

PERQUIMANS COUNTY

North Carolina

**AUDIT REPORT
June 30, 2021**

**PERQUIMANS COUNTY, NORTH CAROLINA
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JUNE 30, 2021**

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FINANCIAL SECTION

**PERQUIMANS COUNTY, NORTH CAROLINA
LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2021**

BOARD OF COMMISSIONERS

Wallace Nelson, Chair

Fondella Leigh, Vice Chair
Alan Lennon
Charles Woodard

Joseph W. Hoffer
Kyle Jones

Mary P. Hunnicutt, Clerk to the Board
Hackney High, Jr., County Attorney

Office of the County Manager

W. Frank Heath III, County Manager
Tracy Mathews, Finance Officer
Mary P. Hunnicutt, Secretary

Jacqueline Frierson, Register of Deeds
William F. Jennings, Tax Supervisor
Kathryn Treiber, Elections Director
Jonathan Nixon, Communications
Jonathan Nixon, EMS Coordinator
Howard Williams, Recreation Director
Janet Stallings, Soil Conservation
Rhonda Money, County Planner
Shelby White, Sheriff

Nick Lories, Water Plant Superintendent
Frank Heath, Bldg. & Grounds Supervisor
Virgil Parrish, Chief Building Inspector
Preston Spear, Veterans Services Coordinator
Jewel Winslow, Chairman Extension Services
Susan Chaney, Director Social Services
Stephen Chappell, Animal Control Officer
Beverly Gregory, Senior Citizens

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Perquimans County, North Carolina

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Perquimans County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 13, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions on pages 63 and 64, and the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 65 and 66, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 67 and 68, and the Other Post Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios on Page 69, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

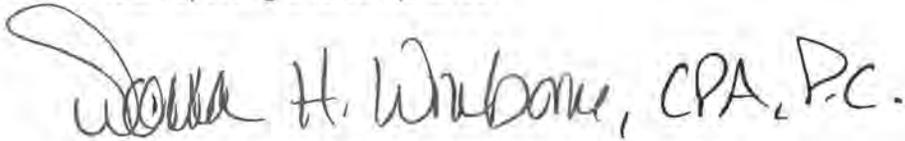
My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Perquimans County, North Carolina's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary schedules, and other schedules, as well as the accompanying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

The combining and individual nonmajor fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures

in accordance with auditing standards generally accepted in the United States of America. In my opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated November 11, 2021, on my consideration of Perquimans County, North Carolina's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of my 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 Perquimans County, North Carolina'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 Perquimans County, North Carolina's internal control over financial reporting and compliance.

Handwritten signature of William H. Wimbauer, CPA, P.C. The signature is written in black ink and includes the name and professional credentials.

Edenton, North Carolina
November 11, 2021

Perquimans County Management's Discussion and Analysis

As management of Perquimans County, we offer readers of Perquimans County's financial statements this narrative overview and analysis of the financial activities of Perquimans County for the fiscal year ended June 30, 2021. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

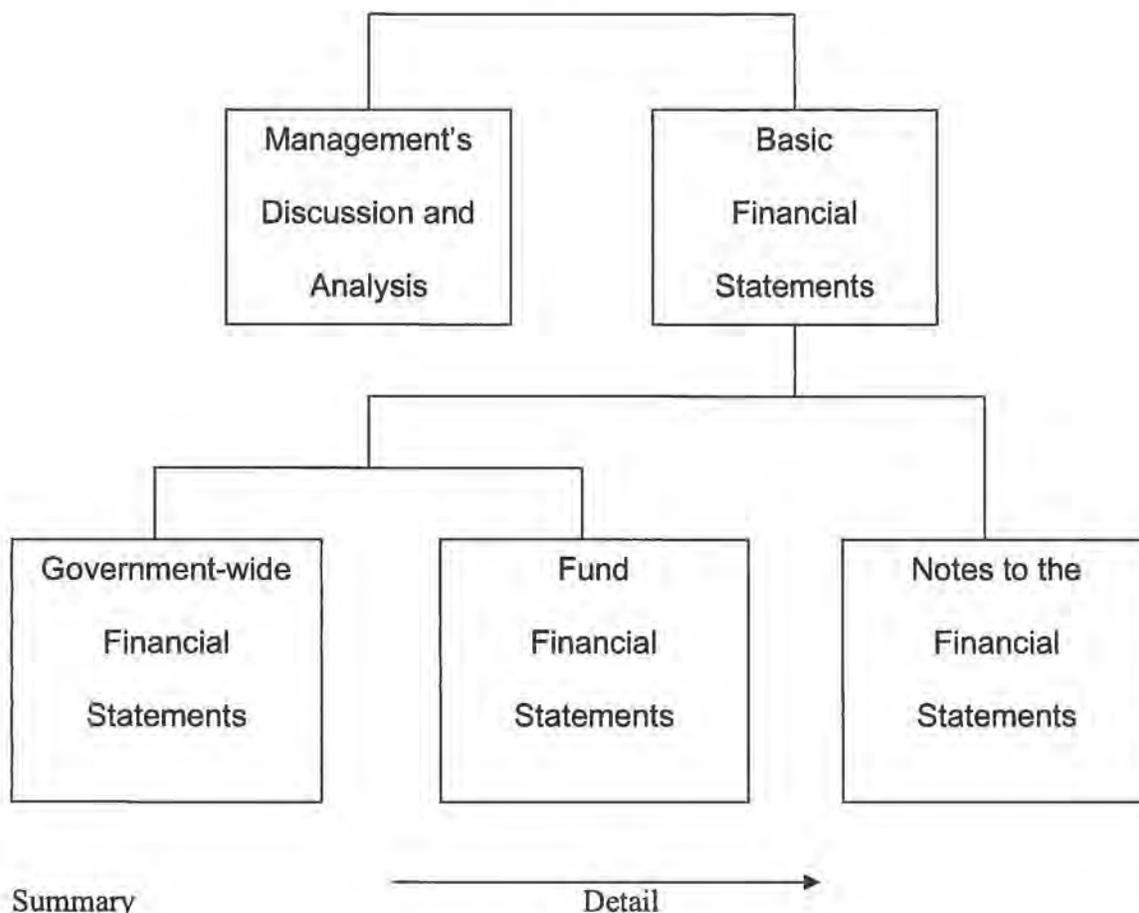
- The assets and deferred outflows of resources of Perquimans County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,080,086 (*net position*).
- The government's total net position increased by \$1,489,709, primarily due to an increase in current and capital assets and a decrease in long-term liabilities.
- As of the close of the current fiscal year, Perquimans County's governmental funds reported combined ending fund balances of \$11,362,007, an increase of \$1,685,501 in comparison with the prior year. Approximately 41.94 percent of this total amount, or \$4,764,895, is restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,764,895 or 29.64 percent of total general fund expenditures for the fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was \$6,924,484 or 43.07% of total general fund expenditures for the fiscal year. The total fund balance minus funds reserved by State statute was \$4,764,895, or 29.64% of total general fund expenditures for the fiscal year.
- Perquimans County's total debt decreased by \$1,437,382 (14.9%) during the current fiscal year.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

The next statements (Exhibits 3 through 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) business-type activities. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and solid waste services offered by Perquimans 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. Perquimans 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 Perquimans 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 government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Perquimans County has seven fiduciary funds, all of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 25 of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Perquimans County exceeded liabilities and deferred inflows of resources by \$20,080,086 as of June 30, 2021. The County's net position increased by \$1,489,704 for the fiscal year ended June 30, 2021. One of the largest portions reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Perquimans County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Perquimans 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 Perquimans County's net position, \$5,362,475, represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(204,893) is unrestricted.

Perquimans County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and Other Assets	\$ 13,889,273	\$ 10,982,130	\$ 1,985,997	\$ 2,129,249	\$ 15,875,270	\$ 13,111,379
Capital Assets	9,483,984	10,098,262	8,450,056	8,801,151	17,934,040	18,899,413
Total Assets	<u>23,373,257</u>	<u>21,080,392</u>	<u>10,436,053</u>	<u>10,930,400</u>	<u>33,809,310</u>	<u>32,010,792</u>
Total Deferred Outflow of Resources	1,860,999	1,503,426	144,149	123,679	2,005,148	1,627,105
Long-term Liabilities Outstanding	11,971,611	12,212,853	1,788,827	2,127,307	13,760,438	14,340,160
Other Liabilities	189,380	269,587	197,108	228,643	386,488	498,230
Total Liabilities	<u>12,160,991</u>	<u>12,482,440</u>	<u>1,985,935</u>	<u>2,355,950</u>	<u>14,146,926</u>	<u>14,838,390</u>
Total Deferred Inflow of Resources	1,572,547	197,571	14,899	11,559	1,587,446	209,130
Net Position						
Net investments in capital assets	7,865,816	8,078,336	7,056,688	7,010,740	14,922,504	15,089,076
Restricted	5,362,475	4,588,578	-	-	5,362,475	4,588,578
Unrestricted	(1,727,573)	(2,763,107)	1,522,680	1,675,830	(204,893)	(1,087,277)
Total Net Position	<u>\$ 11,500,718</u>	<u>\$ 9,903,807</u>	<u>\$ 8,579,368</u>	<u>\$ 8,686,570</u>	<u>\$ 20,080,086</u>	<u>\$ 18,590,377</u>

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 97.35%, higher than the average for counties with a population less than 25,000 of 96.99%. (Source: NC Treasurer, County Cash, Taxes and Fund Balance Available, 2020)
- Management's proactive stance on monitoring spending across County departments.
- Continued low cost of debt due to the County's low total indebtedness.

Perquimans County's Changes in Net Position

Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for Services	\$ 1,583,406	\$ 1,506,192	\$ 3,242,423	\$ 3,094,734	\$ 4,825,829	\$ 4,600,926
Operating Grants and Contributions	1,931,578	2,438,903	5,400	5,400	1,936,978	2,444,303
Capital Grants and Contributions	-	105,000	-	-	-	105,000
General Revenue:						
Property Taxes	9,503,390	9,209,094	-	-	9,503,390	9,209,094
Other Taxes	4,291,091	3,285,081	-	-	4,291,091	3,285,081
Other	642,038	191,220	4,221	15,135	646,259	206,355
Total Revenue	17,951,503	16,735,490	3,252,044	3,115,269	21,203,547	19,850,759
Expenses:						
General Government	2,709,732	2,584,681	-	-	2,709,732	2,584,681
Public Safety	6,112,433	5,658,289	-	-	6,112,433	5,658,289
Economic and Physical Development	324,061	164,692	-	-	324,061	164,692
Environmental Protection	336,891	313,460	-	-	336,891	313,460
Human Services	2,406,494	2,333,166	-	-	2,406,494	2,333,166
Cultural and Recreation	770,142	740,720	-	-	770,142	740,720
Education	3,497,035	3,573,679	-	-	3,497,035	3,573,679
Interest on Long-term Debt	177,804	202,839	-	-	177,804	202,839
Solid Waste Operations	-	-	1,022,535	1,021,400	1,022,535	1,021,400
Water Operations	-	-	2,336,711	2,236,451	2,336,711	2,236,451
Total Expenses	16,334,592	15,571,526	3,359,246	3,257,851	19,693,838	18,829,377
Transfers	(20,000)	(20,000)	-	-	(20,000)	(20,000)
Increase in Net Position	1,596,911	1,143,964	(107,202)	(142,582)	1,489,709	1,001,382
Net position, beginning	9,903,807	8,759,843	8,686,570	8,829,152	18,590,377	17,588,995
Net position, ending	\$11,500,718	\$9,903,807	\$8,579,368	\$8,686,570	\$20,080,086	\$18,590,377

Governmental activities. Governmental activities increased the County's net position by \$1,596,911. Key elements of this increase are as follows:

- Decrease in total expenses and increase in general revenues.

Business-type activities: Business-type activities decreased Perquimans County's net position by \$107,202. Key elements of this decrease are as follows:

- Increase in total expenses for solid waste and water operations.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Perquimans County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Perquimans 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 Perquimans County. At the end of the current fiscal year, Perquimans County's fund balance available in the General Fund was \$4,764,895, while total fund balance reached \$6,924,484. The County currently has an available fund balance of 29.64% of general fund expenditures, while total fund balance represents 43.07% of that same amount.

At June 30, 2021, the governmental funds of Perquimans County reported a combined fund balance of \$11,362,007, a 17.4% increase over last year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$530,229.

Proprietary Funds. Perquimans County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Total net position of the Solid Waste Fund at the end of the fiscal year amounted to \$443,056 and net position for the Water Fund equaled \$8,136,312. The total decrease in net position for the Solid Waste fund was \$42,094. The total decrease in the Water fund was \$65,108. Other factors concerning the finances of these funds have already been addressed in the discussion of Perquimans County's business-type activities.

Capital Asset and Debt Administration

Capital assets. Perquimans County's capital assets for its governmental and business – type activities as of June 30, 2021, totals \$17,934,040 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, recreational facilities, and vehicles.

Major capital asset transactions during the year include:

- Building improvements, parking lot improvements, Emergency Service equipment.

**Perquimans County's Capital Assets
(net of depreciation)**

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 1,085,605	\$ 1,085,605	\$ 187,056	\$ 160,006	\$ 1,272,661	\$ 1,245,611
Construction in progress	38,300	18,960	-	-	38,300	18,960
Buildings and Systems	7,319,753	7,622,242	8,166,612	8,508,912	15,486,365	16,131,154
Machinery, Equipment, and Vehicles	1,040,326	1,371,455	96,388	132,233	1,136,714	1,503,688
Total	\$ 9,483,984	\$10,098,262	\$8,450,056	\$ 8,801,151	\$17,934,040	\$18,899,413

Additional information on the County's capital assets can be found in Note III.A.4 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2021, Perquimans County had no total bonded debt outstanding for the General Fund.

Installment Obligation Debt. As of June 30, 2021, Perquimans County had \$6,777,218 in installment purchases outstanding for the General Fund.

Perquimans County's Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Capital Leases	\$ 121,800	\$ 162,400	\$ -	\$ -	\$ 121,800	\$ 162,400
Installment Agreement Indebtedness	6,777,218	7,817,557	1,393,368	1,790,411	8,170,586	9,607,968
Compensated absences	292,819	264,861	22,838	19,756	315,657	284,617
Net pension liability (LGRS)	1,816,373	1,470,536	157,945	127,873	1,974,318	1,598,409
Total pension liability (LEOSSA)	494,627	320,928	-	-	494,627	320,928
Total OPEB liability	2,468,774	2,176,571	214,676	189,267	2,683,450	2,365,838
Total	\$11,971,611	\$ 12,212,853	\$ 1,788,827	\$ 2,127,307	\$ 13,760,438	\$ 14,340,160

Perquimans County's total debt decreased by \$1,437,382 (14.9%) during the past fiscal year.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Perquimans County is \$114,693,773.

Additional information regarding Perquimans County's long-term debt can be found beginning on page 56 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the challenges of the County for next year's budget.

- The County's unemployment rate of 4.7%. (N.C. Dept. of Commerce, Labor and economic Analysis Division)
- Uncertainty due to the effects of COVID-19.
- Continued challenges in property tax collection rate due to economic conditions.
- Inflation and supply chain issues.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: Perquimans County's Ad-valorem tax rate was set at \$0.61/\$100 value. Property tax revenues are expected to increase by approximately 1.38% as a result of new real estate construction. Permit and fee revenues are expected to increase due to the vibrant real estate market. Sales tax revenues have improved due to increased local shopping because of COVID-19.

Budgeted expenditures in the General Fund are \$17.63 million. Various capital projects were budgeted, focusing on the EMS and Sheriff's office. School spending was increased by \$100,000.

This budget included a 4% adjustment to the salary schedule for employees and merit and step increases were re-instituted.

Business – type Activities: Due to increased operational costs, water rates were increased to a \$17.50 minimum bill and \$9 per thousand gallons after the first thousand gallons. Within FY 21-22, Perquimans will continue to pay for and receive 150,000 gallons of treated water per day from Pasquotank County.

Perquimans will continue to invest in radio read water meter technology and will make investments in the reliability of ground water wells.

Rates for solid waste services increased to \$150 per year due to increased operational costs.

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, Perquimans County, P.O. Box 45, Hertford, NC 27944.

BASIC FINANCIAL STATEMENTS

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
JUNE 30, 2021

Exhibit 1

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Perquimans County Tourism Development Authority
Assets				
Cash and cash equivalents	\$ 7,624,723	\$ 1,195,595	\$ 8,820,318	\$ 54,191
Receivables (net)	759,891	570,742	1,330,633	-
Accrued interest receivable on taxes	226,482	-	226,482	-
Due from other governments	863,114	29,024	892,138	144
Prepaid expenses	-	383	383	-
Inventories	-	119,767	119,767	-
Restricted cash and cash equivalents	4,382,597	67,849	4,450,446	-
Net pension asset	29,766	-	29,766	-
Loan fees	2,700	2,637	5,337	-
Capital assets:				
Land and construction in progress	1,123,905	187,056	1,310,961	-
Other capital assets, net of depreciation	8,360,079	8,263,000	16,623,079	-
Total capital assets	9,483,984	8,450,056	17,934,040	-
Total assets	23,373,257	10,436,053	33,809,310	54,335
Deferred Outflows of Resources	1,860,999	144,149	2,005,148	-
Liabilities				
Accounts payable and accrued expenses	91,318	113,237	204,555	-
Accrued interest payable	98,062	16,022	114,084	-
Customer deposits	-	67,849	67,849	-
Long-term liabilities:				
Due within one year	1,342,689	184,535	1,527,224	-
Due in more than one year	10,628,922	1,604,292	12,233,214	-
Total liabilities	12,160,991	1,985,935	14,146,926	-
Deferred Inflows of Resources	1,572,547	14,899	1,587,446	-
Net Position				
Net investment in capital assets	7,865,816	7,056,688	14,922,504	-
Restricted:				
Public Safety	339,819	-	339,819	-
Education	21,243	-	21,243	-
Register of Deeds	39,457	-	39,457	-
Cultural and Recreation	2,882,325	-	2,882,325	-
Register of Deeds pension plan	29,766	-	29,766	-
Stabilization by State Statute	846,532	-	846,532	-
Capital Outlay	1,203,333	-	1,203,333	-
Unrestricted	(1,727,573)	1,522,680	(204,893)	54,335
Total net position	\$ 11,500,718	\$ 8,579,368	\$ 20,080,086	\$ 54,335

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Perquimans County Tourism Development Authority
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Total	
Primary government:								
Governmental activities:								
General government	\$ 2,709,732	\$ 536,982	\$ 23,528	\$ -	\$ (2,149,222)	\$ -	\$ (2,149,222)	
Public safety	6,112,433	914,424	422,932	-	(4,775,077)	-	(4,775,077)	
Economic and physical development	324,061	-	49,876	-	(274,185)	-	(274,185)	
Environmental protection	336,891	-	-	-	(336,891)	-	(336,891)	
Human services	2,406,494	-	1,417,025	-	(989,469)	-	(989,469)	
Cultural and recreational	770,142	14,170	18,217	-	(737,755)	-	(737,755)	
Education	3,497,035	117,830	-	-	(3,379,205)	-	(3,379,205)	
Interest on long-term debt	177,804	-	-	-	(177,804)	-	(177,804)	
Total governmental activities	16,334,592	1,583,406	1,931,578	-	(12,819,608)	-	(12,819,608)	
Business-type activities:								
Solid waste	1,022,535	980,129	-	-	-	(42,406)	(42,406)	
Water	2,336,711	2,262,294	5,400	-	-	(69,017)	(69,017)	
Total business-type activities	3,359,246	3,242,423	5,400	-	-	(111,423)	(111,423)	
Total primary government	\$ 19,693,838	\$ 4,825,829	\$ 1,936,978	\$ -	(12,819,608)	(111,423)	(12,931,031)	
Component unit:								
Perquimans County Tourism Development Authority	\$ 20,478	\$ 22,920	\$ -	\$ -				\$ 2,442
General revenues:								
Taxes:								
Property taxes, levied for general purposes					9,503,390	-	9,503,390	-
Local option sales tax					3,343,186	-	3,343,186	-
Other taxes and licenses					947,905	-	947,905	-
Restricted intergovernmental					-	-	-	10,750
Unrestricted intergovernmental					47,991	-	47,991	-
Investment earnings, unrestricted					28,514	4,221	32,735	53
Miscellaneous, unrestricted					565,533	-	565,533	-
Total general revenues excluding transfers					14,436,519	4,221	14,440,740	10,803
Transfers					(20,000)	-	(20,000)	20,000
Total general revenues and transfers					14,416,519	4,221	14,420,740	30,803
Change in net position					1,596,911	(107,202)	1,489,709	33,245
Net position, beginning					9,903,807	8,686,570	18,590,377	21,090
Net position, ending					\$ 11,500,718	\$ 8,579,368	\$ 20,080,086	\$ 54,335

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

PERQUIMANS COUNTY, NORTH CAROLINA
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

Exhibit 3

	Major		Non-major	Total
	General Fund	County Construction Capital Projects Fund	Other Governmental Funds	
Assets				
Cash and cash equivalents	\$ 6,070,643	\$ 97,666	\$ 1,456,414	\$ 7,624,723
Receivables, net	759,891	-	-	759,891
Due from other funds	58,225	-	-	58,225
Due from other governments	825,014	-	38,100	863,114
Restricted cash	171,514	2,882,325	1,328,758	4,382,597
Total assets	\$ 7,885,287	\$ 2,979,991	\$ 2,823,272	\$ 13,688,550
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts payable and accrued liabilities	\$ 91,318	\$ -	\$ -	\$ 91,318
Due to other funds	-	-	58,225	58,225
Total liabilities	91,318	-	58,225	149,543
Deferred inflows of resources	869,485	-	1,307,515	2,177,000
Fund balances:				
Restricted for:				
Stabilization by State Statute	846,532	-	330,622	1,177,154
Register of Deeds	39,457	-	-	39,457
Department of Justice Forfeiture Program	9,197	-	-	9,197
School Capital	-	-	21,243	21,243
NC Department of Commerce Water Resource Grant	-	2,882,325	-	2,882,325
Committed:				
Tax revaluation	171,514	-	-	171,514
Assigned:				
Future County Capital Outlay	-	97,666	1,105,667	1,203,333
Subsequent year's expenditures	1,092,889	-	-	1,092,889
Unassigned	4,764,895	-	-	4,764,895
Total fund balances	6,924,484	2,979,991	1,457,532	11,362,007
Total liabilities, deferred inflows of resources, and fund balances	\$ 7,885,287	\$ 2,979,991	\$ 2,823,272	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	9,483,984
Net loan fees	2,700
Net pension asset	29,766
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	1,176,112
Benefit payments and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	684,887
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds	226,482
Net pension liability - LGERS	(1,816,373)
OPEB liability	(2,468,774)
Total pension liability - LEOSSA	(494,627)
Deferred inflows of resources for taxes receivable	796,893
Pension related deferrals	(39,880)
LEOSSA related deferrals	(16,452)
OPEB related deferrals	(136,108)
Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds	(7,289,899)
Net position of governmental activities	\$ 11,500,718

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 4

	General Fund	Major County Construction Capital Projects Fund	Non-major Other Governmental Funds	Total
Revenues:				
Ad valorem taxes	\$ 9,560,513	\$ -	\$ -	\$ 9,560,513
Local option sales taxes	3,343,186	-	-	3,343,186
Other taxes and licenses	20,699	-	-	20,699
Unrestricted intergovernmental	45,944	-	-	45,944
Restricted intergovernmental	1,896,938	-	1,276,355	3,173,293
Permits and fees	488,080	-	-	488,080
Sales and services	950,191	-	-	950,191
Investment earnings	15,689	11,066	1,759	28,514
Miscellaneous	398,206	-	-	398,206
Total revenue	16,719,446	11,066	1,278,114	18,008,626
Expenditures:				
Current				
General government	2,460,725	-	-	2,460,725
Public safety	5,228,539	-	209,973	5,438,512
Economic and physical development	260,738	-	-	260,738
Environmental protection	331,986	-	-	331,986
Human services	2,293,456	-	-	2,293,456
Cultural and recreational	630,307	19,340	-	649,647
Intergovernmental:				
Education	3,497,035	-	-	3,497,035
Capital outlay	91,522	-	-	91,522
Debt service:				
Principal	1,088,154	-	-	1,088,154
Interest	191,350	-	-	191,350
Total expenditures	16,073,812	19,340	209,973	16,303,125
Excess of revenues over expenditures	645,634	(8,274)	1,068,141	1,705,501
Other financing sources (uses):				
Capital Lease Obligation Issued	-	-	-	-
Transfer (to) from other funds	430,000	-	(450,000)	(20,000)
Total other financing sources (uses)	430,000	-	(450,000)	(20,000)
Net change in fund balances	1,075,634	(8,274)	618,141	1,685,501
Fund balances, beginning	5,851,617	2,988,265	836,624	9,676,506
Prior period adjustment	(2,767)	-	2,767	-
Fund balances, beginning, restated	5,848,850	2,988,265	839,391	9,676,506
Fund balances, ending	\$ 6,924,484	\$ 2,979,991	\$ 1,457,532	\$ 11,362,007

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 5

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

Net changes in fund balances - total governmental funds	\$ 1,685,501
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(614,278)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	311,371
Benefit payments and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	131,665
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(57,123)
The issuance of long-term debt provides 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.	1,080,939
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(941,164)</u>
Total changes in net position of governmental activities	<u>\$ 1,596,911</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 6

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 9,030,144	\$ 9,162,693	\$ 9,560,513	\$ 397,820
Local option sales taxes	2,165,000	2,361,831	3,343,186	981,355
Other taxes and licenses	14,350	14,350	20,699	6,349
Unrestricted intergovernmental	45,000	45,000	45,944	944
Restricted intergovernmental	2,320,418	2,328,474	1,896,938	(431,536)
Permits and fees	327,488	423,509	488,080	64,571
Sales and services	840,885	840,885	950,191	109,306
Investment earnings	52,750	52,550	15,560	(36,990)
Miscellaneous	237,227	523,999	398,206	(125,793)
Total revenues	<u>15,033,262</u>	<u>15,753,291</u>	<u>16,719,317</u>	<u>966,026</u>
Expenditures:				
Current				
General government	2,785,555	2,667,347	2,460,725	206,622
Public safety	5,092,705	5,515,519	5,228,539	286,980
Economic and physical development	71,649	291,149	260,738	30,411
Environmental protection	365,305	366,319	331,986	34,333
Human services	2,685,112	2,789,579	2,293,456	496,123
Cultural and recreational	684,249	664,348	630,307	34,041
Intergovernmental:				
Education	3,407,500	3,497,501	3,497,035	466
Capital outlay	148,500	170,842	91,522	79,320
Debt service:				
Principal retirement	1,068,478	1,068,478	1,088,154	(19,676)
Interest and other charges	191,399	191,399	191,350	49
Total expenditures	<u>16,500,452</u>	<u>17,222,481</u>	<u>16,073,812</u>	<u>1,148,669</u>
Revenues over (under) expenditures	<u>(1,467,190)</u>	<u>(1,469,190)</u>	<u>645,505</u>	<u>2,114,695</u>
Other financing sources (uses):				
Transfer from other funds	450,000	450,000	450,000	-
Transfer to other funds	-	(45,000)	(45,000)	-
Fund balance appropriated	1,017,190	1,064,190	-	(1,064,190)
Total other financing sources (uses)	<u>1,467,190</u>	<u>1,469,190</u>	<u>405,000</u>	<u>(1,064,190)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,050,505</u>	<u>\$ 1,050,505</u>
Fund balance, beginning			5,705,232	
Prior period adjustment			(2,767)	
Fund balances, beginning, restated			<u>5,702,465</u>	
Fund balance, ending			<u>\$ 6,752,970</u>	

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

**PERQUIMANS COUNTY, NORTH CAROLINA
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 -- BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit 6
 (continued)

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Total fund balance, General Fund			\$ 6,752,970	
Investment earnings			129	
Transfer from General Fund			25,000	
General Government Expenditures			-	
Fund balance, beginning			<u>146,385</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 6,924,484</u>	

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

**PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021**

Exhibit 7

	Major		Total
	Water	Solid Waste	
Assets			
Current assets:			
Cash and cash equivalents	\$ 936,639	\$ 258,956	\$ 1,195,595
Accounts receivables (net)	275,992	294,750	570,742
Due from other governments	26,437	2,587	29,024
Prepaid expenses	383	-	383
Inventories	119,767	-	119,767
Total current assets	<u>1,359,218</u>	<u>556,293</u>	<u>1,915,511</u>
Noncurrent assets:			
Restricted cash and cash equivalents	67,849	-	67,849
Loan fees, net of accumulated amortization of \$6,465	2,637	-	2,637
Capital assets:			
Land and construction in progress	187,056	-	187,056
Other capital assets, net of depreciation	8,263,000	-	8,263,000
Total noncurrent assets	<u>8,520,542</u>	<u>-</u>	<u>8,520,542</u>
Total assets	<u>9,879,760</u>	<u>556,293</u>	<u>10,436,053</u>
Deferred outflows of resources	<u>144,149</u>	<u>-</u>	<u>144,149</u>
Liabilities			
Current liabilities:			
Accounts payable	-	113,237	113,237
Customer deposits	67,849	-	67,849
Accrued interest payable	16,022	-	16,022
Compensated absences	22,838	-	22,838
Installment notes payable	161,697	-	161,697
Total current liabilities	<u>268,406</u>	<u>113,237</u>	<u>381,643</u>
Noncurrent liabilities:			
OPEB liability	214,676	-	214,676
Net pension liability	157,945	-	157,945
Installment notes payable	1,231,671	-	1,231,671
Total noncurrent liabilities	<u>1,604,292</u>	<u>-</u>	<u>1,604,292</u>
Total liabilities	<u>1,872,698</u>	<u>113,237</u>	<u>1,985,935</u>
Deferred inflows of resources	<u>14,899</u>	<u>-</u>	<u>14,899</u>
Net Position			
Net investment in capital assets	7,056,688	-	7,056,688
Unrestricted	1,079,624	443,056	1,522,680
Total net position	<u>\$ 8,136,312</u>	<u>\$ 443,056</u>	<u>\$ 8,579,368</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2021

Exhibit 8

	Major		Total
	Water	Solid Waste	
Operating revenues:			
Charges for services	\$ 2,114,034	\$ 969,644	\$ 3,083,678
Tap and reconnection fees	107,525	-	107,525
Penalties	29,417	-	29,417
Other operating revenue	11,318	10,485	21,803
Total operating revenues	<u>2,262,294</u>	<u>980,129</u>	<u>3,242,423</u>
Operating expenses:			
Administration	1,037,085	-	1,037,085
Water purchase	329,544	-	329,544
Water distribution and treatment	502,201	-	502,201
Solid waste operations	-	1,022,535	1,022,535
Depreciation/amortization	378,715	-	378,715
Total operating expenses	<u>2,247,545</u>	<u>1,022,535</u>	<u>3,270,080</u>
Capital outlay	<u>70,722</u>	<u>-</u>	<u>70,722</u>
Total expenses	<u>2,318,267</u>	<u>1,022,535</u>	<u>3,340,802</u>
Operating income (loss)	<u>(55,973)</u>	<u>(42,406)</u>	<u>(98,379)</u>
Non-operating revenue (expenses):			
Rent	5,400	-	5,400
Interest income	3,909	312	4,221
Interest on long-term debt	<u>(18,444)</u>	<u>-</u>	<u>(18,444)</u>
Total non-operating revenue (expenses)	<u>(9,135)</u>	<u>312</u>	<u>(8,823)</u>
Change in net position	(65,108)	(42,094)	(107,202)
Total net position, beginning	8,201,420	485,150	8,686,570
Total net position, ending	<u>\$ 8,136,312</u>	<u>\$ 443,056</u>	<u>\$ 8,579,368</u>

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

**PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

Exhibit 9

	Major		Total
	Water	Solid Waste	
Cash flows from operating activities:			
Cash received from customers	\$ 2,184,638	\$ 977,924	\$ 3,162,562
Cash paid for goods and services	(1,394,607)	(1,050,912)	(2,445,519)
Cash paid to employees for services	(525,830)	-	(525,830)
Customer deposits	1,726	-	1,726
Other operating revenue	-	10,485	10,485
Net cash provided by operating activities	<u>265,927</u>	<u>(62,503)</u>	<u>203,424</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(27,051)	-	(27,051)
Principal paid on installment payables	(397,043)	-	(397,043)
Interest paid on installment payables	(23,328)	-	(23,328)
Proceeds from rental	5,400	-	5,400
Net cash used in capital and related financing activities	<u>(442,022)</u>	<u>-</u>	<u>(442,022)</u>
Cash flows from investing activities:			
Interest on investments	3,909	312	4,221
Net increase (decrease) in cash and cash equivalents	(172,186)	(62,191)	(234,377)
Cash and cash equivalents, beginning (Water fund includes restricted cash of \$66,123)	1,176,674	321,147	1,497,821
Cash and cash equivalents, ending (Water fund includes restricted cash of \$67,849)	<u>\$ 1,004,488</u>	<u>\$ 258,956</u>	<u>\$ 1,263,444</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (55,973)	\$ (42,406)	\$ (98,379)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation and amortization	378,715	-	378,715
Change in assets and liabilities:			
(Increase) decrease in accounts receivable	(76,218)	8,385	(67,833)
Decrease in prepaid expenses	865	-	865
Increase in deferred outflows of resources - pensions	(4,409)	-	(4,409)
Increase in deferred outflows of resources - OPEB	(16,061)	-	(16,061)
Increase in net pension liability	30,072	-	30,072
Increase in OPEB liability	25,409	-	25,409
Increase in deferred inflows of resources - pensions	2,989	-	2,989
Increase in deferred inflows of resources - OPEB	351	-	351
Increase in due from other governments	(1,438)	(105)	(1,543)
Increase in inventory	(23,183)	-	(23,183)
Decrease in accounts payable and accrued liabilities	-	(28,377)	(28,377)
Increase in customer deposits	1,726	-	1,726
Increase in accrued vacation pay	3,082	-	3,082
Total adjustments	<u>321,900</u>	<u>(20,097)</u>	<u>301,803</u>
Net cash provided by operating activities	<u>\$ 265,927</u>	<u>\$ (62,503)</u>	<u>\$ 203,424</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

Exhibit 10

	<u>Agency Funds</u>
Assets	
Cash and cash equivalents	<u>\$ 66,877</u>
Liabilities	
Miscellaneous liabilities	<u>\$ 66,877</u>
Net position	<u>\$ -</u>

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

NOTES TO THE FINANCIAL STATEMENTS

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

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a six-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, legally separate entities for which the County is financially accountable. The Perquimans County Tourism Development Authority (the Authority), which has a June 30 year end, is presented as if it were a separate proprietary fund of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Perquimans County Tourism Development Authority	Discrete	The members of the Tourism Development Authority governing board are appointed by the County. The County can remove any commissioner with or without cause.	None issued

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. Separate statements for each fund category – *governmental, proprietary, and fiduciary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

which is 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 Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

County Construction Capital Projects Fund - This is the County's capital projects fund. It accounts for all capital projects of the general government, except those required to be accounted for in another fund.

The County reports the following major enterprise funds:

Water Fund - This fund is used to account for the operations of the Water System within the County. The Water Capital Improvement Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the Water Fund.

Solid Waste Fund - This fund is used to account for the solid waste activities within the County.

The County reports the following fund types:

Agency Funds. Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Soil and Water Conservation Fund, which accounts for money held by the County for the use in soil and water conservation projects; the 4-H Fund, which accounts for money held by the County for the use in the 4-H program; the Sheriff's Fund, which accounts for money held by the Sheriff for community benevolent uses; the Babe Ruth Fund, which accounts for money held by the County for the Babe Ruth baseball leagues; the Farm Service Fund, which accounts for money held by the County for the Farm Service Agency; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Non-major Funds. The County maintains five legally budgeted funds. The Emergency Telephone System Fund and the American Rescue Plan Act Fund are reported as non-major special revenue funds. The County Capital Projects Reserve and the School Construction Capital Projects Funds are reported as capital projects funds.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Measurement Focus – Basis of Accounting

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

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

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

they are received. Uncollected taxes that were billed by the County for periods prior to September 1, 2013 or those for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the beer and wine tax, collected and held by the State at year-end on behalf of the County, are recognized as revenue. 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 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 Emergency Telephone, Fire District and Tax Revaluation Special Revenue Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the Capital Projects Fund, and the Enterprise Capital Projects Funds. The Landfill Closure and Postclosure Reserve Fund and the Enterprise Capital Projects Funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. The Finance Officer may transfer amounts between objects of expenditures within a department except salary amounts without limitation. The Finance Officer may not transfer any amounts between funds. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and the Authority 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

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

2. Cash and Cash Equivalents

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

3. Restricted Assets

The unexpended note proceeds of the County's Water System Fund are classified as restricted assets within the enterprise fund because their use is completely restricted to the purpose for which the notes were originally obtained. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22.

Perquimans County Restricted Cash

Governmental activities:		
General Fund	Tax revaluation	\$ 171,514
County Construction Capital Projects Fund	Unexpended grant proceeds	2,882,325
American Rescue Plan Act Fund	Unexpended proceeds	1,307,515
School Capital Projects Fund	Unexpended Public School Building funds	21,243
Total governmental activities		4,382,597
Business-type activities:		
Water Fund	Customer deposits	67,849
Total business-type activities		67,849
Total restricted cash		\$ 4,450,446

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, 2019. As allowed by State law, the County has established a schedule of discounts that apply to taxes that are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

Inventories are not maintained in the governmental funds of the County. The governmental funds recognize materials and supplies as expenditures at the time of purchase. The inventory of the County's Enterprise Funds consists of materials and supplies held for consumption. The cost is recorded as an expense when the inventory is consumed.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are as follows: land, \$10,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$15,000; infrastructure, \$20,000; equipment and furniture, \$5,000; vehicles and motorized equipment, \$10,000; computer software, \$5,000; and computer equipment, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

	<u>Years</u>
Buildings	50
Plant and distribution systems	40
Infrastructure	30
Other improvements	25
Equipment and furniture	10
Vehicles and motorized equipment	6
Computer equipment	3
Computer software	5

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

8. Deferred outflows/inflows of resources

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

9. Long-term Obligations

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

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

10. Compensated Absences

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

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

11. Net Position/Fund Balances

Net Position

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

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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:

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

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

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

Restricted by Department of Justice Forfeiture Program - portion of fund balance that is restricted by to pay for specific items for the sheriff department.

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

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

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

Assigned Fund Balance - portion of fund balance that the Carolina County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Finance

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Officer may transfer amounts between objects of expenditures within a department except salary amounts without limitation. The Budget Officer may not transfer amounts between funds.

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

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

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between 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 \$138,711 consists of the following:

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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)	\$	16,725,298
Less - accumulated depreciation		(7,241,314)
Net capital assets		9,483,984
Net pension asset		29,766
Contributions to the pension plan in the current fiscal year		1,176,112
Benefit payments and administration costs for OPEB		684,887
Net loan fees		2,700
Accrued interest receivable less the amount claimed as unearned revenue in the government-side statements as these funds are not available and therefore are unavailable in the fund statements		226,482
Liabilities for revenue deferred but earned and therefore reported in the fund statements but not the government-wide		796,893
Pension related deferrals		(39,880)
LEOSSA related deferrals		(16,452)
OPEB related deferrals		(136,108)
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:		
Bonds and installment financings		(6,777,218)
Capital leases		(121,800)
Compensated absences		(292,819)
Net pension liability - LGERS		(1,816,373)
Total pension liability - LEOSSA		(494,627)
OPEB liability		(2,468,774)
Accrued interest payable		(98,062)
Total adjustment	\$	138,711

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The total adjustment of (\$88,590) is comprised of the following:

Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 51,249
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	(665,527)
Principal payments on debt owed are recorded as a use of funds on the fund statements but affect only the statement of net position in the government-wide statements	1,080,939
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	311,371
Benefit payments and administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	131,665
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	13,546
Amortization expense	(362)
Compensated absences	(27,958)
OPEB expense	(225,072)
County's portion of collective pension expense	(701,318)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	
Decrease in accrued interest receivable on taxes at year end	(500)
Reversal of deferred tax revenue recorded at July 1	(853,516)
Recording of tax receipts deferred in the funds statements at June 30	796,893
	\$ (88,590)

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

II. Stewardship, Compliance, and Accountability

None noted.

III. Detail Notes on All Funds

A. Assets

1. Deposits

All the County's and the Authority's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the Authority's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and the Authority these deposits are 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, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the Authority 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 and the Authority 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 and the Authority have no formal policy regarding custodial credit risk for deposits.

At June 30, 2021, the County's deposits had a carrying amount of \$13,269,814 and a bank balance of \$13,716,365. Of the bank balance, \$500,000 was covered by federal depository insurance and \$13,216,365 was covered by collateral held under the Pooling Method.

At June 30, 2021, Perquimans County had \$950 cash on hand.

At June 30, 2021, the carrying amount of deposits for the Authority was \$54,191.

2. 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 property taxes that could become due if present use-value eligibility is lost at June 30, 2021 were not available. These amounts have not been recorded in the financial statements.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

3. Receivables

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

	Accounts	Taxes and related accrued interest	Due from other governments	Total
Governmental activities:				
General	\$ -	\$ 796,891	\$ 825,014	\$ 1,621,905
Other governmental	-	-	38,100	38,100
Total receivables	-	796,891	863,114	1,660,005
Allowance for doubtful accounts	-	(37,000)	-	(37,000)
Total governmental activities	<u>\$ -</u>	<u>\$ 759,891</u>	<u>\$ 863,114</u>	<u>\$ 1,623,005</u>
Business type activities:				
Water Fund	\$ 278,249	\$ -	\$ 26,437	\$ 304,686
Solid Waste	305,010	-	2,587	307,597
Total receivables	583,259	-	29,024	612,283
Allowance for doubtful accounts	(12,517)	-	-	(12,517)
Total business type activities	<u>\$ 570,742</u>	<u>\$ -</u>	<u>\$ 29,024</u>	<u>\$ 599,766</u>

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

Other grant funds	\$ 2,587
Local option sales tax	700,399
Sales tax reimbursements	78,198
Scrap tire tax	5,491
Franchise tax	4,070
Social services reimbursements	74,022
State 911 funds	27,371
Total	<u>\$ 892,138</u>

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

4. Capital Assets

Primary Government

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 1,085,605	\$ -	\$ -	\$ 1,085,605
Construction in progress	18,960	19,340	-	38,300
Total capital assets not being depreciated	<u>1,104,565</u>	<u>19,340</u>	<u>-</u>	<u>1,123,905</u>
Capital assets being depreciated:				
Buildings	10,233,114	-	-	10,233,114
Equipment	2,706,312	12,309	-	2,718,621
Land improvements	641,254	-	-	641,254
Vehicles and motor equipment	1,979,204	-	-	1,979,204
Software	9,600	19,600	-	29,200
Total capital assets being depreciated	<u>15,569,484</u>	<u>31,909</u>	<u>-</u>	<u>15,601,393</u>
Less accumulated depreciation for:				
Buildings	3,041,245	268,257	-	3,309,502
Equipment	1,682,843	214,748	-	1,897,591
Land improvements	210,881	34,232	-	245,113
Vehicles and motor equipment	1,639,058	143,430	-	1,782,488
Software	1,760	4,860	-	6,620
Total accumulated depreciation	<u>6,575,787</u>	<u>665,527</u>	<u>-</u>	<u>7,241,314</u>
Total capital assets being depreciated, net	<u>8,993,697</u>			<u>8,360,079</u>
Governmental activity capital assets, net	<u><u>\$ 10,098,262</u></u>			<u><u>\$ 9,483,984</u></u>

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

Cultural and recreation	\$ 103,598
Economic and physical development	63,323
General government	175,735
Human services	8,340
Public Safety	314,531
Total depreciation expense	<u><u>\$ 665,527</u></u>

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Water Fund:				
Capital assets not being depreciated:				
Land	\$ 160,006	\$ 27,050	\$ -	\$ 187,056
Total capital assets not being depreciated	160,006	27,050	-	187,056
Capital assets being depreciated:				
Plant and distribution systems	18,352,581	-	-	18,352,581
Furniture and maintenance equipment	292,595	-	-	292,595
Vehicles	459,917	-	-	459,917
Total capital assets being depreciated	19,105,093	-	-	19,105,093
Less accumulated depreciation for:				
Plant and distribution systems	9,843,669	342,300	-	10,185,969
Furniture and maintenance equipment	256,495	5,935	-	262,430
Vehicles	363,784	29,910	-	393,694
Total accumulated depreciation	10,463,948	378,145	-	10,842,093
Total capital assets being depreciated, net	8,641,145			8,263,000
Business-type activity capital assets, net	\$ 8,801,151			\$ 8,450,056

B. Liabilities

1. Payables

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

	Vendors
Governmental activities:	
General	\$ 91,318
Other governmental	-
Total governmental activities	\$ 91,318
Business type activities:	
Solid Waste	\$ 113,237
Total business type activities	\$ 113,237

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in 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, 2020, was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$357,282 for the year ended June 30, 2020.

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.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

At June 30, 2021, the County reported a liability of \$1,974,318 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was 0.055% (measured as of June 30, 2020), which was a decrease of 0.003% from its proportion as of June 30, 2020 (measured as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$691,056. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 249,322	\$ -
Changes of assumptions	146,928	-
Net difference between projected and actual earnings on pension plan investments	277,832	-
Changes in proportion and differences between County contributions and proportionate share of contributions	50,442	38,296
County contributions subsequent to the measurement date	332,895	-
Total	\$ 1,057,419	\$ 38,296

\$332,895 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 198,593
2023	254,784
2024	150,627
2025	82,224
2026	-
Thereafter	-
	\$ 686,228

Perquimans County, North Carolina
Notes to the Financial Statements
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Actuarial Assumptions. The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation
Public Equity	32.7%
Real Estate, Alternatives, Inflation and Credit	27.6%
Fixed Income (LTIF)	26.3%
Cash and Receivables	13.4%
Total	100.0%

The information above is based on 30-year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 4,005,676	\$ 1,974,318	\$ 286,117

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description.

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

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

Retirees receiving benefits	1
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	17
Total	18

2. Summary of Significant Accounting Policies:

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

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

3. Actuarial Assumptions

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

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

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2020.

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

Mortality Rate

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

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

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

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

3. Contributions.

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$18,138 as benefits came due for the reporting period.

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

At June 30, 2021, the County reported a total pension liability of \$494,627. The total pension liability was measured as of June 30, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$63,515.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,212	\$ 7,382
Changes of assumptions	144,095	9,070
Total	\$ 196,307	\$ 16,452

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

Year ended June 30:	
2022	\$ 32,791
2023	32,791
2024	33,546
2025	30,156
2026	24,092
Thereafter	26,479
	\$ 179,855

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 1.93 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease (0.93%)	Discount Rate (1.93%)	1% Increase (2.93%)
Total Pension Liability	\$ 548,993	\$ 494,627	\$ 445,185

Perquimans County, North Carolina
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Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

Beginning balance	\$ 320,928
Service Cost	20,557
Interest on the total pension liability	10,167
Difference between expected and actual experience in the measurement of the total pension liability	11,630
Changes of assumptions and other inputs	149,483
Benefit payments	(18,138)
Ending balance of the total pension liability	<u>\$ 494,627</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at June 30, 2019 (measurement date) to 1.93 percent at June 30, 2020 (measurement date).

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

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

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions to for the year ended June 30, 2021 were \$38,503 which consisted of \$44,768 from the County and \$6,265 from the law enforcement officers.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

c. Supplemental Retirement Income Plan for General Employees

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to general employees employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

Funding Policy. Each month, the County offers up to a one percent contribution match for any general employee that wishes to make voluntary contributions. Contributions to for the year ended June 30, 2021 were \$88,007 which consisted of \$25,694 from the County and \$62,313 from the general employees.

d. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$1,550 for the year ended June 30, 2021.

Perquimans County, North Carolina
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2021, the County reported an asset of \$29,766 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was 0.130%, which was an increase of 0.012% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$2,031. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 607
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	-	2,547
Changes in proportion and differences between County contributions and proportionate share of contributions	1,872	1,494
County contributions subsequent to the measurement date	5,108	-
Total	\$ 6,980	\$ 4,648

\$5,108 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022.

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

Year ended June 30:	
2022	\$ (254)
2023	(731)
2024	(1,149)
2025	(642)
2026	-
Thereafter	-
	\$ (2,776)

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

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

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

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

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

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

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

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

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that System contributions will continue to follow the current funding policy. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of 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

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calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 25,282	\$ 29,766	\$ 33,560

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

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

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

The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of the Net Pension Liability (Asset)	\$ 1,974,318	\$ (29,766)		\$ 1,944,552
Proportion of the Net Pension Liability (Asset)	0.055%	0.130%	N/A	
Total Pension Liability			\$ 494,627	\$ 494,627
Pension Expense	\$ 691,056	\$ 2,031	\$ 63,515	\$ 756,602

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

Perquimans County, North Carolina
Notes to the Financial Statements
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	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 249,322	\$ -	\$ 52,212	\$ 301,534
Changes of assumptions	146,928	-	144,095	291,023
Net difference between projected and actual earnings on pension plan investments	277,832	-	-	277,832
Changes in proportion and differences between County contributions and proportionate share of contributions	50,442	1,872	-	52,314
County contributions (LGERS, ROD)/ benefit payments and administration costs (LEOSSA) subsequent to the measurement date	332,895	5,108	-	338,003
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 607	\$ 7,382	\$ 7,989
Changes of assumptions	-	-	9,070	9,070
Net difference between projected and actual earnings	-	2,547	-	2,547
Changes in proportion and differences between County contributions and proportionate share of contributions	38,296	1,494	-	39,790

f. Other Postemployment Benefit

Plan Description

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

Benefits provided. The HCB Plan provides healthcare and dental benefits for retirees with an unreduced service retirement benefit from LGERS and 20 continuous years of service with the County. The County pays 100% of the cost of coverage for employees' health benefits through private insurers until the employee reaches the age of 65 or becomes eligible for Medicare, whichever is sooner. The County pays 100% of the dental premiums for eligible retirees until they reach age 65. Dependent coverage is not permitted. A separate report was not issued for the plan.

Membership of the HCB plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

	General Employees	Law Enforcement Officers
Inactive plan members or beneficiaries currently receiving benefit payments	14	1
Inactive plan members entitled to but not yet receiving benefit payments	-	-
Active plan members	100	17
	114	18

Total OPEB Liability

The County's total OPEB liability of \$2,683,450 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Real wage growth	1.00 percent
Wage inflation	3.50 percent
Salary increases - General Employees	3.50 to 7.75 percent, including wage inflation
Salary increases - Law Enforcement Officers	3.50 to 7.35 percent, including wage inflation
Discount rate - Municipal Bond Index	3.50 percent
Health Care Cost Trends - Pre-Medicare	7.00% for 2019, decreasing to an ultimate rate of 4.50% by 2026

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

Changes in the Total OPEB Liability

Beginning balance as of June 30, 2020	\$ 2,365,838
Changes for the year:	
Service cost	101,658
Interest	83,337
Changes in benefit terms	-
Difference between expected and actual experience	(35,331)
Changes of assumptions and other inputs	342,327
Benefit payments	(174,379)
Net changes	317,612
Ending balance as of June 30, 2021	\$ 2,683,450

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Mortality rates were based on the RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current discount rate:

	1% Decrease (1.21%)	Discount Rate (2.21%)	1% Increase (3.21%)
Total OPEB liability	\$ 2,989,057	\$ 2,683,450	\$ 2,413,296

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 to calculate healthcare cost trend rates that are 1-percentage-point lower (6.5 percent decreasing to 4 percent) or 1-percentage-point higher (8.5 percent decreasing to 6 percent) than the current healthcare cost trend rate:

	1% Decrease (6% decreasing to 3.5%)	Discount Rate (7% decreasing to 4.5%)	1% Increase (8 percent decreasing to 5.5%)
	\$ 2,324,252	\$ 2,683,450	\$ 3,121,777

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$244,177. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 266,141	\$ 42,002
Changes of assumptions	335,187	105,941
County benefit payments and plan administrative expense made subsequent to the measurement date	143,114	-
Total	\$ 744,442	\$ 147,943

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

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Year ended June 30:	
2022	\$ 59,182
2023	59,182
2024	59,182
2025	59,182
2026	75,879
Thereafter	140,778
	<u>\$ 453,385</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 Government 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 these 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 benefits payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

3. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience:		
LGERS	\$ 249,322	\$ -
ROD	-	607
LEOSSA	52,212	7,382
OPEB	266,141	42,002
Changes of assumptions		
LGERS	146,928	-
ROD	-	-
LEOSSA	144,095	9,070
OPEB	335,187	105,941
Difference between projected and actual investment earnings:		
LGERS	277,832	-
ROD	-	2,547
Change in proportion and difference between employer contributions and proportionate share of contributions:		
LGERS	50,442	38,296
ROD	1,872	1,494
Contributions to pension plan subsequent to the measurement date:		
LGERS	332,895	-
ROD	5,108	-
Benefit payments for the OPEB plan paid subsequent to the measurement date	143,114	-
Prepaid taxes not yet earned (General)	-	71,157
Taxes receivable, net (General)	-	796,891
Wetlands Mitigation (General)	-	1,435
	\$ 2,005,148	\$ 1,076,822

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence, and workers' compensation coverage up to the North Carolina statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a \$500,000 retention up to a \$2 million limit for liability coverage,

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

and \$1,750,000 of each loss in excess of a \$250,000 per occurrence retention for property, and auto physical damage. For workers' compensation there is a per occurrence retention of \$750,000. The County provides employee health and dental benefits through a self-insured plan provided by Dogwood Insurance Company (DIC). Claims are administered and paid directly from the plan by DIC. Specific stop-loss is set at \$100,000 per individual health insurance claim with an unlimited lifetime maximum. Aggregate stop-loss is set at the level of 125% with a minimum aggregate attachment point of \$6,516,502 and a contract period maximum of \$1,000,000.

The County does not have any property in a flood zone and does not carry flood insurance.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The finance officer, tax collector, and register of deeds are individually bonded for \$100,000, \$100,000, and \$100,000 respectively. The finance officer of the Perquimans County Tourism Development Authority is individually bonded for \$50,000.

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

5. Long-Term Obligations

a. Capital Leases

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

The agreement was executed on June 30, 2021 for the lease of voting machines and requires five annual payments of \$40,600. Under the terms of the agreement, the County has the right to exercise a bargain purchase option of \$1 at the end of the lease term. This lease has an interest rate of 0.00%.

At June 30, 2021, the County leased equipment valued at:

Class of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 203,000	\$ 20,300	\$ 182,700
Total	\$ 203,000	\$ 20,300	\$ 182,700

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

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

Year Ending June 30,		
	2022	\$ 40,600
	2023	40,600
	2024	40,600
	2025	-
		\$ 121,800
	Total minimum lease payments	\$ 121,800
	Less: amount representing interest	-
	Present value of the minimum lease payments	\$ 121,800

b. Installment Purchase

The County entered into an agreement with RBC Centura, pursuant to N.C. General Statute 160 A-20, to finance the Perquimans High School Construction and Renovation Project. Total indebtedness under the agreement was \$11,000,000, at an annual interest rate of 3.65%. This loan was refinanced on December 18, 2008 with USDA. This loan was refinanced on December 6, 2012 with BB&T.

I. Six million (\$6,000,000) with a term of fifteen (15) years at 2.64%, entered into on December 6, 2012. The County will make fifteen (15) payments of \$489,429 each. Principal payments and interest at 2.64% resulted in the following obligation at June 30, 2021:

II.	Total installment obligation indebtedness	\$ 3,423,128
	Less: amount representing interest	334,919
	Net principal amount of obligation	\$ 3,088,209

III. Four million, two hundred thirty thousand, nine hundred sixty-seven (\$4,230,967) with a term of fifteen (15) years at 2.64%, entered into on January 8, 2013. The County will make the first payment of \$311,492 and the subsequent fourteen (14) payments at \$347,173 each. Principal payments and interest at 2.64% resulted in the following obligation at June 30, 2021:

Total installment obligation indebtedness	\$ 2,430,214
Less: amount representing interest	237,573
Net principal amount of obligation	\$ 2,192,641

On September 30, 2011, the County entered into an installment purchase agreement pursuant to N.C. General Statute 160A-20 for the purchase of a building to be used by Emergency Services. Total indebtedness under the agreement was \$1,108,181. The agreement has a twenty-year term at an interest rate of 2.49%. Payments will be \$98,000 annually plus accrued interest. Principal payments and interest of 2.49% resulted in the following obligation at June 30, 2021:

Total installment obligation indebtedness	\$ 49,615
Less: amount representing interest	615
Net principal amount of obligation	\$ 49,000

On July 27, 2016, the County entered into an installment purchase agreement pursuant to N.C. General Statute 160A-20 for the construction of a new public library. Total indebtedness under

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

the agreement was \$2,500,000. The agreement has a ten-year term at an interest rate of 1.88%. Payments will be \$263,158 annually plus accrued interest. Principal payments and interest of 1.88% resulted in the following obligation at June 30, 2021:

Total installment obligation indebtedness	\$ 1,529,000
Less: amount representing interest	81,632
Net principal amount of obligation	\$ 1,447,368

During the 2020-2021 fiscal year, the County made interest payments of \$209,794.

Installment agreement indebtedness – business type activities

On January 27, 2011, the County entered into an agreement with the State of North Carolina, Department of Environment and Natural Resources, to receive a Federal Revolving Loan in the amount of \$2,795,220, as part of the American Recovery and Reinvestment Act of 2009, for the purpose of making improvements to the County's water supply system. One half of the amount borrowed is immediately forgiven. The remaining principal is to be repaid over 20 years bearing no interest at an annual amount of \$69,881 per year. Principal payments resulted in the following obligation at June 30, 2021:

Total installment obligation indebtedness	\$ 698,805
Less: amount representing interest	-
Net principal amount of obligation	\$ 698,805

As authorized by State law [G.S. 160A-20] the County is financing water supply from Pasquotank County R. O. plant through an installment financing agreement with the PNC Bank. The total amount financed is \$1,350,000 at a fixed rate of 2.69% for 15 years. The agreement was executed on August 23, 2012 and requires 15 annual payments of \$110,564, with the first payment due August 23, 2013. Principal payments and interest at 2.69% resulted in the following obligation at June 30, 2021:

Total installment obligation indebtedness	\$ 771,546
Less: amount representing interest	76,983
Net principal amount of obligation	\$ 694,563

For Perquimans County, the combined future minimum payments as of June 30, 2021 including interest are:

Year ending June 30	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2022	\$ 1,009,269	\$ 166,079	\$ 161,697	\$ 18,748
2023	978,673	142,113	164,166	16,279
2024	997,563	118,276	166,703	13,742
2025	1,014,081	93,940	169,307	11,138
2026	1,036,851	69,093	171,982	8,463
2027-2031	1,740,781	65,238	559,513	8,613
2032-2036	-	-	-	-
Total	\$ 6,777,218	\$ 654,739	\$ 1,393,368	\$ 76,983

At June 30, 2021, Perquimans County had a legal debt margin of \$114,693,773.

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

c. Long-term Obligation Activity

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
Governmental activities:					
Capital leases	\$ 162,400	\$ -	\$ 40,600	\$ 121,800	\$ 40,600
Installment purchases	7,817,557	-	1,040,339	6,777,218	1,009,270
Net pension liability (LGERS)	1,470,536	345,837	-	1,816,373	-
Total pension liability (LEOSSA)	320,928	173,699	-	494,627	-
Total OPEB liability	2,176,571	292,203	-	2,468,774	-
Compensated absences	264,861	27,958	-	292,819	292,819
Total	<u>\$ 12,212,853</u>	<u>\$ 839,697</u>	<u>\$ 1,080,939</u>	<u>\$ 11,971,611</u>	<u>\$ 1,342,689</u>
Business-type activities:					
Installment purchases	\$ 1,790,411	\$ -	\$ 397,043	\$ 1,393,368	\$ 161,697
Net pension liability (LGERS)	127,873	30,072	-	157,945	-
Total OPEB liability	189,267	25,409	-	214,676	-
Compensated absences	19,756	3,082	-	22,838	22,838
Total	<u>\$ 2,127,307</u>	<u>\$ 58,563</u>	<u>\$ 397,043</u>	<u>\$ 1,788,827</u>	<u>\$ 184,535</u>

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

C. Interfund Balances and Transfer Activity

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

	<u>Amount</u>
From the General Fund to the Revaluation Fund to accumulate resources for octennial revaluation of real property	\$ (25,000)
From the General Fund to the Tourism Development Authority	(20,000)
From the Capital Projects Reserve Fund to the General Fund to supplement other funding sources	450,000
Total	<u>\$ 405,000</u>

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

D. Net Investment in Capital Assets

	Governmental	Business-type
Capital assets	\$ 9,483,984	\$ 8,450,056
Less: Long-term debt	1,618,168	1,393,368
Net investment in capital assets	\$ 7,865,816	\$ 7,056,688

E. Fund Balance

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

Total Fund Balance-General Fund	\$ 6,924,484
Less:	
Stabilization for State Statute	846,532
Register of Deeds	39,457
Tax revaluation	171,514
Dept of Justice Forfeiture Program	9,197
Appropriation for 2021-2022 budget	1,092,889
Remaining Fund Balance	\$ 4,764,895

Perquimans County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater the 8% of budgeted expenditures.

IV. Joint Ventures

Pettigrew Regional Library

The County participates in a joint venture to operate the Pettigrew Library with three other counties: Chowan, Tyrrell, and Washington. Perquimans County does not appoint anyone to the Board, but may make recommendations for appointments. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on participating governments' continued funding. Perquimans County owns the library building and provides for the maintenance of that building. During the 2020-2021 fiscal year, the County contributed \$187,500 towards the operating expenses of the Library. Complete financial statements can be obtained from the Library's office at 110 West Academy Street, Hertford, North Carolina 27944.

Albemarle District Jail Commission

The County in conjunction with Camden and Pasquotank Counties, participates in the Albemarle District Jail Commission. Each participating government appoints one member to the four member board. The Jail Commission is a joint venture established to provide incarceration facilities for the participating counties. The intergovernmental agreement between the participating counties stipulates that each county make an annual contribution towards the operating expenses of the Commission. The contribution amount is based on a per capita assessment based on the most recent census figures available. During the fiscal year ended June 30, 2021, the County contributed \$707,400 to the Commission. None of the participating governments have an equity interest in the Commission. Complete financial statements for the Jail can be obtained from the Albemarle District Jail Commission, 320 South Hughes Blvd., Elizabeth City, North Carolina 27909.

**Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021**

V. Jointly Governed Organization

Perquimans, Chowan, Gates Solid Waste Commission

Perquimans County, in conjunction with two other counties, established the Perquimans, Chowan, Gates County Solid Waste Commission to coordinate solid waste disposal for the counties. Each participating government appoints two members to the Commission's governing board.

Perquimans, Pasquotank, Camden, Chowan, Currituck Health Department

The Perquimans, Pasquotank, Camden, Chowan, Currituck (PPCCC) Health Department is a jointly governed organization. Each participating government appoints three members to the PPCCC Board.

VI. Benefit Payments Issued by the State

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

	Federal	State
Title IV-E Foster Care	\$ 12,825	\$ 2,021
State/County Special Assistance for Adults	-	42,755
State/County Special Assistance for the Disabled	-	52,551
State Children's Insurance Program-NC Health Choice	233,883	-
Adult Home Special Services	2,978	1,489
Medicaid	17,042,718	6,645,186
Temporary assistance to needy families	35,189	-
Special Supplemental Nutrition Program for Women, Infants and Children	131,059	-
Total	<u>\$ 17,458,652</u>	<u>\$ 6,744,002</u>

VII. 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.

VIII. Subsequent Events

The County has evaluated subsequent events through November 11, 2021, the date on which the financial statements were available to be issued and has determined that there are no

Perquimans County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2021

disclosures or adjustments necessary in the accompanying financial statements relating to subsequent events.

IX. Prior Period Adjustment

A prior period adjustment in the amount of \$2,767 has been made to the Emergency Telephone System Fund and the General Fund due to overreported revenues in the Emergency Telephone System Fund in fiscal year 2020.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

- Schedule of Proportionate Share of Net Pension Liability for Local Government Employees' Retirement System

 - Schedule of Contributions to Local Government Employees' Retirement System

 - Schedule of Proportionate Share of Net Pension Asset for Register of Deeds Supplemental Pension Fund

 - Schedule of Contributions to Register of Deeds' Supplementary Pension Fund

 - Schedule of Changes in Total Pension Liability

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

 - Schedule of Changes in the Total OPEB Liability
-

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
 Local Government Employees' Retirement System
 Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.055%	0.059%	0.051%	0.053%	0.049%	0.047%	0.049%	0.050%
County's proportionate share of the net pension liability (asset) \$	\$ 1,974,318	\$ 1,598,409	\$ 1,215,114	\$ 804,957	\$ 1,049,282	\$ 212,055	\$ (289,624)	\$ 620,773
County's covered payroll	\$ 3,138,511	\$ 3,127,040	\$ 3,455,957	\$ 3,342,557	\$ 3,146,224	\$ 2,955,382	\$ 2,952,691	\$ 2,888,709
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	62.91%	51.12%	35.16%	24.08%	33.35%	7.18%	-9.81%	21.49%
Plan fiduciary net position as a percentage of the total pension liability (asset)	88.61%	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of County Contributions
 Local Government Employees' Retirement System
 Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 332,895	\$ 284,035	\$ 245,160	\$ 262,713	\$ 249,946	\$ 215,957	\$ 210,631	\$ 209,715
Contributions in relation to the contractually required contribution	332,895	284,035	245,160	262,713	249,946	215,957	210,631	209,715
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 3,254,111	\$ 3,138,511	\$ 3,127,040	\$ 3,455,957	\$ 3,342,557	\$ 3,146,224	\$ 2,955,382	\$ 2,952,691
Contributions as a percentage of covered payroll	10.23%	9.05%	7.84%	7.60%	7.48%	6.86%	7.13%	7.10%

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
 Register of Deeds' Supplemental Pension Fund
 Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.130%	0.118%	0.137%	0.128%	0.142%	0.134%	0.139%	0.140%
County's proportionate share of the net pension liability (asset) \$	\$ (29,766)	\$ (23,311)	\$ (22,759)	\$ (21,881)	\$ (26,629)	\$ (31,115)	\$ (31,400)	\$ (30,137)
County's covered payroll	\$ 49,196	\$ 48,036	\$ 45,685	\$ 45,504	\$ 43,298	\$ 43,122	\$ 49,422	\$ 51,819
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-60.50%	-48.53%	-49.82%	-48.09%	-61.50%	-72.16%	-63.53%	-58.16%
Plan fiduciary net position as a percentage of the total pension liability (asset)	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.

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of County Contributions
 Register of Deeds' Supplemental Pension Fund
 Last Eight Fiscal Years

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 5,108	\$ 4,452	\$ 3,766	\$ 1,176	\$ 1,114	\$ 1,164	\$ 1,074	\$ 1,131
Contributions in relation to the contractually required contribution	5,108	4,452	3,766	1,176	1,114	1,164	1,074	1,131
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 49,934	\$ 49,196	\$ 48,036	\$ 45,685	\$ 45,504	\$ 43,298	\$ 43,122	\$ 49,422
Contributions as a percentage of covered payroll	10.23%	9.05%	7.84%	2.57%	2.45%	2.69%	2.49%	2.29%

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of Changes in Total Pension Liability
 Law Enforcement Officers' Special Separation Allowance
 FOR THE YEAR ENDED JUNE 30, 2021

	2021	2020	2019	2018	2017
Beginning balance	\$ 320,928	\$ 281,466	\$ 231,899	\$ 227,483	\$ 211,438
Service cost	20,557	19,908	15,265	12,806	15,549
Interest on the total pension liability	10,167	9,915	7,041	8,460	7,548
Differences between expected and actual experience	11,630	15,918	58,232	(18,118)	-
Changes of assumptions and other inputs	149,483	11,859	(12,833)	17,894	(7,052)
Benefit payments	(18,138)	(18,138)	(18,138)	(16,626)	-
Ending balance of the total pension liability	<u>\$ 494,627</u>	<u>\$ 320,928</u>	<u>\$ 281,466</u>	<u>\$ 231,899</u>	<u>\$ 227,483</u>

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

PERQUIMANS COUNTY, NORTH CAROLINA
 Schedule of Total Pension Liability as a Percentage of Covered Payroll
 Law Enforcement Officers' Special Separation Allowance
 FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 494,627	\$ 320,928	\$ 281,466	\$ 231,899	\$ 227,483
Covered payroll	772,707	749,249	701,348	506,140	554,568
Total pension liability as a percentage of covered payroll	64.01%	42.83%	40.13%	45.82%	41.02%

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

PERQUIMANS COUNTY, NORTH CAROLINA
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
FOR THE YEAR ENDED JUNE 30, 2021

	<u>2021</u>
Total OPEB Liability	
Service cost	\$ 101,658
Interest	83,337
Differences between expected and actual experience	(35,331)
Changes of assumptions and other inputs	342,327
Changes in benefit terms	-
Benefit payments	(174,379)
Net change in total OPEB liability	<u>317,612</u>
Total OPEB liability, beginning	2,365,838
Total OPEB liability, ending	<u>\$ 2,683,450</u>
Covered-employee payroll	\$ 3,748,995
Total OPEB liability as a percentage of covered-employee payroll	71.58%

Notes to Schedule

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

<u>Fiscal year</u>	<u>Rate</u>
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%
2017	3.01%

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 9,092,693	\$ 9,459,294	\$ 366,601
Penalties and interest	70,000	101,219	31,219
Total	<u>9,162,693</u>	<u>9,560,513</u>	<u>397,820</u>
Local option sales taxes:			
Article 39 and 44	856,830	1,186,932	330,102
Article 40 one-half of one percent	890,001	1,098,450	208,449
Article 42 one-half of one percent	325,000	539,454	214,454
Utilities franchise distribution	15,000	16,753	1,753
Medicaid hold harmless payment	275,000	501,597	226,597
Total	<u>2,361,831</u>	<u>3,343,186</u>	<u>981,355</u>
Other taxes and licenses:			
Scrap tire disposal tax	14,000	20,144	6,144
Beer and wine licenses	350	555	205
Total	<u>14,350</u>	<u>20,699</u>	<u>6,349</u>
Unrestricted intergovernmental:			
Beer and wine tax	<u>45,000</u>	<u>45,944</u>	<u>944</u>
Restricted intergovernmental:			
State grants	1,953,907	1,532,868	(421,039)
Federal grants	297,227	282,302	(14,925)
Court facility fees	30,000	28,798	(1,202)
ABC bottle tax (rehab)	4,500	4,053	(447)
Other grants	42,840	48,917	6,077
Total	<u>2,328,474</u>	<u>1,896,938</u>	<u>(431,536)</u>
Permits and fees:			
Officer and sheriff fees	59,000	65,842	6,842
Building permits and inspection fees	110,000	118,159	8,159
Register of deeds	250,259	293,712	43,453
DMV license revocation fees	750	1,492	742
Subdivision and zoning fees	3,500	8,875	5,375
Other	<u>423,509</u>	<u>488,080</u>	<u>64,571</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Sales and services:			
Ambulance fees	600,000	588,365	(11,635)
Administrative services	102,000	105,000	3,000
Dispatch services	22,000	100,702	78,702
Jail fees	4,500	12,558	8,058
Municipal tax collection fees	15,100	17,562	2,462
Recreation fees	11,500	14,170	2,670
Rents	85,785	111,834	26,049
Total	<u>840,885</u>	<u>950,191</u>	<u>109,306</u>
Investment earnings	<u>52,550</u>	<u>15,560</u>	<u>(36,990)</u>
Miscellaneous			
School security	50,000	117,830	67,830
Other	473,999	280,376	(193,623)
Total	<u>523,999</u>	<u>398,206</u>	<u>(125,793)</u>
Total revenues	<u>15,753,291</u>	<u>16,719,317</u>	<u>966,026</u>
Expenditures:			
General government:			
Governing body:			
Salaries and employee benefits	48,500	43,921	4,579
Other operating expenses	20,300	10,971	9,329
Total	<u>68,800</u>	<u>54,892</u>	<u>13,908</u>
Administrative and finance:			
Salaries and employee benefits	372,262	355,334	16,928
Other operating expenses	241,756	237,279	4,477
Professional services	69,300	67,167	2,133
Capital outlay	6,000	680	5,320
Total	<u>689,318</u>	<u>660,460</u>	<u>28,858</u>
Elections:			
Salaries and employee benefits	149,412	134,912	14,500
Other operating expenses	59,544	46,989	12,555
Capital outlay	51,000	4,550	46,450
Total	<u>259,956</u>	<u>186,451</u>	<u>73,505</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
– BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Tax administration:			
Salaries and employee benefits	407,395	402,720	4,675
Other operating expenses	106,614	100,678	5,936
Professional services	15,900	15,176	724
Mapping	6,000	4,642	1,358
Capital outlay	4,500	4,491	9
Total	540,409	527,707	12,702
Legal:			
Contracted services	25,000	20,468	4,532
Register of deeds:			
Salaries and employee benefits	172,961	168,203	4,758
Other operating expenses	140,666	123,454	17,212
Professional services	21,575	21,575	-
Capital outlay	9,000	9,000	-
Total	344,202	322,232	21,970
Public buildings:			
Salaries and employee benefits	115,827	107,872	7,955
Other operating expenses	166,470	139,686	26,784
Insurance and bonds	180,000	172,038	7,962
Utilities	161,285	145,933	15,352
Professional services and contracts	151,465	108,715	42,750
Total	775,047	674,244	100,803
Court facilities:			
Other operating expenses	33,140	31,459	1,681
Total	33,140	31,459	1,681
Jury commission			
Other operating expenses	1,975	1,533	442
Total general government:	2,737,847	2,479,446	258,401
Public safety:			
Sheriff:			
Salaries and employee benefits	1,266,682	1,264,443	2,239
Other operating expenses	215,477	162,590	52,887
Capital outlay	10,000	9,347	653
Total	1,492,159	1,436,380	55,779

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Jail:			
Contracted services	498,194	485,158	13,036
Contracted services - debt service	223,003	222,242	761
Total	721,197	707,400	13,797
Emergency Medical Services:			
Salaries and employee benefits	1,388,126	1,324,242	63,884
Other operating expenses	208,760	176,297	32,463
Capital outlay	10,000	9,797	203
Total	1,606,886	1,510,336	96,550
Dispatch:			
Salaries and employee benefits	568,337	558,651	9,686
Other operating expenses	90,600	72,791	17,809
Capital outlay	16,082	16,081	1
Total	675,019	647,523	27,496
Fire/emergency management:			
Salaries and employee benefits	65,862	63,372	2,490
Other operating expenses	200,985	134,512	66,473
Capital outlay	10,000	9,830	170
Assistance to local fire departments	450,000	450,000	-
Total	726,847	657,714	69,133
Inspections:			
Salaries and employee benefits	188,816	186,633	2,183
Other operating expenses	56,600	37,281	19,319
Total	245,416	223,914	21,502
Animal Control:			
Contribution to regional animal shelter	74,077	74,077	-
	74,077	74,077	-
Medical examiner:			
Professional services	20,000	16,250	3,750
Total public safety	5,561,601	5,273,594	288,007

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
– BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Economic and physical development:			
Economic Development Commission:			
Other operating expenses	278,100	247,689	30,411
Total	<u>278,100</u>	<u>247,689</u>	<u>30,411</u>
Other:			
Albemarle Regional Planning Organization	2,243	2,243	-
Albemarle Commission	9,556	9,556	-
Skills, Inc.	500	500	-
R C and D	750	750	-
Total	<u>13,049</u>	<u>13,049</u>	<u>-</u>
Total economic and physical development	<u>291,149</u>	<u>260,738</u>	<u>30,411</u>
Environmental protection:			
Conversation - soil and forest service:			
Salaries and employee benefits	38,983	38,973	10
Other operating expenses	12,416	9,253	3,163
Cost share programs	16,494	14,032	2,462
Forestry service	58,662	53,505	5,157
Total	<u>126,555</u>	<u>115,763</u>	<u>10,792</u>
Beaver management	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Agricultural extension:			
Salaries and employee benefits	190,592	186,299	4,293
Other operating expenses	33,487	22,439	11,048
Total	<u>224,079</u>	<u>208,738</u>	<u>15,341</u>
Drainage study	<u>9,685</u>	<u>1,485</u>	<u>8,200</u>
Total environmental protection	<u>366,319</u>	<u>331,986</u>	<u>34,333</u>
Human services:			
Health:			
Administration - contracted services	56,745	56,744	1
Aquatic Weed Control	2,500	156	2,344
Transportation	26,280	26,138	142
Total	<u>85,525</u>	<u>83,038</u>	<u>2,487</u>
Mental health:			
Administration - contracted services	<u>26,906</u>	<u>26,906</u>	<u>-</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Alcoholism:			
Operating - rehabilitation	4,500	4,434	66
Social services:			
Administration:			
Salaries and employee benefits	1,464,153	1,339,176	124,977
Other operating expenses	120,266	84,248	36,018
Professional services	208,000	195,828	12,172
Capital outlay	20,000	5,028	14,972
Total	<u>1,812,419</u>	<u>1,624,280</u>	<u>188,139</u>
Special assistance for adults:			
Aid for the aged	80,000	42,755	37,245
Aid for the permanently and totally disabled	80,000	52,551	27,449
Total	<u>160,000</u>	<u>95,306</u>	<u>64,694</u>
Medical assistance programs:			
Assistance payments	5,000.00	1,813	3,187
Welfare-to-work program:			
Transportation	2,500	-	2,500
Other operating expenditures	2,500	-	2,500
Total	<u>5,000</u>	<u>-</u>	<u>5,000</u>
OJJ program:			
Social Thinking Program	80,083	71,028	9,055
Other assistance:			
Links	4,750	-	4,750
Adoption subsidy/enhancement	16,955	7,861	9,094
Nutrition program for the aged	47,305	47,305	-
Aid to the blind	1,872	1,872	-
IV E foster care clothing	6,000	1,800	4,200
Foster care program	225,324	46,990	178,334
Smart Start day care	3,537	3,536	1
Crisis intervention	62,579	62,113	466
Day care program	20,000	19,985	15
Emergency assistance	25,000	20,088	4,912
Humanitarian needs	8,000	4,000	4,000
Title III funds	9,780	9,007	773
Food stamp issuance	5,427	2,675	2,752
LIEAP	78,951	77,889	1,062
Pandemic LIEAP	59,316	59,315	1
Contracted transportation	30,000	6,808	23,192
Total	<u>604,796</u>	<u>371,244</u>	<u>233,552</u>
Total social services	<u>2,667,298</u>	<u>2,163,671</u>	<u>503,627</u>

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Other:			
NC East Alliance	4,068	-	4,068
Food Bank of the Albemarle	1,000	1,000	-
Kids First, Inc.	5,000	5,000	-
Albemarle Hopeline	3,000	3,000	-
Veterans service officer:			
Salaries and employee benefits	7,752	7,745	7
Other operating expenses	1,430	590	840
Total	9,182	8,335	847
Restitution Program:			
Professional services	3,100	3,100	-
Total	3,100	3,100	-
Total human services	2,809,579	2,298,484	511,095
Cultural and recreational:			
Recreation:			
Salaries and employee benefits	192,823	191,923	900
Other operating expenses	97,984	80,309	17,675
Capital outlay	10,000	(496)	10,496
Total	300,807	271,736	29,071
Senior Citizens:			
Salaries and employee benefits	123,880	122,848	1,032
Other operating expenses	35,161	23,363	11,798
Capital outlay	24,260	22,718	1,542
Total	183,301	168,929	14,372
Library:			
Contribution to regional library	187,500	187,500	-

PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Other:			
Chamber of Commerce	6,000	6,000	-
Newbold White House	12,000	12,000	-
Hwy 17/64 Assoc	2,500	2,500	-
Professional Services	-	(640)	640
Perquimans Arts League	4,000	4,000	-
Perquimans County Fireworks	1,500	-	1,500
Perquimans County Trail Blazers	1,000	1,000	-
Total cultural and recreational	698,608	653,025	45,583
Debt service:			
Principal retirement	1,068,478	1,088,154	(19,676)
Interest and other charges	191,399	191,350	49
Total	1,259,877	1,279,504	(19,627)
Total debt service	1,259,877	1,279,504	(19,627)
Education:			
Public schools - current expense	2,900,001	2,900,000	1
Public schools - capital outlay	565,000	564,535	465
College of the Albemarle	32,500	32,500	-
Total	3,497,501	3,497,035	466
Total education	3,497,501	3,497,035	466
Total expenditures	17,222,481	16,073,812	1,148,669
Revenue over (under) expenditures	(1,469,190)	645,505	2,114,695
Other financing sources (uses):			
Transfer from other funds:			
Capital Projects Reserve Fund	450,000	450,000	-
Transfer to other funds			
Tourism Development Authority	(20,000)	(20,000)	-
Revaluation Reserve Fund	(25,000)	(25,000)	-
Fund balance appropriated	1,064,190	-	(1,064,190)
Total other financing sources (uses)	1,469,190	405,000	1,064,190
Net change in fund balance	\$ -	1,050,505	\$ 1,050,505
Fund balance, beginning		5,705,232	
Prior period adjustment		(2,767)	
Fund balances, beginning, restated		5,702,465	
Fund balance, ending		\$ 6,752,970	

PERQUIMANS COUNTY, NORTH CAROLINA
 REVALUATION RESERVE FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 -- BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Investment earnings	\$ 200	\$ 129	\$ (71)
Expenditures:			
General government	25,200	-	25,200
Revenue over (under) expenditures	(25,000)	129	25,129
Other financing sources:			
Transfer from General Fund	25,000	25,000	-
	25,000	25,000	-
Net change in fund balance	<u>\$ -</u>	25,129	<u>\$ 25,129</u>
Fund balance, beginning		146,385	
Fund balance, ending		<u>\$ 171,514</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
COUNTY CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
 Restricted intergovernmental:			
State Grant - Golden Leaf	\$ 2,850,000	\$ -	\$ 2,850,000
Investment earnings	40,000	11,066	(28,934)
	<u>2,890,000</u>	<u>11,066</u>	<u>2,821,066</u>
Expenditures:			
Cultural and recreation	<u>2,890,000</u>	<u>19,340</u>	<u>2,870,660</u>
Revenue over (under) expenditures	<u>-</u>	<u>(8,274)</u>	<u>5,691,726</u>
Other financing sources:			
Fund balance appropriated	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(8,274)</u>	<u>\$ 5,691,726</u>
Fund balance, beginning		<u>2,988,265</u>	
Fund balance, ending		<u>\$ 2,979,991</u>	

COMBINING STATEMENTS - NON-MAJOR FUNDS

Special Revenue Funds

- Emergency Telephone System Fund: accounts for the 911 revenue collected by the telephone industry to fund the County's 911 Emergency System
- American Rescue Plan Act Fund: accounts for the federal funds obtained through the Office of Recovery Programs, a sub-office of the U.S. Department of the Treasury

Capital Projects Funds

- Capital Projects Reserve Fund: accounts for the accumulation of resources to be used in for capital projects
- School Construction Capital Project Fund: accounts for capital improvements in Perquimans County schools

**PERQUIMANS COUNTY, NORTH CAROLINA
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2021**

	Special Revenue Funds			Capital Project Funds			Total Non-major Governmental Funds
	Emergency Telephone System	American Rescue Plan Act Fund	Total Special Revenue Funds	Capital Projects Reserve	School Construction Capital Projects	Total Capital Project Funds	
Assets							
Cash and cash equivalents	\$ 350,747	\$ -	\$ 350,747	\$ 1,105,667	\$ -	\$ 1,105,667	\$ 1,456,414
Retricted cash	-	1,307,515	1,307,515	-	21,243	21,243	1,328,758
Due from other governments	38,100	-	38,100	-	-	-	38,100
Total assets	\$ 388,847	\$ 1,307,515	\$ 1,696,362	\$ 1,105,667	\$ 21,243	\$ 1,126,910	\$ 2,823,272
Liabilities and Fund Balances							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	58,225	-	58,225	-	-	-	58,225
Deferred revenue	-	1,307,515	1,307,515	-	-	-	1,307,515
Total liabilities	58,225	1,307,515	1,365,740	-	-	-	1,365,740
Fund balances:							
Restricted for:							
Stabilization by State Statute	330,622	-	330,622	-	-	-	330,622
School Capital	-	-	-	-	21,243	21,243	21,243
Assigned:							
Future County Capital Outlay	-	-	-	1,105,667	-	1,105,667	1,105,667
Total fund balances	330,622	-	330,622	1,105,667	21,243	1,126,910	1,457,532
Total liabilities and fund balances	\$ 388,847	\$ 1,307,515	\$ 1,696,362	\$ 1,105,667	\$ 21,243	\$ 1,126,910	\$ 2,823,272

PERQUIMANS COUNTY, NORTH CAROLINA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Special Revenue Funds			Capital Project Funds			Total Non-major Governmental Funds
	Emergency Telephone System	American Rescue Plan Act Fund	Total Special Revenue Funds	Capital Projects Reserve	School Construction Capital Projects	Total Capital Project Funds	
Revenues:							
Restricted intergovernmental	\$ 328,450	\$ -	\$ 328,450	\$ 947,905	\$ -	\$ 947,905	\$ 1,276,355
Investment earnings	-	-	-	1,759	-	1,759	1,759
Total revenues	<u>328,450</u>	<u>-</u>	<u>328,450</u>	<u>949,664</u>	<u>-</u>	<u>949,664</u>	<u>1,278,114</u>
Expenditures:							
Public safety	209,973	-	209,973	-	-	-	209,973
Total expenditures	<u>209,973</u>	<u>-</u>	<u>209,973</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>209,973</u>
Excess (deficiency) of revenues over expenditures	<u>118,477</u>	<u>-</u>	<u>118,477</u>	<u>949,664</u>	<u>-</u>	<u>949,664</u>	<u>1,068,141</u>
Other financing sources (uses):							
Transfer to other funds	-	-	-	(450,000)	-	(450,000)	(450,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(450,000)</u>	<u>-</u>	<u>(450,000)</u>	<u>(450,000)</u>
Net change in fund balances	<u>118,477</u>	<u>-</u>	<u>118,477</u>	<u>499,664</u>	<u>-</u>	<u>499,664</u>	<u>618,141</u>
Fund balances, beginning	209,378	-	209,378	606,003	21,243	627,246	836,624
Prior period adjustment	2,767	-	2,767	-	-	-	2,767
Fund balances, beginning, restated	<u>212,145</u>	<u>-</u>	<u>212,145</u>	<u>606,003</u>	<u>21,243</u>	<u>627,246</u>	<u>839,391</u>
Fund balances, ending	<u>\$ 330,622</u>	<u>\$ -</u>	<u>\$ 330,622</u>	<u>\$ 1,105,667</u>	<u>\$ 21,243</u>	<u>\$ 1,126,910</u>	<u>\$ 1,457,532</u>

PERQUIMANS COUNTY, NORTH CAROLINA
 EMERGENCY TELEPHONE SYSTEM FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 -- BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental	\$ 378,449	\$ 328,450	\$ (49,999)
Total	<u>378,449</u>	<u>328,450</u>	<u>(49,999)</u>
Expenditures:			
Hardware maintenance	166,000	150,202	15,798
Implemental functions	2,949	-	2,949
Software maintenance	98,000	25,864	72,136
Telephone	102,000	30,714	71,286
Training	9,500	3,193	6,307
Total public safety	<u>378,449</u>	<u>209,973</u>	<u>168,476</u>
Revenues over (under) expenditures	<u>-</u>	<u>118,477</u>	<u>118,477</u>
Net change in fund balance	<u>\$ -</u>	<u>118,477</u>	<u>\$ 118,477</u>
Fund balance, beginning		209,378	
Prior period adjustment		<u>2,767</u>	
Fund balance, beginning, as restated		<u>212,145</u>	
Fund balance, ending		<u>\$ 330,622</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
CAPITAL PROJECTS RESERVE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Land transfer tax	\$ 380,000	\$ 947,905	\$ 567,905
Investment earnings	5,000	1,759	(3,241)
Total revenues	<u>385,000</u>	<u>949,664</u>	<u>564,664</u>
Other financing sources (uses):			
Transfer to other funds	(450,000)	(450,000)	-
Fund balance appropriated	65,000	-	(65,000)
Total other financing sources (uses)	<u>(385,000)</u>	<u>(450,000)</u>	<u>(65,000)</u>
Net change in fund balance	<u>\$ -</u>	499,664	<u>\$ 499,664</u>
Fund balance, beginning		<u>606,003</u>	
Fund balance, ending		<u>\$ 1,105,667</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
SCHOOL CONSTRUCTION CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenue:			
Restricted intergovernmental:			
Public School Building Capital Fund - Lottery	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:			
Restricted intergovernmental:			
Perquimans County High & Central School HVAC Upgrades	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenue over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:			
Fund balance appropriated	-	-	-
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance, beginning		<u>21,243</u>	
Fund balance, ending		<u>\$ 21,243</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
PERQUIMANS COUNTY TOURISM DEVELOPMENT AUTHORITY
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
-- BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2021

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Occupancy tax	\$ 8,000	\$ 22,920	\$ 14,920
State grant - EDPNC	10,750	10,750	-
Investment earnings	100	53	(47)
Other	2,000	-	(2,000)
Total revenues	<u>20,850</u>	<u>33,723</u>	<u>12,873</u>
Expenditures:			
Economic and physical development	44,850	20,478	24,372
Total expenditures	<u>44,850</u>	<u>20,478</u>	<u>24,372</u>
Revenues over (under) expenditures	<u>(24,000)</u>	<u>13,245</u>	<u>37,245</u>
Other financing sources:			
Transfer from General Fund	20,000	20,000	-
Fund balance appropriated	4,000	-	(4,000)
Total other financing sources	<u>24,000</u>	<u>20,000</u>	<u>(4,000)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>33,245</u>	<u>\$ 33,245</u>
Fund balance, beginning		<u>21,090</u>	
Fund balance, ending		<u>\$ 54,335</u>	

ENTERPRISE FUNDS

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

Solid Waste Fund -- This fund is used to account for the County's solid waste activities

Water Fund -- This fund is used to account for the County's water operations

Water Capital Improvement Fund -- This fund is used to account for the water supply from Pasquotank County R.O. Plant Project

**PERQUIMANS COUNTY, NORTH CAROLINA
SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES -- BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:			
Solid waste fees	\$ 975,000	\$ 969,644	\$ (5,356)
Other revenue	6,500	10,485	3,985
Non-operating revenues:			
Investment earnings	950	312	(638)
Total revenues	982,450	980,441	(2,009)
Expenditures:			
Landfill operations:			
Solid waste operations	1,054,809	1,022,535	32,274
Revenues over (under) expenditures	(72,359)	(42,094)	30,265
Other financing sources:			
Fund balance appropriated	72,359	-	(72,359)
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	(42,094)	<u>\$ (42,094)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Change in net position (full accrual)		<u>\$ (42,094)</u>	

**PERQUIMANS COUNTY, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -- BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:			
Water sales	\$ 1,950,000	\$ 2,114,034	\$ 164,034
Tap and reconnection fees	57,000	107,525	50,525
Penalties	40,000	29,417	(10,583)
Other operating revenue	5,000	11,318	6,318
Total operating revenues	<u>2,052,000</u>	<u>2,262,294</u>	<u>210,294</u>
Non-operating revenues:			
Rent	5,400	5,400	-
Investment earnings	10,000	3,909	(6,091)
Total non-operating revenues	<u>15,400</u>	<u>9,309</u>	<u>(6,091)</u>
 Total revenues	 <u>2,067,400</u>	 <u>2,271,603</u>	 <u>204,203</u>
Expenditures:			
Administration:			
Salaries and employee benefits	540,032	525,830	14,202
Professional services	147,942	146,049	1,893
Indirect costs	100,000	100,000	-
Other department expenses	296,576	223,773	72,803
Total administration	<u>1,084,550</u>	<u>995,652</u>	<u>88,898</u>
 Water purchase	 <u>329,544</u>	 <u>329,544</u>	 <u>-</u>
Water distribution and treatment:			
Salt and chemical supplies	163,000	178,102	(15,102)
Insurance and bonds	39,667	39,666	1
Utilities	104,000	102,550	1,450
Water sample tests	32,346	32,345	1
Sedimentation control	50,000	50,000	-
Repairs and maintenance	221,672	97,019	124,653
Other department expenses	62,500	25,702	36,798
Total water distribution and treatment	<u>673,185</u>	<u>525,384</u>	<u>147,801</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -- BUDGET AND ACTUAL (NON-GAAP)
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance Positive (Negative)
Debt service:			
Debt principal	394,412	394,410	2
Interest and fees	25,963	18,444	7,519
Total debt service	<u>420,375</u>	<u>412,854</u>	<u>7,521</u>
Capital Outlay	70,722	70,722	-
Total capital outlay	<u>70,722</u>	<u>70,722</u>	<u>-</u>
Total expenditures	<u>2,578,376</u>	<u>2,334,156</u>	<u>244,220</u>
Revenue over (under) expenditures	(510,976)	(62,553)	448,423
Other financing sources			
Fund balance appropriated	510,976	-	510,976
Transfer from water construction fund	-	191,920	(191,920)
Total other financing sources	<u>510,976</u>	<u>191,920</u>	<u>319,056</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	129,367	<u>\$ 129,367</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Reconciling items:			
Debt principal		394,410	
Increase in deferred outflows of resources - pensions		4,409	
Increase in deferred outflows of resources - OPEB		16,061	
Increase in net pension liability		(30,072)	
Increase in deferred inflows of resources - pensions		(2,989)	
Increase in deferred inflows of resources - OPEB		(351)	
Increase in OPEB liability		(25,409)	
Increase in inventory		23,183	
Decrease in accrued vacation pay		(3,082)	
Amortization		(569)	
Depreciation		(378,146)	
Transfer to Water Fund		(191,920)	
Total reconciling items		<u>(194,475)</u>	
Change in net position (full accrual)		<u>\$ (65,108)</u>	

PERQUIMANS COUNTY, NORTH CAROLINA
 WATER CAPITAL IMPROVEMENT FUND
 SCHEDULE OF REVENUES AND EXPENDITURES -- BUDGET AND ACTUAL (NON-GAAP)
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenue:					
Non-operating revenue:					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total non-operating revenue	-	-	-	-	-
Expenditures:					
Capital outlay	-	-	-	-	-
Total	-	-	-	-	-
Revenue over (under) expenditures	-	-	-	-	-
Other financing sources:					
Transfer to water fund	-	-	(191,920)	(191,920)	(191,920)
Total	-	-	(191,920)	(191,920)	(191,920)
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ (191,920)	\$ (191,920)	\$ (191,920)

AGENCY FUNDS

Agency Funds are used to account for assets held by the County as an agency for individual and or other governments.

Agency Funds

- **Social Services Fund** -- This fund accounts for moneys held by Social Services Department for the benefit of certain individuals in the County.
- **Soil and Water Conservation Fund** -- This fund accounts for the moneys held by the County for the use in soil and water conservsation projects.
- **4H Fund** -- This fund accounts for moneys held by the County for the use in the 4H program.
- **Sheriff's Fund** -- This fund accounts for moneys held by the County's Sheriff's department for community uses.
- **Babe Ruth Fund** -- This fund accounts for moneys held by the County for the Babe Ruth baseball leagues.
- **Farm Service Fund** -- This fund accounts for moneys held by the County for the Perquimans Farm Service agency.
- **Deed of Trust Fee Fund** -- This fund accounts for the five dollars of each fee collected by the Register of Deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

**PERQUIMANS COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Social Services				
Assets:				
Cash and cash equivalents	<u>\$ 47,979</u>	<u>\$ 90,333</u>	<u>\$ 96,352</u>	<u>\$ 41,960</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 47,979</u>	<u>\$ 90,333</u>	<u>\$ 96,352</u>	<u>\$ 41,960</u>
Soil and Water Conservation				
Assets:				
Cash and cash equivalents	<u>\$ 9,501</u>	<u>\$ 95,808</u>	<u>\$ 93,219</u>	<u>\$ 12,090</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 9,501</u>	<u>\$ 95,808</u>	<u>\$ 93,219</u>	<u>\$ 12,090</u>
4-H Fund				
Assets:				
Cash and cash equivalents	<u>\$ 3,629</u>	<u>\$ 4,714</u>	<u>\$ 5,530</u>	<u>\$ 2,813</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 3,629</u>	<u>\$ 4,714</u>	<u>\$ 5,530</u>	<u>\$ 2,813</u>
Sheriff's Fund				
Assets:				
Cash and cash equivalents	<u>\$ 2,952</u>	<u>\$ 700</u>	<u>\$ 141</u>	<u>\$ 3,511</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 2,952</u>	<u>\$ 700</u>	<u>\$ 141</u>	<u>\$ 3,511</u>
Babe Ruth Fund				
Assets:				
Cash and cash equivalents	<u>\$ 5,012</u>	<u>\$ 5,508</u>	<u>\$ 9,295</u>	<u>\$ 1,225</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 5,012</u>	<u>\$ 5,508</u>	<u>\$ 9,295</u>	<u>\$ 1,225</u>
Farm Service Fund				
Assets:				
Cash and cash equivalents	<u>\$ 5,367</u>	<u>\$ 170</u>	<u>\$ 259</u>	<u>\$ 5,278</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 5,367</u>	<u>\$ 170</u>	<u>\$ 259</u>	<u>\$ 5,278</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
 AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>Ending Balance</u>
Deed of Trust Fee Fund				
Assets:				
Cash and cash equivalents	<u>\$ -</u>	<u>\$ 2,661</u>	<u>\$ 2,661</u>	<u>\$ -</u>
Liabilities:				
Intergovernmental payable-State North Carolina	<u>\$ -</u>	<u>\$ 2,661</u>	<u>\$ 2,661</u>	<u>\$ -</u>
Total All Agency Funds				
Assets:				
Cash and cash equivalents	<u>\$ 74,440</u>	<u>\$ 199,894</u>	<u>\$ 207,457</u>	<u>\$ 66,877</u>
Liabilities:				
Miscellaneous liabilities	<u>\$ 74,440</u>	<u>\$ 199,894</u>	<u>\$ 207,457</u>	<u>\$ 66,877</u>

OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Schedule of Ten Largest Taxpayers
- Emergency Telephone System Reconciliation

**PERQUIMANS COUNTY, NORTH CAROLINA
GENERAL FUND
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
JUNE 30, 2021**

<u>Fiscal Year</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Ending Balance</u>
2020-2021	\$ -	\$ 10,169,928	\$ 9,952,989	\$ 216,939
2019-2020	259,798		135,397	124,401
2018-2019	134,675		45,820	88,855
2017-2018	93,001		21,358	71,643
2016-2017	71,767		15,478	56,289
2015-2016	66,891		8,525	58,366
2014-2015	58,488		5,174	53,314
2013-2014	51,484		5,476	46,008
2012-2013	47,841		2,682	45,159
2011-2012	40,007		3,790	36,217
2010-2011	29,563		29,563	-
	<u>\$ 853,515</u>	<u>\$ 10,169,928</u>	<u>\$ 10,226,252</u>	<u>\$ 797,191</u>
Less allowance for uncollected accounts: General Fund				<u>37,000</u>
Ad valorm taxes receivable - net: General Fund				<u>\$ 760,191</u>
<u>Reconciliation with revenue:</u>				
Ad valorem taxes - General Fund				\$ 9,459,294
Reconciling items:				
Taxes written off				29,563
Discounts allowed				762,614
Adjustments				(25,219)
Total reconciling items				<u>766,958</u>
Total collection and credits				<u>\$ 10,226,252</u>

PERQUIMANS COUNTY, NORTH CAROLINA
 ANALYSIS OF CURRENT TAX LEVY
 COUNTY-WIDE LEVY
 FOR THE YEAR ENDED JUNE 30, 2021

	County-wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
Property taxed at current year's rate	\$ 1,450,271,372	0.59	\$ 9,755,709	\$ 8,938,399	\$ 817,310
Penalties			3,140	3,140	-
Total:			9,758,849	8,941,539	817,310
Discoveries:					
Current year taxes	69,674,407	0.59	411,079	411,079	
Total property valuation:	<u>\$ 1,519,945,779</u>				
Net levy			<u>\$ 10,169,928</u>	<u>\$ 9,352,618</u>	<u>\$ 817,310</u>
Uncollected taxes at June 30, 2021			<u>\$ 216,639</u>	<u>\$ 216,472</u>	<u>\$ 167</u>
Current year's taxes collected			<u>\$ 9,953,289</u>	<u>\$ 9,136,146</u>	<u>\$ 817,143</u>
Current levy collection percentage			<u>97.87%</u>	<u>97.69%</u>	<u>99.98%</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
TEN LARGEST TAXPAYERS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Total Assessed Valuation</u>
Desert Wind Farm, LLC	Wind Turbines	\$ 211,482,197	13.91%
NC Dominion Power	Electric Company	23,189,390	1.53%
Albemarle Electric	Electric Company	20,840,613	1.37%
Weyerhaeuser	Lumber Company	12,490,000	0.82%
Perquimans Holdings	Real Estate Development	6,100,900	0.40%
Solncpower2 Owner	Solar	5,857,555	0.39%
NC & Virginia Railroad	Railroad Company	5,473,704	0.36%
FPI Carolinas, LLC	Real Estate Development	3,961,300	0.26%
T. A. Newbold Miller LLC	Real Estate Development	3,485,200	0.23%
Albemarle Plantation Holds	Real Estate Development	3,285,000	0.22%
Huang Family, LLC	Real Estate Development	3,219,800	0.21%
Solncpowers2 Owner	Solar	3,004,621	0.20%
		<u>\$ 302,390,280</u>	<u>19.89%</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
 EMERGENCY TELEPHONE SYSTEM UNSPENT BALANCE
 PSAP RECONCILIATION
 JUNE 30, 2021**

Amounts reported on the Emergency Telephone System Fund budget to actual (pg 80) are different from the PSAP Revenue-Expenditure Report because:

Net change in Fund Balance, reported on Budget to Actual	<u>\$ 118,477</u>
Expenditures accrued in prior year, expensed in current year	<u>-</u>
Beginning Balance, PSAP Revenue-Expenditure Report	209,378
Prior period adjustment	<u>2,767</u>
Beginning Balance, PSAP Revenue-Expenditure Report, as restated	<u>212,145</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 330,622</u></u>

COMPLIANCE SECTION

DONNA H. WINBORNE CPA, P.C.

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commissioners
Perquimans County, North Carolina

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Perquimans County, North Carolina, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise Perquimans County, North Carolina's basic financial statements, and have issued our report thereon dated November 11, 2021.

Internal Control over Financial Reporting

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

My 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 my audit I did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

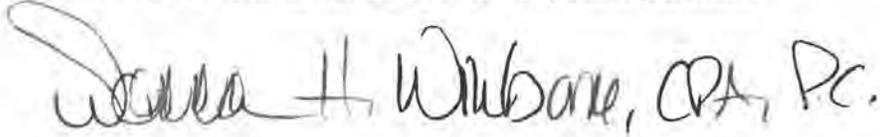
Compliance and Other Matters

As part of obtaining reasonable assurance about whether Perquimans County, North Carolina's financial statements are free from material misstatement, I 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 my audit, and accordingly, I do not express such an opinion. The results

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

A handwritten signature in black ink, reading "Susan H. Wubank, CPA, PC." The signature is written in a cursive style with a large initial 'S'.

Edenton, North Carolina
November 11, 2021

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of County Commissioners
Perquimans County, North Carolina

Report on Compliance for Each Major Federal Program

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

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Perquimans County, North Carolina's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my 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. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Perquimans County, North Carolina's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Perquimans County, North Carolina's compliance.

Opinion on Each Major Federal Program

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

Other Matters

The results of our auditing procedures disclosed no instances of noncompliance. My opinion on each major federal program is not modified with respect to this matter.

Report on Internal Control over Compliance

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

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

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

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



Edenton, North Carolina
November 11, 2021

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

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? _____ yes X no
 Significant Deficiency(ies) identified _____ yes X none reported
 Noncompliance material to financial statements noted _____ yes X no

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? _____ yes X no
 Significant Deficiency(ies) identified _____ yes X none reported
 Noncompliance material to federal awards _____ yes X no

Type of auditors' report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? _____ yes X no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
93.778	Medical Assistance Program (Title XIX - Medicaid)

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

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

State Awards

Internal control over major state programs:

Material weakness(es) identified? _____ N/A yes _____ N/A no
 Significant Deficiency(ies) identified _____ N/A yes _____ N/A none reported

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

Section I. Summary of Auditors' Results (con't)

Noncompliance material to state awards N/A yes N/A no

Type of auditors' report issued on compliance for major state programs: N/A

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

Identification of major State programs:

<u>CFDA /Grant Numbers</u>	<u>Program Name</u>
	No major state programs

Section II. Financial Statement Findings

None reported.

Section III. Federal Award Findings and Questioned Costs

None reported.

Section IV. State Award Findings and Questioned Costs

None reported.

**PERQUIMANS COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2021**

There are no items to report.

**PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Department of Agriculture</u>						
Passed-through the 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		\$ 162,891	\$ -	\$ -	\$ 162,891
Total U.S. Department of Agriculture			<u>162,891</u>	<u>-</u>	<u>-</u>	<u>162,891</u>
<u>U.S. Department of Treasury</u>						
Passed through North Carolina Pandemic Recovery Office						
Coronavirus Relief Fund	21.019		261,289	-	-	-
Total U.S. Department of Treasury			<u>261,289</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Health and Human Services</u>						
Passed through the N.C. Dept. of Health and Human Services:						
<u>Division of Social Services:</u>						
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Title IV-E Foster care/off tm	93.658		26,851	-	-	26,851
Title IV-E Foster care admin county paid	93.658		5,501	2,750	-	2,750
Title IV-E Child Protective Services	93.658		2,238	4,015	-	-
Title IV-E Adopt & Vendor	93.658		26,521	4,779	-	4,779
Foster care	93.658		3,665	-	-	3,609
Foster care stipend			-	3,200	-	-
State Foster Home			-	10,167	-	10,166
Child Welfare Services Adopt, Vendor, Guard			-	5,706	-	1,902
Total foster care and adoption cluster (Note 4)			<u>64,776</u>	<u>30,617</u>	<u>-</u>	<u>50,057</u>

PERQUIMANS COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards (continued):						
<u>Temporary Assistance for Needy Families (TANF) Cluster</u>						
Temporary Assistance for Needy Families (TANF)/Work First	93.558		77,290	-	-	83,510
TANF - Administrative	93.558		35,189	-	-	-
Work First non reimburseable	93.558		-	-	-	13,243
Total TANF Cluster			<u>112,479</u>	<u>-</u>	<u>-</u>	<u>96,753</u>
Child Support Enforcement	93.563		<u>111,069</u>	<u>-</u>	<u>-</u>	<u>57,217</u>
<u>Low-Income Home Energy Assistance:</u>						
Low income energy admin	93.568		10,863	-	-	-
Crisis Intervention Program	93.568		62,113	-	-	-
LEAP COV19	93.568		63,337	-	-	-
LIHEAP Payments	93.568		62,579	-	-	-
Total Low-Income Home Energy Assistance			<u>198,892</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Stephanie Tubbs Jones Child Welfare Services Program:</u>						
Permanency Planning - Families for Kids	93.645		<u>3,361</u>	<u>-</u>	<u>-</u>	<u>1,120</u>
Case Management 60 & Up	93.667		<u>64,978</u>	<u>-</u>	<u>-</u>	<u>21,659</u>
<u>Division of Child Development and Early Education:</u>						
<u>Subsidized Child Care (Note 4)</u>						
<u>Child Care Development Fund Cluster</u>						
<u>Division of Social Services:</u>						
Child Care Development Mandatory and Match Fund-Administration	93.596		<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Child Care Fund Cluster			<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Subsidized Child Care Cluster (Note 4)			<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>

**PERQUIMANS COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
Federal Awards (continued):						
Passed through the NC Department of Health and Human Services:						
<u>Division of Medical Assistance:</u>						
<u>Division of Social Services:</u>						
Administration:						
Medical assistance program	93.778		490,347	1,341	-	170,330
State Children's Insurance Program-N.C. Health Choice	93.767		20,009	(456)	-	4,161
Family Preservation	93.556		1,836	-	-	-
Total U.S. Department of Health and Human Services			<u>1,147,747</u>	<u>31,502</u>	<u>-</u>	<u>401,297</u>
 <u>U.S. Department of Homeland Security</u>						
Passed through the NC Department of Public Safety						
Division of Emergency Management						
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		-	88,589	-	-
Total U.S. Department of Homeland Security			<u>-</u>	<u>88,589</u>	<u>-</u>	<u>-</u>
 Total Federal Awards			 <u>1,571,927</u>	 <u>120,091</u>	 <u>-</u>	 <u>564,188</u>
 State Awards:						
<u>N.C. Department of Health and Human Services</u>						
Divison of Social Services						
DCD Smart Start			-	6,650	-	-
Office of Emergency Medical Services						
Non eligible Sub Child Care - Cov-19			-	5,844	-	-
Child Welfare State In Home Fund			-	3,856	-	-
Total N.C. Department of Health and Human Services			<u>-</u>	<u>16,350</u>	<u>-</u>	<u>-</u>
 <u>N.C. Department of Public Safety</u>						
Juvenile Crime Prevention Programs: Passed through to Perquimans 20/20 a not-for-profit organization			-	71,028	71,028	-
Total N.C. Department of Public Safety			<u>-</u>	<u>71,028</u>	<u>71,028</u>	<u>-</u>

PERQUIMANS COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
State Awards (continued):						
<u>N. C. Department of Environmental Quality</u>						
Division of Waste Management						
Scrap Tire Program			-	14,654	-	-
Soil conservation - Technical Assistance/operation			-	26,132	-	-
Soil conservation - Operations			-	3,600	-	-
Range management			-	500	-	-
Total N.C. Department of Environmental Quality			-	44,886	-	-
<u>N.C. Department of Insurance</u>						
Division of Seniors' Health Insurance Information						
Senior programs			-	3,635	-	-
Total N.C. Department of Insurance			-	3,505	-	-
			-	7,140	-	-
Total State Awards			-	139,404	71,028	-
Total Federal & State Awards			\$ 1,571,927	\$ 259,495	\$ 71,028	\$ 564,188

**PERQUIMANS COUNTY, NORTH CAROLINA
 SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
 FOR THE YEAR ENDED JUNE 30, 2021**

Grantor/Pass-through Grantor/Program Title	Federal	State/ Pass-through	Federal (Direct & Pass-through)	State	Passed-through	Local
	CFDA Number	Grantor's Number	Expenditures	Expenditures	to Subrecipients	Expenditures

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

1. Basis of Presentation

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

2. Summary of Significant Accounting Policies

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

3. Indirect Cost Rate

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

4. Cluster of Programs

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