administration				
Salaries and employee benefits	1,047,652	972,016		921,747
Other operating expenditures	286,611	241,891		225,102
Contracted services	60,000	61,229		60,914
Total	<u>1,394,263</u>	<u>1,275,136</u>	<u>119,127</u>	<u>1,207,763</u>
Public assistance				
Medical assistance payments	4,000	523		1,404
Income maintenance	36,000	30,707		22,569
Total	<u>40,000</u>	<u>31,230</u>	<u>8,770</u>	<u>23,973</u>
Food stamps/coupons				
Other operating expenditures	2,500	1,070	1,430	1,299
Legal aid children				
Other operating expenditures	25,645	18,680	6,965	16,976
Senior citizens assistance				
Other operating expenditures	113,364	94,424	18,940	88,136
Transportation - nutritional				
Salaries and employee benefits	113,257	109,117		94,646
Contracted services	8,631	8,631		8,631
Other operating expenditures	40,180	33,439		34,757
Total	<u>162,068</u>	<u>151,187</u>	<u>10,881</u>	<u>138,034</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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Expenditures (continued)				
Current (continued)				
Human Services (continued)				
Crisis intervention				
Other operating expenditures	\$ 18,260	\$ 7,374	\$ 10,886	\$ 9,221
Foster care				
Other operating expenditures	34,052	10,556	23,496	15,578
Blind administration				
Other operating expenditures	1,974	1,974	-	1,908
Other Social Services				
Other operating expenditures	158,830	129,357	29,473	245,445
Total human services	2,697,744	2,465,680	232,064	2,493,753
Education				
Public schools - current	596,265	596,265	-	592,595
Total education	596,265	596,265	-	592,595

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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Environmental protection				
Drainage				
Contract services	\$ 34,000	\$ 31,692	\$ 2,308	\$ 11,320
Solid waste				
Salaries and employee benefits	12,243	13,581		11,222
Other operating expenses	116,900	107,945		88,653
Contract services	487,051	480,578		458,781
Total	<u>616,194</u>	<u>602,104</u>	<u>14,090</u>	<u>558,656</u>
Total environmental protection	<u>650,194</u>	<u>633,796</u>	<u>16,398</u>	<u>569,976</u>
Economic and physical development				
Agriculture extension				
Salaries and employee benefit	140	-		-
Other operating expenditures	164,142	137,778		146,121
Appropriations - Albemarle Commission	2,775	2,775		3,258
Appropriations - River Festival	8,000	7,020		8,000
Appropriations - Albemarle RC&D	750	750		750
Appropriations - PFS	12,000	12,000		12,000
Total	<u>187,807</u>	<u>160,323</u>	<u>27,484</u>	<u>170,129</u>
Board of Supervisors - soil conservation				
Salaries and employee benefits	61,709	61,280		54,024
Other operating expenditures	9,370	3,782		5,666
Total	<u>71,079</u>	<u>65,062</u>	<u>6,017</u>	<u>59,690</u>
Total economic and physical development	<u>258,886</u>	<u>225,385</u>	<u>33,501</u>	<u>229,819</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, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Cultural and recreational				
Pettigrew Regional Library	\$ 144,481	\$ 144,481	\$ -	\$ 146,092
Recreation Commission	42,333	39,864		39,864
Total cultural and recreational	<u>186,814</u>	<u>184,345</u>	<u>2,469</u>	<u>185,956</u>
Debt service				
Note principal	36,342	36,380		34,730
Interest and fees	21,456	21,418		23,068
Total debt service	<u>57,798</u>	<u>57,798</u>	<u>-</u>	<u>57,798</u>
Total expenditures	<u>8,265,091</u>	<u>7,662,011</u>	<u>603,080</u>	<u>7,361,221</u>
Revenues over (under) expenditures	<u>(487,513)</u>	<u>177,875</u>	<u>665,388</u>	<u>75,386</u>
Other financing sources (uses)				
Sale of capital assets	30,027	33,027	3,000	-
Transfers from other funds	173,270	173,322	52	667,549
Transfers to other funds	(21,900)	(21,900)	-	(16,000)
Total other financing sources (uses)	<u>181,397</u>	<u>184,449</u>	<u>3,052</u>	<u>651,549</u>
Revenues and other financing sources under expenditures and other financing uses	<u>(306,116)</u>	<u>362,324</u>	<u>668,440</u>	<u>726,935</u>
Appropriated fund balance	<u>306,116</u>	<u>-</u>	<u>(306,116)</u>	<u>-</u>
Revenues and other financing sources (uses) and appropriated fund balance over expenditures	<u>\$ -</u>	<u>362,324</u>	<u>\$ 362,324</u>	<u>726,935</u>
Fund balance:				
Beginning of year - July 1		<u>1,911,520</u>		<u>1,184,585</u>
End of year - June 30		<u>\$ 2,273,844</u>		<u>\$ 1,911,520</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 2 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – CAPITAL OUTLAY FUND (A SUBFUND OF THE GENERAL FUND) – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Revenues				
Investment earnings	\$ -	\$ 1,903	\$ 1,903	\$ 82
Revenues over expenditures	-	1,903	1,903	82
Other financing sources (uses):				
Transfers to other funds	-	-	-	(13,036)
	-	-	-	(13,036)
Revenues and other financing sources (uses)	<u>\$ -</u>	1,903	<u>\$ 1,903</u>	(12,954)
Fund balances:				
Beginning of year - July 1		50,696		63,650
End of year - June 30		<u>\$ 52,599</u>		<u>\$ 50,696</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 3 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – REVALUATION FUND (A SUBFUND OF THE GENERAL FUND) – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Investment earnings	\$ 50	\$ 3,029	\$ 2,979	\$ 110
Expenditures				
Contract services	16,950	-	16,950	-
Revenues over expenditures	(16,900)	3,029	19,929	110
Other financing sources (uses):				
Transfers from other funds	16,900	16,900	-	10,300
Revenues and other financing sources (uses) and appropriated fund balance over expenditures	\$ -	19,929	\$ 19,929	10,410
Fund balances:				
Beginning of year - July 1		69,322		58,912
End of year - June 30		\$ 89,251		\$ 69,322

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 4 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – DIRECTED GRANTS FUND

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
SCIF grant	\$ 250,000	\$ 5,362	4,170	\$ 9,532	\$ (240,468)
Steinburg Appropriation	400,000	-	50,000	50,000	(350,000)
Investment earnings	-	379	12,985	13,364	13,364
	<u>650,000</u>	<u>5,741</u>	<u>67,155</u>	<u>72,896</u>	<u>(577,104)</u>
Expenditures					
SCIF expenditures					
Design plans for water tank	3,670	3,500	170	3,670	-
Drainage improvements	75,000	-	-	-	75,000
ROD Office renovation	121,330	-	-	-	121,330
Playground equipment	50,000	1,862	4,000	5,862	44,138
	<u>250,000</u>	<u>5,362</u>	<u>4,170</u>	<u>9,532</u>	<u>240,468</u>
Steinburg expenditures					
Software & hardware	135,000	-	-	-	135,000
Replace aging vehicles	50,000	-	50,000	50,000	-
Furnishings for Food Pantry	15,000	-	-	-	15,000
Records Preservation	50,000	-	-	-	50,000
Purchase Ambulance	75,000	-	-	-	75,000
Equipment for Senior Center	25,000	-	-	-	25,000
Equipment for Maintenance Dept	50,000	-	-	-	50,000
	<u>400,000</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>	<u>350,000</u>
Total expenditures	<u>650,000</u>	<u>5,362</u>	<u>54,170</u>	<u>59,532</u>	<u>590,468</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 379</u>	12,985	<u>\$ 13,364</u>	<u>\$ 13,364</u>
Fund balance:					
Beginning of year - July 1			<u>379</u>		
End of year - June 30			<u>\$ 13,364</u>		

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 5 – COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	<u>Representative Payee Fund</u>	<u>School Capital Outlay Fund</u>	<u>ARPA Fund</u>	<u>Opioid Settlement Fund</u>	<u>Total Non-major Special Revenue Funds</u>
Assets					
Restricted cash and investments	\$ 2,281	\$ 350,404	\$ 15,000	\$ 35,671	\$ 403,356
Due from other governments	-	118,312	-	-	118,312
Accounts receivable	-	-	-	-	-
Total assets	<u>\$ 2,281</u>	<u>\$ 468,716</u>	<u>\$ 15,000</u>	<u>\$ 35,671</u>	<u>\$ 521,668</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	15,000	-	15,000
Total liabilities	<u>-</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Fund balances					
Restricted:					
Stabilization by state statute	-	118,312	-	-	118,312
School capital outlay	-	350,404	-	-	350,404
Opioid settlement fund	-	-	-	35,671	35,671
Representative payee fund	<u>2,281</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,281</u>
Total fund balances	<u>2,281</u>	<u>468,716</u>	<u>-</u>	<u>35,671</u>	<u>506,668</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,281</u>	<u>\$ 468,716</u>	<u>\$ 15,000</u>	<u>\$ 35,671</u>	<u>\$ 521,668</u>

TYRRELL COUNTY, NORTH CAROLINA

**SCHEDULE 5 – COMBINING BALANCE SHEET – NON-MAJOR GOVERNMENTAL FUNDS
(CONTINUED)**

YEAR ENDED JUNE 30, 2023

	CDBG Projects Fund	Schools Technology & Learning Ctr Fund	Stream Debris Removal Fund	Total Non-major Capital Projects Funds	Total Non-major Governmental Funds
Assets					
Restricted cash and investments	\$ 689	\$ -	\$ -	\$ 689	\$ 404,045
Due from other governments	-	-	-	-	118,312
Accounts receivable	289	9,132	3,656	13,077	13,077
Total assets	\$ 978	\$ 9,132	\$ 3,656	\$ 13,766	\$ 535,434
Liabilities					
Accounts payable	\$ -	9,132	\$ 3,656	\$ 12,788	\$ 12,788
Unearned revenue	-	-	-	-	15,000
Total liabilities	-	9,132	3,656	12,788	27,788
Fund balances					
Restricted:					
Stabilization by state statute	978	-	-	978	119,290
School capital outlay	-	-	-	-	350,404
Opioid settlement fund	-	-	-	-	35,671
Representative payee fund	-	-	-	-	2,281
Total fund balances	978	-	-	978	507,646
Total liabilities, deferred inflows of resources, and fund balances	\$ 978	\$ 9,132	\$ 3,656	\$ 13,766	\$ 535,434

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 6 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS

YEAR ENDED JUNE 30, 2023

	Representative Payee Fund	Deed of Trust Fund	Fines and Forfeitures Fund	School Capital Outlay Fund
Revenues				
Restricted intergovernmental	\$ 3,574	\$ -	\$ -	\$ 461,759
Sales and services	-	-	107,282	-
Permits and fees	-	2,480	-	-
Investment earnings	-	-	-	4,487
Total revenues	<u>3,574</u>	<u>2,480</u>	<u>107,282</u>	<u>466,246</u>
Expenditures				
General government	-	2,480	107,282	-
Education	-	-	-	100,000
Economic and physical development	-	-	-	-
Human services	1,408	-	-	-
Capital outlay	-	-	-	-
Debt service				
Note principal	-	-	-	131,020
Interest and fees	-	-	-	1,396
Total expenditures	<u>1,408</u>	<u>2,480</u>	<u>107,282</u>	<u>232,416</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,166</u>	<u>-</u>	<u>-</u>	<u>233,830</u>
Other financing sources (uses)				
Local contribution	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	(173,270)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(173,270)</u>
Net change in fund balances	<u>2,166</u>	<u>-</u>	<u>-</u>	<u>60,560</u>
Fund balance - beginning	<u>115</u>	<u>-</u>	<u>-</u>	<u>408,156</u>
Fund balance - ending	<u>\$ 2,281</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,716</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 6 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

	Golden Leaf Disaster Recovery Grant	Opioid Settlement Fund	Total Nonmajor Special Revenue Funds
Revenues			
Restricted intergovernmental	\$ 23,425	\$ 24,347	\$ 513,105
Sales and services	-	-	107,282
Permits and fees	-	-	2,480
Investment earnings	-	1,070	5,557
Total revenues	<u>23,425</u>	<u>25,417</u>	<u>628,424</u>
Expenditures			
General government	-	-	109,762
Education	-	-	100,000
Economic and physical development	-	-	-
Human services	-	-	1,408
Capital outlay	35,500	-	35,500
Debt service			
Note principal	-	-	131,020
Interest and fees	-	-	1,396
Total expenditures	<u>35,500</u>	<u>-</u>	<u>379,086</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(12,075)</u>	<u>25,417</u>	<u>249,338</u>
Other financing sources (uses)			
Local contribution	-	-	-
Transfers in	-	-	-
Transfers out	(52)	-	(173,322)
Total other financing sources (uses)	<u>(52)</u>	<u>-</u>	<u>(173,322)</u>
Net change in fund balances	(12,127)	25,417	76,016
Fund balance - beginning	<u>12,127</u>	<u>10,254</u>	<u>430,652</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 35,671</u>	<u>\$ 506,668</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 6 – COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NON-MAJOR GOVERNMENTAL FUNDS (CONTINUED)

YEAR ENDED JUNE 30, 2023

	ESFRLP-DR Fund	CDBG Projects Fund	Schools Technology & Learning Ctr Fund	Stream Debris Removal Project	Total Nonmajor Capital Project Funds	Total Nonmajor Governmental Funds
Revenues						
Restricted intergovernmental	\$ 56,957	\$ 89,066	\$ 313,448	\$ 22,699	\$ 482,170	\$ 995,275
Sales and services	-	-	-	-	-	107,282
Permits and fees	-	-	-	-	-	2,480
Investment earnings	-	-	-	-	-	5,557
Total revenues	<u>56,957</u>	<u>89,066</u>	<u>313,448</u>	<u>22,699</u>	<u>482,170</u>	<u>1,110,594</u>
Expenditures						
General government	-	-	-	23,744	23,744	133,506
Education	-	-	338,948	-	338,948	438,948
Economic and physical development	56,957	-	-	-	56,957	56,957
Human services	-	-	-	-	-	1,408
Capital outlay	-	193,088	-	-	193,088	228,588
Debt service						
Note principal	-	-	-	-	-	131,020
Interest and fees	-	-	-	-	-	1,396
Total expenditures	<u>56,957</u>	<u>193,088</u>	<u>338,948</u>	<u>23,744</u>	<u>612,737</u>	<u>991,823</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(104,022)</u>	<u>(25,500)</u>	<u>(1,045)</u>	<u>(130,567)</u>	<u>118,771</u>
Other financing sources (uses)						
Local contribution	-	-	25,500	1,045	26,545	26,545
Transfers in	-	5,000	-	-	5,000	5,000
Transfers out	-	-	-	-	-	(173,322)
Total other financing sources (uses)	<u>-</u>	<u>5,000</u>	<u>25,500</u>	<u>1,045</u>	<u>31,545</u>	<u>(141,777)</u>
Net change in fund balances	<u>-</u>	<u>(99,022)</u>	<u>-</u>	<u>-</u>	<u>(99,022)</u>	<u>(23,006)</u>
Fund balance - beginning		<u>100,000</u>	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>530,652</u>
Fund balance - ending	<u>\$ -</u>	<u>\$ 978</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 978</u>	<u>\$ 507,646</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 7 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – ARPA FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
ARPA funds	\$ 780,061	\$ 765,061	\$ -	\$ 765,061	\$ (15,000)
Expenditures					
Broadband grant program	15,000	-	-	-	15,000
Revenues over expenditures	<u>765,061</u>	<u>765,061</u>	<u>-</u>	<u>765,061</u>	<u>-</u>
Other financing sources (uses):					
Transfer to Water/Sewer fund	(196,407)	(196,407)	-	(196,407)	-
Transfer to General fund	(568,654)	(568,654)	-	(568,654)	-
Total financing sources	<u>(765,061)</u>	<u>(765,061)</u>	<u>-</u>	<u>(765,061)</u>	<u>-</u>
Revenues and other financing sources (uses) and appropriated fund balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balances:					
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 BALANCES – REPRESENTATIVE PAYEE FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Restricted intergovernmental	\$ 3,000	3,574	\$ 574
Expenditures			
Human services			
Payments made for the benefit of beneficiaries	3,000	1,408	1,592
Total expenditures	<u>3,000</u>	<u>1,408</u>	<u>1,592</u>
Revenues over (under) expenditures	<u>\$ -</u>	2,166	<u>\$ 2,166</u>
Fund balance			
Beginning of year - July 1		<u>115</u>	
End of year - June 30		<u>\$ 2,281</u>	

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 9 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – DEED OF TRUST FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Permits and fees			
Register of deeds	\$ 3,000	2,480	\$ (520)
Expenditures			
Payments of fees			
remitted to the State	3,000	2,480	520
of North Carolina			
Total expenditures	<u>3,000</u>	<u>2,480</u>	<u>520</u>
Revenues over (under)			
 expenditures	<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 10 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – FINES AND FORFEITURES FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Sales and services			
Penalties, fines, and forfeitures	\$ 107,300	107,282	\$ (18)
Expenditures			
Payments of penalties, fines, and forfeitures to the Tyrrell County Board of Education	107,300	107,282	18
Total expenditures	<u>107,300</u>	<u>107,282</u>	<u>18</u>
Revenues over (under) expenditures	<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 11 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – SCHOOL CAPITAL OUTLAY FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDING JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Revenues				
Restricted intergovernmental revenue				
Local option sales tax - Article 40	\$ 83,966	\$ 88,847	\$ 4,881	\$ 82,252
Local option sales tax - Article 42	167,932	177,693	9,761	164,503
Local option sales tax - Article 44	173,270	195,219	21,949	169,323
Investment earnings	50	4,487	4,437	192
Total revenues	<u>425,218</u>	<u>466,246</u>	<u>41,028</u>	<u>416,270</u>
Expenditures				
Insurance	5,000	-	5,000	2,621
Capital outlay	114,274	100,000	14,274	100,000
Debt service				
Note principal	131,273	131,020	253	200,815
Interest and fees	1,401	1,396	5	5,993
Total expenditures	<u>251,948</u>	<u>232,416</u>	<u>19,532</u>	<u>309,429</u>
Other financing sources (uses)				
Transfers to other funds	(173,270)	(173,270)	-	(85,859)
Revenues over expenditures	<u>\$ -</u>	<u>60,560</u>	<u>\$ 60,560</u>	<u>20,982</u>
Fund balances:				
Beginning of year - July 1		408,156		387,174
End of year - June 30		<u>\$ 468,716</u>		<u>\$ 408,156</u>

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 12 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – OPIOID SETTLEMENT FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Opioid Settlement Revenue	\$ -	\$ 10,254	24,347	\$ 34,601	\$ 34,601
Interest income	-	-	1,070	1,070	1,070
	-	10,254	25,417	35,671	35,671
Expenditures					
Opioid Settlement expense	6,261	-	-	-	6,261
Total expenditures	6,261	-	-	-	6,261
Appropriated fund balance	6,261	-	-	-	(6,261)
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 10,254</u>	\$ 25,417	<u>\$ 35,671</u>	<u>\$ 35,671</u>
Fund balance:					
Beginning of year - July 1			<u>10,254</u>		
End of year - June 30			<u>\$ 35,671</u>		

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 13 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – GOLDEN LEAF DISASTER RECOVERY GRANT FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	<u>Variance Positive (Negative)</u>
Revenues					
Golden Leaf grant	\$ 391,000	\$ 367,575	\$ 23,425	\$ 391,000	\$ -
Sales tax refund	6,600	6,427	-	6,427	(173)
	<u>397,600</u>	<u>374,002</u>	<u>23,425</u>	<u>397,427</u>	<u>(173)</u>
Expenditures					
Construction	<u>403,300</u>	<u>367,575</u>	<u>35,500</u>	<u>403,075</u>	<u>225</u>
Total expenditures	<u>403,300</u>	<u>367,575</u>	<u>35,500</u>	<u>403,075</u>	<u>225</u>
Other financing sources					
Transfer from general fund	<u>(5,700)</u>	<u>5,700</u>	<u>(52)</u>	<u>5,648</u>	<u>52</u>
Total other financing sources	<u>(5,700)</u>	<u>5,700</u>	<u>(52)</u>	<u>5,648</u>	<u>52</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 12,127</u>	<u>(12,127)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance:					
Beginning of year - July 1			<u>12,127</u>		
End of year - June 30			<u>\$ -</u>		

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 14 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – ESFRLP-DR FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<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					
Federal grant revenue	\$ 300,000	\$ 187,060	\$ 56,957	\$ 244,017	\$ (55,983)
Total revenues	<u>300,000</u>	<u>187,060</u>	<u>56,957</u>	<u>244,017</u>	<u>(55,983)</u>
Expenditures					
Hard costs	240,000	145,960	38,637	184,597	55,403
Soft costs	60,000	41,100	18,320	59,420	580
Total expenditures	<u>300,000</u>	<u>187,060</u>	<u>56,957</u>	<u>244,017</u>	<u>55,983</u>
Revenues, other financing sources (uses) 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 15 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE– CDBG PROJECTS FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<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 Community Development Block Grant - NR	\$ 750,000	\$ 701,125	\$ -	\$ 701,125	\$ (48,875)
Community Development Block Grant- CV	900,000	212,162	88,526	300,688	(599,312)
Miscellaneous					
Cannon Foundation Grant	100,000	100,000	-	100,000	-
Other	-	-	540	540	540
Total revenues	<u>1,750,000</u>	<u>1,013,287</u>	<u>89,066</u>	<u>1,102,353</u>	<u>(647,647)</u>
Expenditures					
NR Grant					
Administration	50,000	50,000	-	50,000	-
Rehabilitation	396,565	347,693	-	347,693	48,872
Neighborhood Facilities	295,500	290,497	4,562	295,059	441
Food Pantry	100,000	-	100,000	100,000	-
Sewer Improvements	12,935	12,935	-	12,935	-
CV Grant					
Administration	40,000	19,932	10,756	30,688	9,312
Food Pantry & Broadband Equip	582,780	192,230	77,770	270,000	312,780
Broadband service	277,220	-	-	-	277,220
Total expenditures	<u>1,755,000</u>	<u>913,287</u>	<u>193,088</u>	<u>1,106,375</u>	<u>648,625</u>
Other financing sources					
Transfer from general fund	5,000	-	5,000	5,000	-
Total other financing sources	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 100,000</u>	<u>\$ (99,022)</u>	<u>\$ 978</u>	<u>\$ 978</u>
Fund balance					
Beginning of year - July 1			<u>100,000</u>		
End of year - June 30			<u>\$ 978</u>		

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 16 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE– SCHOOLS TECHNOLOGY & LEARNING CENTER FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<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 NBPSCF revenue	\$ 1,789,566	\$ 25,923	\$ 313,448	\$ 339,371	\$ (1,450,195)
Expenditures					
Construction	1,757,000	-	309,748	309,748	1,447,252
Planning/design	84,398	34,564	4,381	38,945	45,453
Other contracts	161,168	-	24,819	24,819	136,349
Total expenditures	<u>2,002,566</u>	<u>34,564</u>	<u>338,948</u>	<u>373,512</u>	<u>1,629,054</u>
Revenues over (under) expenditures	<u>(213,000)</u>	<u>(8,641)</u>	<u>(25,500)</u>	<u>(34,141)</u>	<u>178,859</u>
Other financing sources (uses)					
Local school contribution	213,000	8,641	25,500	34,141	(178,859)
Total other financing sources	<u>213,000</u>	<u>8,641</u>	<u>25,500</u>	<u>34,141</u>	<u>(178,859)</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 17 – SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - STREAM DEBRIS REMOVAL PROJECT FUND – BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<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	\$ 1,084,882	\$ 94,367	\$ 22,699	\$ 117,066	\$ (967,816)
Expenditures					
Debris removal	1,084,882	94,367	22,699	117,066	967,816
In-kind contribution	8,159	3,159	1,045	4,204	3,955
Total expenditures	<u>1,093,041</u>	<u>97,526</u>	<u>23,744</u>	<u>121,270</u>	<u>971,771</u>
Other financing sources					
County in-kind match	8,159	3,159	1,045	4,204	3,955
Total other financing sources	<u>8,159</u>	<u>3,159</u>	<u>1,045</u>	<u>4,204</u>	<u>3,955</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 18 – SCHEDULE OF REVENUES AND EXPENDITURES – WATER AND SEWER OPERATION PROPRIETARY FUND – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Operating revenues				
Water:				
Charges for services		\$ 1,150,217		\$ 1,116,282
Connection fees		10,475		12,850
Tap fees		14,801		5,778
Late fees		29,214		29,802
Other operating revenues		168,173		192,837
Total Water Operating Revenues	\$ 1,337,360	1,372,880	\$ 35,520	1,357,549
Sewer:				
Charges for services		231,279		228,703
Other miscellaneous revenue		54,777		60,574
Total Sewer Operating Revenues	295,778	286,056	(9,722)	289,277
Total operating revenues	1,633,138	1,658,936	25,798	1,646,826
Nonoperating revenues and other financing sources				
Interest earned on investments	20,510	23,456	2,946	934
Total Nonoperating revenues and other financing sources	20,510	23,456	2,946	934
Total revenues, other financing sources	1,653,648	1,682,392	28,744	1,647,760
Operating expenditures				
Water expenditures				
Salaries and employee benefits		397,194		392,998
Operating expenditures		509,056		560,516
Total water expenditures	1,166,225	906,250	259,975	953,514
Sewer expenditures				
Salaries and employee benefits		37,086		46,166
Operating expenditures		120,401		147,671
Total sewer expenditures	261,360	157,487	103,873	193,837
Total operating expenditures	1,427,585	1,063,737	363,848	1,147,351

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 18 – SCHEDULE OF REVENUES AND EXPENDITURES – WATER AND SEWER OPERATION PROPRIETARY FUND – BUDGET AND ACTUAL (CONTINUED)

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDING JUNE 30, 2022

	2023		Variance Positive (Negative)	2022
	Budget	Actual		
Other expenditures and financing (sources) uses				
Transfers from other funds	\$ -	\$ -	\$ -	\$ (196,407)
Principal payments	90,000	90,000	-	88,000
Interest and fees	120,797	120,797	-	123,240
Capital outlay	15,266	15,266	-	33,313
Total other expenditures and financing uses	<u>226,063</u>	<u>226,063</u>	<u>-</u>	<u>48,146</u>
Total expenditures and other financing uses	<u>1,653,648</u>	<u>1,289,800</u>	<u>363,848</u>	<u>1,195,497</u>
Revenues over expenditures	<u>\$ -</u>	<u>\$ 392,592</u>	<u>\$ 392,592</u>	<u>\$ 452,263</u>
Reconciliation of modified accrual basis to full accrual basis				
Total revenues and other financing sources		\$ 1,682,392		
Total expenditures and other financing uses		<u>1,289,800</u>		
		392,592		
Debt principal		90,000		
Capital outlay		15,266		
Depreciation		(512,563)		
Increase (decrease) in deferred outflows of resources - pensions		39,075		
(Increase) decrease in compensated absences		661		
OPEB expense		10,644		
Capital contributions from Gum Neck Water Tank Fund		<u>82,250</u>		
Total reconciling items		<u>(328,846)</u>		
Change in net position		<u>\$ 63,746</u>		

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 19 – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – GUM NECK WATER TANK FUND– BUDGET AND ACTUAL

FROM INCEPTION AND FOR YEAR ENDED JUNE 30, 2023

	<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					
NCDEQ Grant	\$ 2,452,000	\$ -	82,250	\$ 82,250	\$ (2,369,750)
Total revenues	<u>2,452,000</u>	<u>-</u>	<u>82,250</u>	<u>82,250</u>	<u>(2,369,750)</u>
Expenditures					
Engineering	361,000	-	80,250	80,250	280,750
Property/Easement Acquisition	30,000	-	2,000	2,000	28,000
Legal Fees	25,000	-	-	-	25,000
Administration	5,000	-	-	-	5,000
Construction	1,846,000	-	-	-	1,846,000
Contingency	185,000	-	-	-	185,000
Total expenditures	<u>2,452,000</u>	<u>-</u>	<u>82,250</u>	<u>82,250</u>	<u>2,369,750</u>
Revenues 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 20 – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - TOURISM DEVELOPMENT AUTHORITY – BUDGET AND ACTUAL

YEAR ENDED JUNE 30, 2023

WITH COMPARATIVE TOTALS FOR THE YEAR ENDING JUNE 30, 2022

	2023			2022
	Budget	Actual	Variance Positive (Negative)	
Revenues				
Occupancy tax	\$ 14,145	\$ 19,983	\$ 5,838	\$ 16,868
Interest income	-	39	39	4
	<u>14,145</u>	<u>20,022</u>	<u>5,877</u>	<u>16,872</u>
Expenditures				
General government	<u>16,145</u>	<u>13,581</u>	<u>2,564</u>	<u>6,304</u>
Revenues over expenditures	<u>(2,000)</u>	<u>6,441</u>	<u>8,441</u>	<u>10,568</u>
Appropriated fund balance	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>	<u>-</u>
Revenues and other financing sources (uses)	<u>\$ -</u>	<u>6,441</u>	<u>\$ 6,441</u>	<u>10,568</u>
Fund balances				
Beginning of year - July 1		<u>49,719</u>		<u>39,151</u>
End of year - June 30		<u>\$ 56,160</u>		<u>\$ 49,719</u>

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE 21 – SCHEDULE OF AD VALOREM TAXES RECEIVABLE

YEAR ENDED JUNE 30, 2023

Fiscal Years	Uncollected Balance June 30, 2022	Additions	Collections and Credits	Uncollected Balance June 30, 2023
2022-2023	\$ -	\$ 4,697,084	\$ 4,578,149	\$ 118,935
2021-2022	133,477	-	65,223	68,254
2020-2021	94,817	-	43,430	51,387
2019-2020	71,076	-	35,473	35,603
2018-2019	44,886	-	17,738	27,148
2017-2018	31,464	-	10,410	21,054
2016-2017	24,930	-	3,803	21,127
2015-2016	26,659	-	3,106	23,553
2014-2015	19,372	-	2,924	16,448
2013-2014	14,358	-	1,510	12,848
2012-2013	13,488	-	13,488	-
	\$ 474,527	\$ 4,697,084	\$ 4,775,254	\$ 396,357
Ad valorem taxes receivable - net				\$ 396,357
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 4,817,676
Reconciling items				
Refunds				2,569
Penalties paid				6,209
Abatements				15,327
Interest and penalties collected				(66,544)
Amounts written off for prior years				17
Total reconciling items				(42,422)
Total collections and credits				\$ 4,775,254

TYRRELL COUNTY, NORTH CAROLINA

SCHEDULE 22 – ANALYSIS OF CURRENT TAX LEVY – COUNTY-WIDE LEVY

YEAR ENDED JUNE 30, 2023

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy					
Property taxed at current year rates	\$ 434,315,369	0.95	\$ 4,125,996	\$ 3,740,455	\$ 385,541
Penalties	N/A		6,839	6,839	-
Public utilities	10,883,584	0.95	103,394	103,394	-
Solid waste	N/A		463,290	463,290	-
Total	445,198,953		4,699,519	4,313,978	385,541
Discoveries					
Current year taxes	540,947	0.95	5,139	5,139	385,541
Solid Waste	-		-	-	-
Total	540,947		5,139	5,139	-
Abatements	(797,263)		(7,574)	(7,574)	-
Total Property Valuation	\$ 444,942,637				
Net levy			4,697,084	4,311,543	385,541
Uncollected taxes at June 30, 2023			118,935	117,402	1,533
Current year's taxes collected			\$ 4,578,149	\$ 4,194,141	\$ 384,008
Current net levy collection percentage			97.47%	97.28%	99.60%

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 the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the 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, 2023, and the related notes to financial statements, which collectively comprises the County's basic financial statements, and have issued our report thereon dated January 29, 2024.

Our report includes a reference to other auditors 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. The financial statements of the Board was not audited in accordance with *Government Auditing Standards* and, accordingly, this report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters associated with the Board or that are reported on separately by the other auditors.

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

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

Report on 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 financial statements. 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.

Cherry Bekaert LLP

Raleigh, North Carolina
January 29, 2024

**Report of Independent Auditor on Compliance for
Each Major Federal Program and on Internal Control Over Compliance Required by 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

Opinion on Each Major Federal Program

We have audited Tyrrell County, North Carolina's (the "County"), compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
January 29, 2024

**Report of Independent Auditor on Compliance for
Each Major State Program and on Internal Control over Compliance Required
by 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

Opinion on Each Major State Program

We have audited the Tyrrell County, North Carolina's (the "County"), compliance with the types of compliance requirements identified as subject to audit 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, 2023. 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.

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, 2023.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and the State Single Audit Implementation Act. Our responsibilities under those standards, the Uniform Guidance, and the State Single Audit Implementation Act are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, the Uniform Guidance, and the State Single Audit Implementation Act, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the State Single Audit Implementation Act, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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

Cherry Bekaert LLP

Raleigh, North Carolina
January 29, 2024

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2023

Section I—Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued on whether the financial statements are presented in accordance with U.S. GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to financial statements noted? yes no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? yes none reported
- Noncompliance material to federal awards noted? yes 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 no

Identification of major federal programs:

Assistance Listing Numbers

Names of Federal Program or Cluster

93.778

Medical Assistance Program

Dollar threshold used to distinguish between Type A and Type B programs:

\$750,000

Auditee qualified as low-risk auditee?

yes no

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

YEAR ENDED JUNE 30, 2023

Section I—Summary of Auditor’s Results (continued)

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes X no
- Significant deficiency(ies) identified that are not
 considered to be material weaknesses? _____ yes X none reported
- Noncompliance material to state awards noted? _____ 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:

Program Name

North Carolina Department of Public Safety - Grant-in-Aid

Section II—Findings Related to the Audit of the Basic Financial Statements

None reported.

Section III—Federal and State Award Findings and Questioned Costs

None reported.

TYRRELL COUNTY, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR FINDINGS

YEAR ENDED JUNE 30, 2023

No findings in the prior year.

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

YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing 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		\$ 124,582	\$ -	\$ -
Total U.S. Department of Agriculture			<u>124,582</u>	<u>-</u>	<u>-</u>
 <u>U.S. Department of Housing and Urban Development</u>					
Passed-Through N.C. Department of Commerce					
COVID 19 - Community Development Block Grant, State's Program	14.218	20-V-3532	88,526	-	-
Total U.S. Department of Housing and Urban Development			<u>88,526</u>	<u>-</u>	<u>-</u>
 <u>U.S. Department of Treasury</u>					
Local Assistance and Tribal Consistency Fund	21.032		230,804	-	-
Passed-Through the Office of State Budget and Management:					
Coronavirus State and Local Fiscal Recovery Funds	21.027	SRP-D-ARP-0231	82,250	-	-
Total U.S. Department of Treasury			<u>313,054</u>	<u>-</u>	<u>-</u>
 <u>U.S. Department of Homeland Security</u>					
Division of Emergency Management:					
Emergency Mgmt. Performance Grant	97.042	EMA-2022-EP-00005	25,050	25,049	-
Homeland Security Grant	97.067	EMW-2022-SS-00018	52,735	-	-
Total Emergency Mgmt. Performance Grant			<u>77,785</u>	<u>25,049</u>	<u>-</u>
Total U.S. Department of Homeland Security			<u>77,785</u>	<u>25,049</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State/Pass-Through Grantor's Number</u>	<u>Federal Expenditures (Direct and Pass-Through)</u>	<u>State Expenditures</u>	<u>Passed to Subrecipients</u>
<u>U.S. Department of Health & Human Services</u>					
Passed-through the NC Dept of Health and Human Services:					
Division of Social Services:					
<u>Foster Care and Adoption Cluster:</u>					
Title IV-E Foster Care	93.658		\$ 8,589	\$ 1,050	\$ -
Foster Care	93.xxx		2,886	-	-
Adoption Assistance	93.659		500	-	-
Total Foster Care Adoption Cluster (Note 4)			<u>11,975</u>	<u>1,050</u>	<u>-</u>
Refugee Assistance Administration	93.566		<u>3,546</u>	<u>-</u>	<u>-</u>
<u>Temporary Assistance for Needy Families Cluster:</u>					
Work First - Services	93.558		52,341	-	-
Work First - Administration	93.558		26,924	-	-
Total TANF Cluster (Note 4)			<u>79,265</u>	<u>-</u>	<u>-</u>
<u>Low-Income Home Energy Assistance:</u>					
Energy Assistance Payments	93.568		27,918	-	-
Administration	93.568		6,773	-	-
Crisis Intervention Program	93.568		7,374	-	-
Total Low-Income			<u>42,065</u>	<u>-</u>	<u>-</u>
Division of Aging and Adult Services:					
Division of Social Services:					
Adult Protective Services	93.667		29,419	-	-
SSBG - Other Services and Training	93.667		56,810	-	-
Total Social Service Block Grant			<u>86,229</u>	<u>-</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2023

Grantor/Pass-Through Grantor/Program Title	Assistance Listing Number	State/Pass-Through Grantor's Number	Federal Expenditures (Direct and Pass-Through)	State Expenditures	Passed to Subrecipients
Child Welfare Services - Permanency Planning	93.645		\$ 111	\$ -	\$ -
Child Support Enforcement Administration	93.563		49,182	(21)	-
Family preservation	93.556		6,244	-	-
Administration:					
State Children's Insurance Program - NC Health Choice	93.767		12,094	521	-
Total State Children's NC Health Choice			<u>12,094</u>	<u>521</u>	<u>-</u>
<u>Subsidized Child Care</u>					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services					
Child Care Development Fund - Administration	93.596		31,240	-	-
Total Child Care Fund Cluster			<u>31,240</u>	<u>-</u>	<u>-</u>
Passed-through the NC Dept of Health and Human Services:					
Division of Medical Assistance:					
Medical Assistance Administration	93.778		355,709	51,382	-
Medical Assistance Transportation Administration	93.778		34,682	-	-
Adult Home Spec	93.778		4,001	1,218	-
MAC Cord/Trans	93.778		17,356	-	-
State County Special Assistance	93.778		13,449	1,886	-
Total Medical Assistance Program			<u>425,197</u>	<u>54,486</u>	<u>-</u>
<u>U.S. Department of Health & Human Services</u>					
Passed-through Albemarle Commission:					
Division of Aging and Adult Services:					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III, Part C					
Nutrition Services	93.045		4,543	-	-
Total Aging Cluster			<u>4,543</u>	<u>-</u>	<u>-</u>

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

YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State/Pass-Through Grantor's Number</u>	<u>Federal Expenditures (Direct and Pass-Through)</u>	<u>State Expenditures</u>	<u>Passed to Subrecipients</u>
Passed through NC Dept of Insurance:					
CDAP - State Health Insurance Assistance Program	93.324		\$ 3,283	\$ -	\$ -
Medicare Improvement for Patients & Providers Act	93.071		4,179	-	-
CIP - Senior Medicare Patrol Project	93.048		1,741		
Total U.S. Dept. of Health & Human Services			760,894	56,036	-
<u>U.S. Department of Justice</u>					
Passed-through the N.C. Dept of Public Safety:					
Edward Bryne Justice Assistance Grant	16.738		24,344	-	-
Total U.S. Department of Justice			24,344	-	-
Total Federal Programs			1,389,185	81,085	-
STATE AWARDS:					
<u>N.C. Department of Agriculture & Consumer Services</u>					
Division of Soil and Water Conservation:					
Hurricane Matthew Debris Removal			-	22,699	-
Agriculture Cost Share Program			-	26,190	-
Total N.C. Department of Agriculture & Consumer Services			-	48,889	-
<u>N.C. Department of Environmental Quality</u>					
Division of Coastal Management:					
White Goods Mgmt. Program			-	1,630	-
Scrap Tire Program			-	5,951	-
Total N.C. Department of Environmental Quality			-	7,581	-
<u>N.C. Housing Finance Agency</u>					
Essential Single Family Rehab Loan Pool - Disaster Recovery		ESFRLPDR17	-	56,957	-

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

YEAR ENDED JUNE 30, 2023

<u>Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>State/Pass-Through Grantor's Number</u>	<u>Federal Expenditures (Direct and Pass-Through)</u>	<u>State Expenditures</u>	<u>Passed to Subrecipients</u>
<u>N.C. Department of Commerce</u>					
Golden Leaf:					
Disaster Recovery Grants Program			\$ -	\$ 23,425	\$ -
Total N.C. Department of Commerce			-	23,425	-
<u>North Carolina Department of Transportation</u>					
Rural Operating Assistance Program					
ROAP Elderly & Disabled Transportation Assistance Program		DOT-16CL	-	94,424	-
Total N.C. Department of Transportation			-	94,424	-
<u>N.C. Department of Public Safety</u>					
Grant in Aid					
Juvenile Crime Prevention Program		Tyrrell County 2022=23	-	210,796	-
Total N.C. Department of Public Safety			-	266,152	55,356
<u>N.C. Department of Public Instruction</u>					
Needs Based Public School Capital Fund					
Total N.C. Department of Public Safety			-	313,448	313,448
<u>N.C. Office of State Budget and Management</u>					
Register of Deeds Grant Fund		#2063RD1	-	2,000	-
Register of Deeds Grant Fund		#2063RD2	-	2,166	-
State Capital & Infrastructure Fund (SCIF)		#20631	-	4,170	-
Direct Appropriation - 2022 Appropriations Act		#20632	-	50,000	-
Total N.C. Office of State Budget and Management			-	58,336	-
<u>N.C. Department of Health & Human Services</u>					
Division of Aging:					
Senior Center General Purpose Grant			-	3,676	-
Total N.C. Department of Health & Human Services			-	3,676	-
Total State Programs			-	872,888	368,804
TOTAL ASSISTANCE			\$ 1,389,185	\$ 953,973	\$ 368,804

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

YEAR ENDED JUNE 30, 2023

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 Tyrrell County under the programs of the federal government and the state of North Carolina for the year ended June 30, 2023. 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 Tyrrell 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.

Note 3—Indirect cost rate

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

Note 4—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.