

MARTIN COUNTY NORTH CAROLINA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Prepared by the Martin County Finance Office

*Cindy L. Ange
Finance Officer*

FOR THE FISCAL YEAR ENDED

JUNE 30, 2022



MARTIN
== *county* ==

Martin County, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022
TABLE OF CONTENTS

	<u>Exhibit Number</u>	<u>Page Number</u>
INTRODUCTORY SECTION		
Letter of Transmittal		3
GFOA Certificate of Achievement		9
Organizational Chart		10
Principal Officials		11
FINANCIAL SECTION		
Independent Auditors' Report		14
Management's Discussion and Analysis		18
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	30
Statement of Activities	2	31
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	32
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3A	33
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	34
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	5	35
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	6	36
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Hospital Fund	7	38
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – American Rescue Plan Fund	8	39
Statement of Fund Net Position – Proprietary Funds	9	40
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	10	41
Statement of Cash Flows – Proprietary Funds	11	42
Statement of Fiduciary Net Position – Fiduciary Funds	12	44
Statement Changes in Fiduciary Net Position – Fiduciary Funds	13	45

Martin County, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022
TABLE OF CONTENTS

Notes to Financial Statements	Page Number <hr/> 46
Required Supplemental Financial Data:	
Schedule of Changes in the Net OPEB Liability and Related Ratios	111
Schedule of County Contributions (HCB)	112
Schedule of Investment Returns (HCB)	113
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	114
Schedule of County Contributions (LGERS)	115
Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)	116
Schedule of County Contributions (ROD)	117
Schedule of Changes in Total Pension Liability (LEOSSA)	118
Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEOSSA)	119
Combining and Individual Fund Financial Statements:	
General Fund:	
Schedule of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	122
4-H Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	133
Tax Revaluation Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	134
Hospital Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	135
Debt Service Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	136
American Rescue Plan Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	137
Nonmajor Governmental Funds:	
Combining Balance Sheet – Nonmajor Governmental Funds	139
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds	140
Combining Balance Sheet – Nonmajor Special Revenue Funds	142

Martin County, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022
TABLE OF CONTENTS

	<u>Page Number</u>
Combining Balance Sheet – Nonmajor Capital Projects Funds	143
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Special Revenue Funds	144
Fire District Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	145
Emergency Telephone System Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	146
Controlled Substance Tax Distribution Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	147
Program Grant Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	148
Scattered Sited CDBG Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	149
Coronavirus Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	150
DSS Representative Payee Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	151
Opioid Settlement Fund – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	152
Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Capital Projects Funds	153
Building Construction Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	154
Business Park Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	155
Airport Expansion Project Fund – Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual	156
Enterprise Funds:	
Statement of Net Position – Nonmajor Enterprise Funds	160
Water and Sewer District No. 1 – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	161

Martin County, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022
TABLE OF CONTENTS

	<u>Page Number</u>
Water and Sewer District No. 2 – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	163
County Water Fund – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	165
Water and Sewer Capital Projects Fund No. 1 – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	166
Water and Sewer Capital Projects Fund No. 4 – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	167
Trust and Custodial Funds:	
Combining Statement of Fiduciary Net Position – Private Purpose Trust Funds	169
Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position – Private Purpose Trust Funds	170
Additional Financial Data:	
Schedule of Ad Valorem Taxes Receivable	172
Analysis of Current Tax Levy – County-wide Levy	173
Ten Largest Taxpayers	174
STATISTICAL SECTION	<u>Schedule</u>
Net Position by Component, Last Nine Fiscal Years	1 177
Changes in Net Position, Last Nine Fiscal Years	2 178
Fund Balances, Governmental Funds, Last Nine Fiscal Years	3 180
Changes in Fund Balances, Governmental Funds, Last Nine Fiscal Years	4 181
Assessed Value and Actual Value of Taxable Property, Last Ten Fiscal Years	5 182
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years	6 183
Principal Property Taxpayers, Current Year and Nine Years Ago	7 184
Property Tax Levies and Collections, Last Ten Fiscal Years	8 185
Ratios of Outstanding Debt by Type, Last Ten Fiscal Years	9 186
Ratios of Net General Bonded Debt Outstanding, Last Ten Fiscal Years	10 187
Legal Debt Margin Information, Last Ten Fiscal Years	11 188
Direct and Overlapping Governmental Activities Debt	12 189

Martin County, North Carolina
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022
TABLE OF CONTENTS

	<u>Schedule</u>	<u>Page Number</u>
Demographic and Economic Statistics, Last Ten Fiscal Years	13	190
Principal Employers, Current Year and Nine Years Ago	14	191
Full-time Equivalent County Government Employees by Function, Last Ten Fiscal Years	15	192
Operating Indicators by Function, Last Nine Fiscal Years	16	193
Capital Asset Statistics by Function, Last Nine Fiscal Years	17	194
 COMPLIANCE SECTION	 <u>Exhibit Number</u>	
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>		197
Report on Compliance for Each Major Federal Program and Internal Control Over Compliance in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act		199
Report on Compliance for Each Major State Program and Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act		202
Schedule of Findings and Questioned Costs	14	205
Corrective Action Plan	15	207
Schedule of Prior Year Findings	16	208
Schedule of Expenditures of Federal and State Awards	17	209

INTRODUCTORY SECTION





MARTIN COUNTY FINANCE OFFICE

305 East Main Street • PO BOX 668
Williamston, NC 27892

Phone (252) 789-4330 • Fax (252) 789-4339
www.martincountyncgov.com/finance

November 28, 2022

To the Board of County Commissioners and
To the Citizens of Martin County

We are pleased to present the Annual Comprehensive Financial Report (ACFR) of Martin County, North Carolina, for the fiscal year ended June 30, 2022. The financial statements and supplemental schedules contained herein have been audited by the independent certified public accounting firm of Carr, Riggs & Ingram, P.L.L.C. The firm's unmodified opinion is included in the Financial Section of this report. However, the report itself is presented by the County, which is responsible for the accuracy of the data and for the completeness and fairness of its presentation including all disclosures. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to set forth fairly the financial position and results of operations of the County as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain the maximum understanding of the County's financial affairs have been included.

The ACFR is presented in four sections: Introductory, Financial, Statistical and Compliance. The Introductory Section, which is unaudited, contains this letter of transmittal, the County's organizational chart and a list of principal officials. This section familiarizes the reader with the nature and scope of services provided by the County and a summary of its financial activities. The section also includes information about economic conditions in the County and future initiatives.

The Financial Section is composed of the Management's Discussion and Analysis (MD&A), basic financial statements, and the combining and individual fund financial statements and schedules, as well as the auditors' report on the financial statements and schedules. The basic financial statements are often issued separately for securities offerings or widespread distribution and are frequently referred to as "liftable" financial statements.

Generally accepted accounting principles require management to provide the MD&A. This letter of transmittal is designed to compliment the MD&A and should be read in conjunction with it. Martin County's MD&A can be found immediately following the report of the independent auditors.

The Statistical Section, which is unaudited, contains fiscal and economic data designed to provide a more complete understanding of the County. Many tables in this section present financial data for the past ten years.

The County is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act. Information related to this single audit, including the schedule of expenditures of federal and State awards, the auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in the Compliance Section of this report.

The financial reporting entity consists of the following:

The Primary Government – Martin County (all funds under the control of the Board of Commissioners).

Blended Component Units – Although legally separate entities, they are, in substance, part of the primary government, and their financial statements are reported in this ACFR as if they were a part of the primary government.

Discretely Presented Component Units – These organizations are less closely related than the blended component unit but still have sufficient relationships with the primary government. They are reported in separate columns in the financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations and cash flows, if applicable, from those of the primary government.

The component units included in this ACFR are as follows:

<u>Name of Organization</u>	<u>Type of Unit</u>
Martin County	Primary Government
Martin County Water and Sewer District No. 1	Blended Component Unit
Martin County Water and Sewer District No. 2	Blended Component Unit
Martin County Water and Sewer District No. 3	Blended Component Unit
Martin County Water and Sewer District No. 4	Blended Component Unit
Martin County Industrial Facility and Pollution Control Financing Authority	Discretely Presented Component Unit
Martin County ABC Board	Discretely Presented Component Unit
Martin County Tourism Development Authority	Discretely Presented Component Unit
Martin County Council on Aging, Inc.	Discretely Presented Component Unit

The County provides its citizens with a wide range of services, including public safety, human services, education, cultural and recreational activities, economic and physical development, transportation, environmental protection, general administration, and others. A three-county district health department, Martin-Tyrrell-Washington Health Department, provides public health services. Mental health and alcohol treatment services are provided by a twenty-six county district mental health center, Trillium Health Resources. Martin County has a joint venture with adjoining Bertie County for a regional jail, operated by the Bertie-Martin Regional Jail Commission. The BHM Regional Library is a joint venture with Beaufort County and Hyde County providing library

services. The Martin County Regional Water and Sewer Authority (MCRWASA) is a joint venture with the Town of Williamston to operate a water treatment plant and a well.

The County also extends financial support to certain other boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Martin County Board of Education, Martin Community College, Choanoke Area Development, and the Region Q Council of Government (Mid-East Commission).

DESCRIPTION OF THE COUNTY

Martin County, chartered in 1774, was formed from Halifax and Tyrrell Counties. It was named for the last Royal Governor of North Carolina, Josiah Martin. Located in the northeast coastal plains section of North Carolina, Martin County is just north of Pitt County and is approximately 75 miles east of Raleigh. The County has land area of approximately 462 square miles. Its topography is generally flat with elevations ranging from 47 to 95 feet above sea level. The average temperature in January is 41 degrees, and the average July temperature is 79 degrees. The average annual rainfall is 48.2 inches. The estimated population is 23,054. Nine municipalities are located within the County, the largest being Williamston, which has an estimated population of 5,511 and serves as the county seat. Martin County, like most counties in the state, has a commissioner/manager form of government. The five members of the Board of Commissioners are elected from districts and serve staggered four-year terms. They are responsible for adopting the budget and appointing the County Manager. The County Manager is responsible for implementing policies and managing daily operations.

FINANCIAL INFORMATION

LONG-TERM FINANCIAL PLANNING

The County has developed a Capital Improvement Plan (CIP), which is adopted by the Board of Commissioners each year. The CIP allows the County to organize long-term capital needs in a manner to promote discussion regarding priority, feasibility, timing, potential costs, financing options, and future budgetary effect. Adoption of the CIP does not constitute a commitment to appropriate funds, but rather signifies the Board's goal to fund capital at the indicated level during the annual budget process. The CIP provides a guide for decision makers and the citizens. By fully examining alternatives and funding options during the planning process, the Board of Commissioners, management, and citizens are able to make more fully informed decisions.

RELEVANT FINANCIAL POLICIES

The County understands the significance of adopting financial policies to guide both short and long-term resources to fund operations. The Board of Commissioners has determined the County should maintain an available fund balance of at least 20% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 39.42%.

INTERNAL CONTROLS

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with generally accepted accounting principles and maintaining accountability for

assets; and (3) compliance with applicable laws and regulations related to federal and State financial assistance programs. The concept of reasonable assurance recognizes (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits require estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit, the independent auditor performed a review of the County's internal control structure. This review was not an audit, and no opinion was issued on the County's internal control structure; however, the procedures performed by the independent auditor did not indicate any material internal control weaknesses or reportable conditions.

ECONOMIC CONDITIONS AND OUTLOOK

Fertile soil helps agriculture in Martin County, and forest products continue to figure predominately in the County's economy. The County historically has had a predominately agricultural economy. Emphasis on industrial recruitment has resulted in an increasing shift to a more diversified economy. Businesses and industries find the area offers favorable opportunities for growth with lower operating costs, high availability of land, a mild climate and a labor pool of people willing to meet modern business challenges.

The agriculture industry in Martin County is a major driver in the economy with 43% of the county's total land area in farmland and cash receipts totaling over \$77 million. Martin County ranks in the top three for peanut production in the state, planting 9,500 acres in 2022, and also turns in major impacts, both in acreage and production, for tobacco (2,200 acres) and cotton (32,000 acres). The economic impact of livestock in the county is primarily in broiler production, however the horse industry in the county is showing consistent growth. Martin County is always trying new specialty crops and on the cutting edge of agriculture production.

The Martin County Board of Commissioners is more determined than ever to make Martin County an attractive place for industry to settle or expand and is continuing its efforts to diversify its economy with advanced manufacturing of value-added agriculture. The Martin County Board of Commissioners works jointly with the Martin County Economic Development Corporation, the Martin County Chamber of Commerce, and the Martin County Committee of 100 (a private, non-profit economic development organization) to achieve planned commercial and industrial growth for the entire County. Martin County is continually trying to improve the tax base investment and the number of jobs by aggressively recruiting industries and small businesses to Martin County.

Major industries represent pulp and paper, forestry, food, textiles, apparel and utilities. Major non-manufacturing employers in the County are in the areas of education, government, retail, health care, and public housing.

<u>Employer</u>	<u>Type of Business</u>	<u>Approximate Number of Employees</u>
Martin County Board of Education	Education	500 - 999
Domtar	Manufacturer	250 - 499
Snacks Holdings	Manufacturer	250 - 499
Wal-Mart Associates, Inc.	Retail	100 - 249
Martin General Health Systems, Inc.	Health Care	100 - 249
Martin County Government	Government	100 - 249

Martin Community College
Industrial Manufacturing Co

Education
Manufacturer

100 - 249
100 - 249

MAJOR INITIATIVES

FOR THE YEAR...

Martin County Airport has received a grant from the Federal Aviation Administration in the amount of \$4,798,849 to build a parallel taxiway. The parallel taxiway will run the full length of the 5,000 foot runway and will help the County attract and accommodate larger aircraft, while providing an additional layer of airport safety. The County expects this project to be completed in 2023.

In April 2022, Congressman G.K. Butterfield informed the Martin County Board of Commissioners and the public of Congressional Directed Funding (CDF) awarded to Martin County in the amount of \$3.4 million. These funds were requested by Martin County for a water line project to serve citizens currently using wells in the eastern part of the County. The project was 1 of 10 projects chosen by Congressman Butterfield.

Martin County joined 76 other North Carolina counties and eight municipalities in national litigation against certain opioid manufacturers and distributors and signed a Memorandum of Agreement with North Carolina to receive settlement funds. Beginning this year, and over the next 18 years the County will receive a portion of the \$850 million settlement fund on an annual basis, totaling almost \$1.5 million. Settlement funds were allocated based on the local impact of the opioid crisis, including opioid use disorder, overdose deaths, and the amount of opioids in each county.

Counties may use these settlement funds to support programs or services that serve persons with opioid use disorder or any co-occurring substance use disorder. Martin County is currently in discussions with surrounding counties to create a regional treatment facility.

FOR THE FUTURE...

In December 2015, President Barack Obama signed into law a bill that designates the US-64 / US-17 corridor as a “future interstate.” The ROAD Act designates portions of U.S. Highways 17 and 64 through Rocky Mount, Williamston, and Elizabeth City, North Carolina as a “future interstate.” In May 2016, the corridor was given the I-87 number. An interstate highway between Raleigh, NC and Norfolk, VA will increase mobility between two significant metropolitan areas in our adjoining states and enhance economic development for citizens and jurisdictions in between. While it will take a number of years for the interstate corridor to be completed, more than 50% of the existing corridor from Raleigh to Hampton Roads via Rocky Mount, Williamston and Elizabeth City is already built to freeway standards, and the I-87 corridor could be developed relatively quickly. Additionally, having the “future interstate” designation in place enhances the attractiveness of the region for economic development and industry investment.

Martin County received a \$100,000 grant award from the NC Recreational Trail Program in February 2020 to help fund a Horse Trail Project. The project includes the construction of trailhead facilities and approximately 3 to 5 miles of new equine trails. The trails will be constructed beginning at the trailhead and connecting to the Martin Community College Equine facilities. The Martin County Tourism Development Authority and Martin Community College have agreed to help fund the local match required by the grant. The NC Forestry Service and Martin County will also provide in-kind services.

OTHER INFORMATION

INDEPENDENT AUDIT. Martin County is required by State law (G.S. 159-34) to have an annual independent financial audit. A compliance audit on federal and State financial assistance programs is also required under the federal Single Audit Act Amendments of 1996 and the State Single Audit Implementation Act. The County's auditors, Carr, Riggs & Ingram P.L.L.C., C.P.A.'s, were selected through a formal request for proposals process. The auditors' report on the Basic Financial Statements is included in the Financial Section of the report. The auditors' reports required as part of a single audit are found in the Compliance Section of this report. The findings and questioned costs reported in the Compliance Section are subject to a subsequent review by the appropriate grantor agencies. This review could result in reimbursement to grantor agencies if some expenditures are deemed inappropriate. However, every effort has been made to ensure that all disbursements are in compliance with the applicable financial assistance program provisions. Required refunds, if any, should be immaterial.

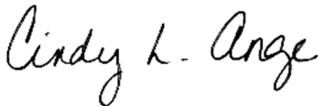
AWARDS. The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Martin County for its comprehensive annual financial report for the fiscal year ended June 30, 2021. The Certificate of achievement is a prestigious national award recognizing conformance with the highest standards for preparation of State and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. An ACFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. Martin County has received a Certificate of Achievement for the last thirty consecutive years (fiscal years ended 1991-2021). We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

ACKNOWLEDGMENTS. Sincere appreciation is expressed to the staff of the County Finance Office and to each agency and department that provided information and assistance in the preparation of this report. Thanks also to the Board of Commissioners for its support of excellence in financial reporting and its leadership in planning and conducting the operations of the government in a responsible and progressive manner.

Respectively submitted,



Cindy L. Ange
Finance Director



U. James Bennett
County Manager



Government Finance Officers Association

**Certificate of
Achievement
for
Excellence in
Financial
Reporting**

Presented to

**Martin County
North Carolina**

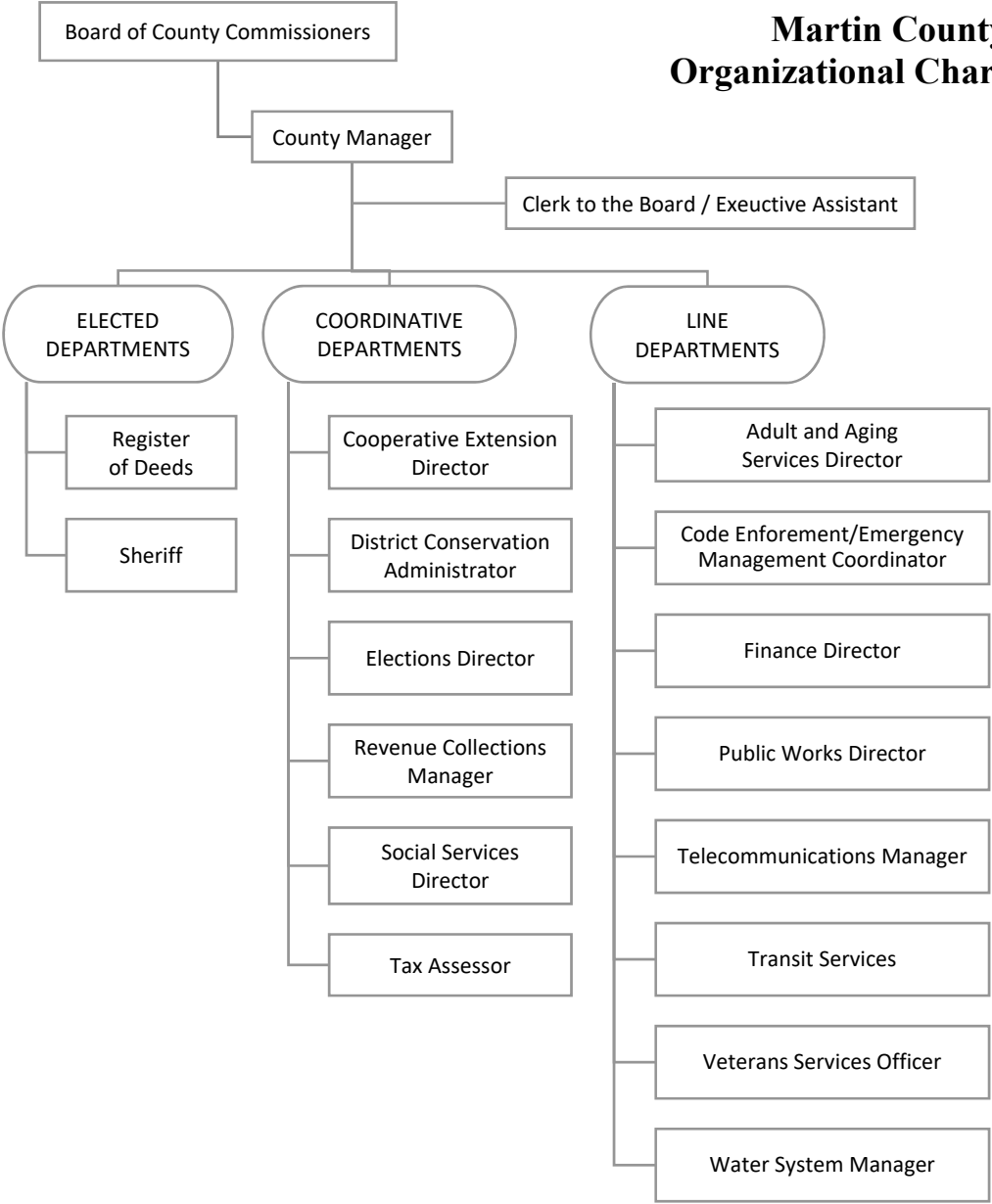
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

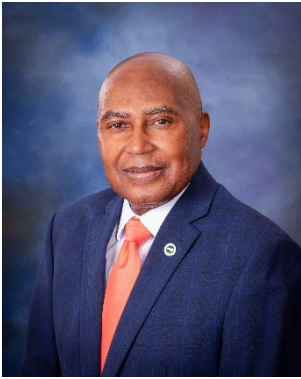
Executive Director/CEO

**Martin County
Organizational Chart**



Martin County, North Carolina
LIST OF PRINCIPAL OFFICIALS
June 30, 2022

Board of County Commissioners



Ronnie Smith



Dempsey Bond, Jr.



Joe R. Ayers

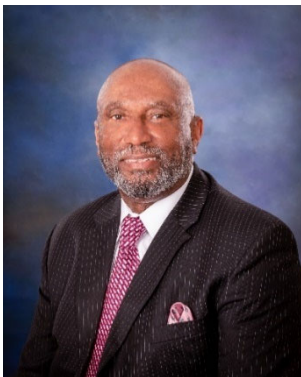


David "Skip" Gurganus



Emily Biggs

County Manager



U. James Bennett

Finance Officer



Cindy L. Ange



FINANCIAL SECTION



Carr, Riggs & Ingram, P.L.L.C.
3105 Trent Road
New Bern, NC 28562

Mailing Address:
PO Box 1547
New Bern, NC 28563

252.633.5821
252.633.0199 (fax)
CRLcpa.com

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Martin County, North Carolina

Report on the Audit of the Financial Statements

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

In our 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 units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2022, 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.

We did not audit the financial statements of Martin County ABC Board, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Martin County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits Schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns on pages 18 through 26 and 111 through 119, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and the State Single Audit Implementation Act, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Emphasis of Matter

As discussed in Note IX to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 87, *Leases*, this fiscal year. Our opinions are not modified with respect to this matter.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report, dated November 28, 2022, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

Carr, Riggs & Ingram, P.L.L.C.

New Bern, North Carolina

November 28, 2022

Management's Discussion and Analysis

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

Financial Highlights

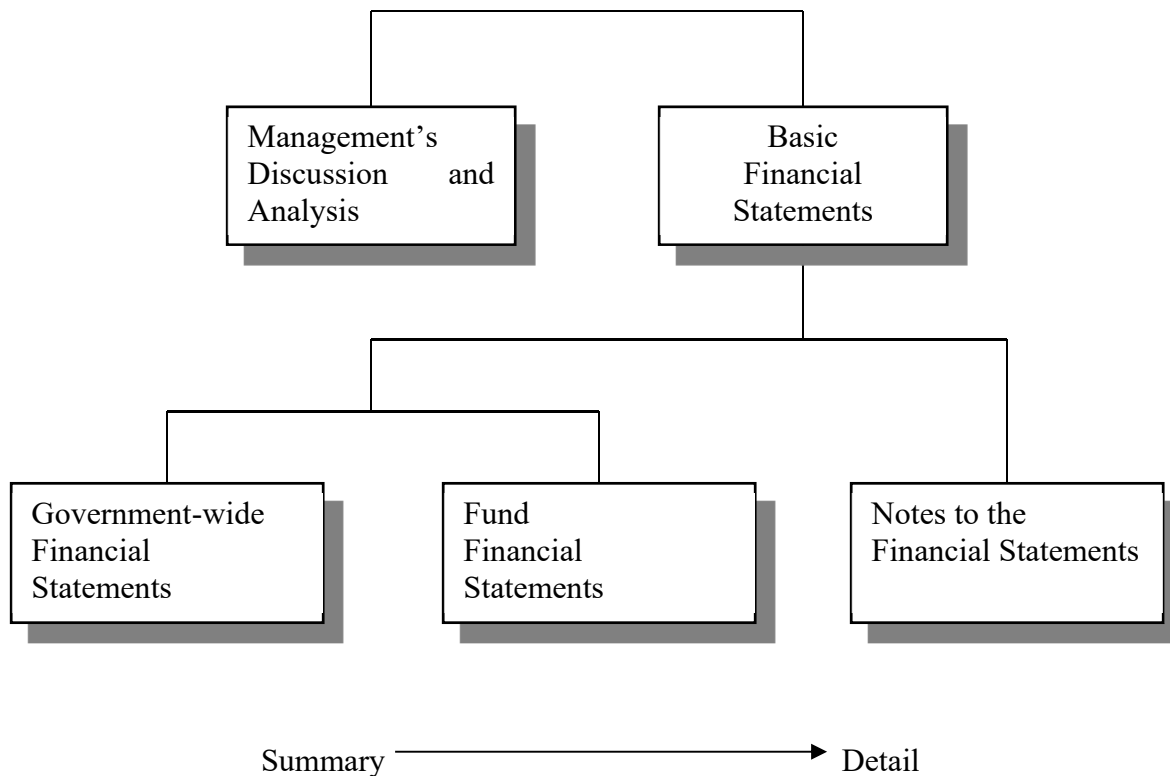
- The assets and deferred outflow of resources of Martin County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$31,957,355 (net position).
- As of the close of the current fiscal year, Martin County's General Fund reported an ending fund balance of \$16,555,104, an increase of \$1,525,179, in comparison with the prior year.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$10,830,572, or 34.84 percent of total General Fund expenditures for the fiscal year.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Martin 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 Martin County.

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **Supplemental Information** is provided to show details about the County's nonmajor governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

Following the notes is the **Required Supplemental Information**. This section contains funding information about the County's pension and benefit 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 the financial statement of a private-sector business. The government-wide statements provide short and long-term information about the County's financial status as a whole.

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, animal control, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those the County charges customers to provide. They include the water services offered by Martin County. The final category is the component units. Martin County Tourism Development Authority promotes travel and tourism in Martin County. The County appoints members of the governing board of the Authority. Although legally separate from the County, the ABC Board is important to the County, because the County is financially accountable for the ABC Board, due to the County's authority to appoint members, and because the ABC Board is required to distribute its profits to the County. Martin County Council on Aging, Inc. provides the County money earned on fundraisers. The County uses these funds to promote activities for the County's senior population. The County appoints the Council on Aging's governing board.

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 used to maintain control over resources that have been segregated for specific activities or objectives. Martin 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 Martin County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in the governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and monies left at year-end, which will be available for spending 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 the government activities (reported in the Statement of Net Position and the Statement of Activities) and the governmental funds is described in a reconciliation that is a part of the fund financial statements.

Martin 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 Board of Commissioners' decisions concerning 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 – Martin 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. Martin County uses enterprise funds to account for its water utility activities. 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 benefits of parties outside the government. Martin County has five fiduciary funds, three of which are private purpose trust funds, one OPEB trust fund, and one custodial fund.

Notes to the Financial Statements – The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Martin County’s progress in funding its obligation to provide pension benefits to its employees.

Government-Wide Financial Analysis

Martin County’s Net Position

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$50,585,647	\$ 43,698,742	\$ 966,267	\$ 1,133,710	\$ 51,551,914	\$ 44,832,452
Capital assets	25,778,266	24,732,266	13,001,733	13,333,998	38,779,999	38,066,264
Total assets	76,363,913	68,431,008	13,968,000	14,467,708	90,331,913	82,898,716
Total deferred outflow of resources	3,531,418	4,770,026	95,053	122,742	3,626,471	4,892,768
Long-term liabilities outstanding	37,873,686	38,120,468	12,421,247	12,957,332	50,294,933	51,077,800
Other liabilities	2,422,140	1,000,634	33,824	29,226	2,455,964	1,029,860
Total liabilities	40,295,826	39,121,102	12,455,071	12,986,558	52,750,897	52,107,660
Total deferred inflow of resources	9,079,362	8,218,680	170,770	59,664	9,250,132	8,278,344
Net position:						
Net investment in capital assets	11,717,910	10,672,745	3,500,444	3,531,648	15,218,354	14,204,393
Restricted	23,733,209	20,675,488	-	-	23,733,209	20,675,488
Unrestricted (deficit)	(4,930,976)	(5,486,981)	(2,063,232)	(1,987,420)	(6,994,208)	(7,474,401)
Total net position	\$30,520,143	\$ 25,861,252	\$ 1,437,212	\$ 1,544,228	\$ 31,957,355	\$ 27,405,480

As noted earlier, net positions may serve over time as one useful indicator of a government’s financial condition. The assets and deferred outflows of resources of Martin County exceeded liabilities and deferred inflows of resources by \$31,957,355 as of June 30, 2022. As of June 30, 2021, the net position of Martin County stood at \$27,405,480. The County’s net position increased by \$4,551,875, for the fiscal year ended June 30, 2022, compared to an increase of \$2,497,740 in 2021. The increase in 2022 was largely due to the increased sales tax and property tax revenues, and decreased expenses in the public safety and education functions. One of the largest portions of the net position (47.62% or \$15,218,354) reflects the County’s net investment in capital assets (e.g. land, buildings, machinery, equipment). Martin County uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Martin 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 Martin County's net position (74.27% or \$23,733,209) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$(6,994,208) is unrestricted.

Martin County's Changes in Net Position

Figure 3

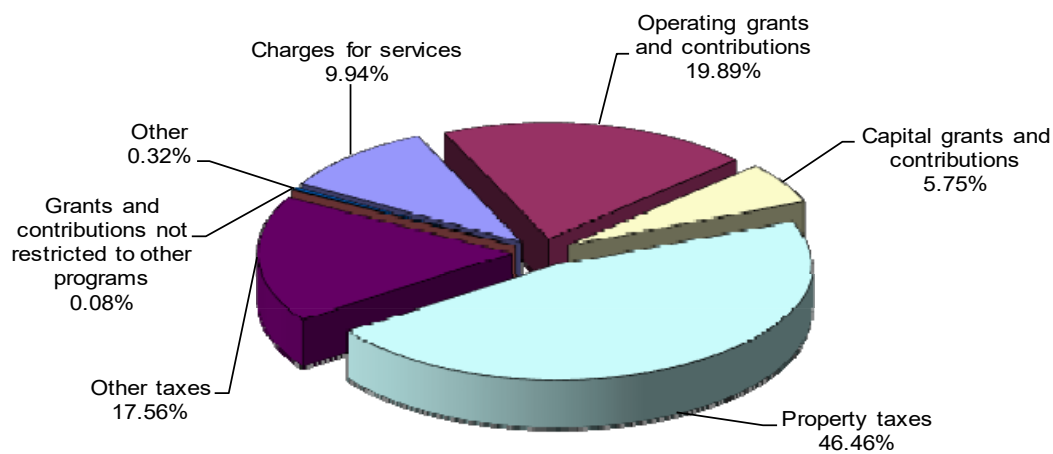
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 3,963,115	\$ 3,760,639	\$ 1,649,582	\$ 1,620,003	\$ 5,612,697	\$ 5,380,642
Operating grants and contributions	6,839,380	7,526,004	-	-	6,839,380	7,526,004
Capital grants and contributions	2,372,418	2,175,014	-	400	2,372,418	2,175,414
General revenues:						
Property taxes	17,609,745	17,574,928	-	-	17,609,745	17,574,928
Other taxes	6,871,204	6,642,242	-	-	6,871,204	6,642,242
Grants and contributions not restricted to other programs	30,000	30,000	25,334	-	55,334	30,000
Other	192,703	121,712	93,617	103,979	286,320	225,691
Total revenues	<u>37,878,565</u>	<u>37,830,539</u>	<u>1,768,533</u>	<u>1,724,382</u>	<u>39,647,098</u>	<u>39,554,921</u>
Expenses:						
General government	3,732,336	3,787,404	-	-	3,732,336	3,787,404
Public safety	8,407,614	9,157,238	-	-	8,407,614	9,157,238
Environmental protection	2,650,118	2,720,406	-	-	2,650,118	2,720,406
Economic and physical development	1,931,081	2,154,221	-	-	1,931,081	2,154,221
Human services	6,631,482	6,659,498	-	-	6,631,482	6,659,498
Cultural and recreation	181,139	185,183	-	-	181,139	185,183
Transportation	1,083,662	993,888	-	-	1,083,662	993,888
Education	7,838,649	8,732,180	-	-	7,838,649	8,732,180
Interest on long-term debt	763,593	763,432	-	-	763,593	763,432
Water and sewer	-	-	1,875,549	1,968,881	1,875,549	1,968,881
Total expenses	<u>33,219,674</u>	<u>35,153,450</u>	<u>1,875,549</u>	<u>1,968,881</u>	<u>35,095,223</u>	<u>37,122,331</u>
Increase in net position	4,658,891	2,677,089	(107,016)	(244,499)	4,551,875	2,432,590
Net position, July 1	25,861,252	23,119,013	1,544,228	1,788,727	27,405,480	24,907,740
Restatement	-	65,150	-	-	-	65,150
Net position beginning, restated	<u>25,861,252</u>	<u>23,184,163</u>	<u>1,544,228</u>	<u>1,788,727</u>	<u>27,405,480</u>	<u>24,972,890</u>
Net position, June 30	<u>\$ 30,520,143</u>	<u>\$ 25,861,252</u>	<u>\$ 1,437,212</u>	<u>\$ 1,544,228</u>	<u>\$ 31,957,355</u>	<u>\$ 27,405,480</u>

Governmental activities. Governmental activities increased the County's net position by \$4,658,891. This compares to an increase of \$2,742,239, after restatement in 2021. Key elements of this increase in 2022 are as follows:

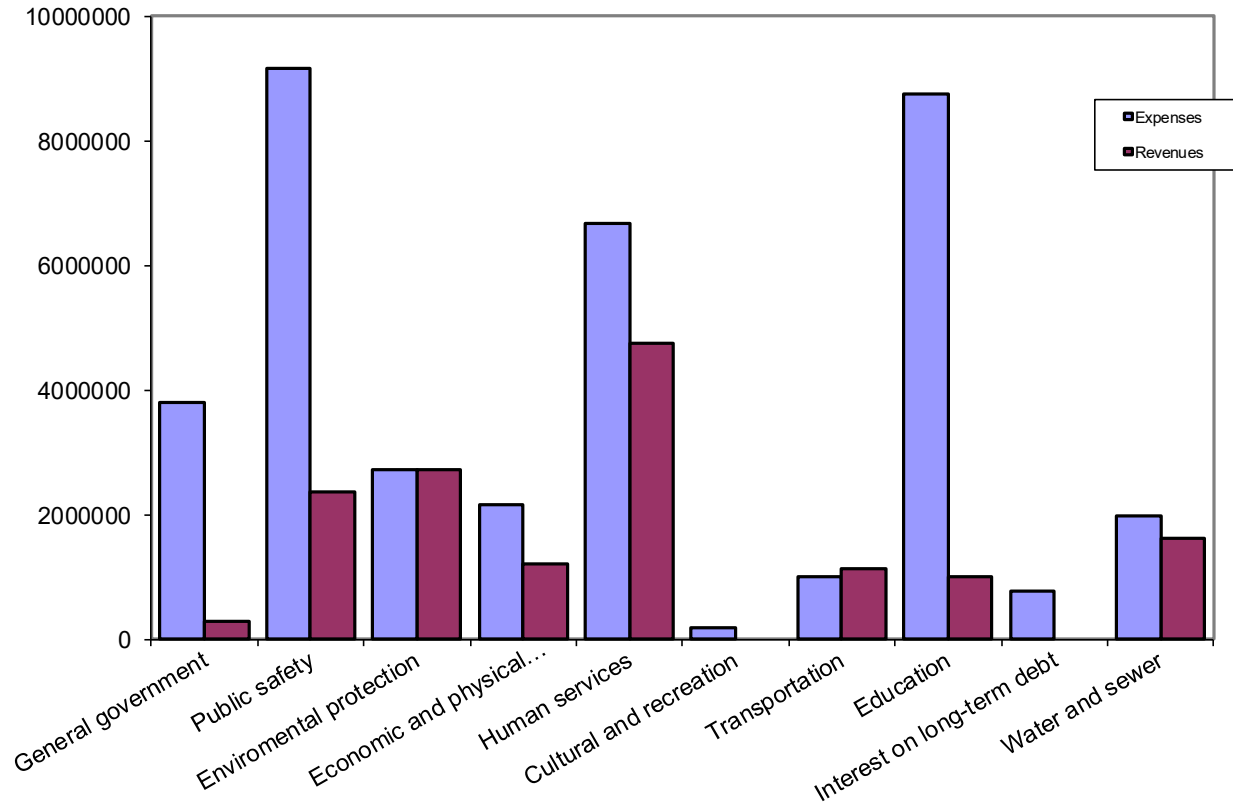
- Increase in sales and property tax revenues collected.
- Decrease in expenses for the public safety and education functions

The following charts illustrate the 2022 revenues and expenses for governmental activities.

Revenues by Source - Governmental Activities



Expenses and Program Revenues - Governmental Activities



Business-type activities. Net position for business-type activities decreased by \$107,016, for the year ended June 30, 2022. Net position decreased \$244,499 in 2021. The key element of these changes are as follows:

- Water District No. 1 and Water District No. 2 both have an operating deficit.

Financial Analysis of the County's Funds

Governmental Funds. The focus of Martin County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Martin 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 Martin County. At the end of the current fiscal year, Martin County's fund balance unassigned in the General Fund was \$10,830,572, while total fund balance reached \$16,555,104. The Governing Body of Martin County has determined that the County should maintain an available fund balance of 20% of general fund expenditures in the case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 39.42% of General Fund expenditures, while total fund balance represents 53.26% of that same amount.

Martin County's Hospital Fund is used to account for rent received pursuant to a 30-year lease agreement. The total Hospital Fund balance at the end of the current fiscal year was \$8,289,726, an increase of \$573,532 over the previous year.

At June 30, 2022, the governmental funds of Martin County reported a combined fund balance of \$36,444,035, a 9.93 percent 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 approximately \$743,632. Additional grant revenue was the primary reason for the increase.

Actual expenditures were \$2,590,942 less than budgeted, in part due to delayed capital purchases in Sheriff's Department, and projections in DSS programs being unmet.

Proprietary Funds. Martin County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Water and Sewer Funds at the end of the fiscal year amounted to (\$2,063,232). The total decrease in net position for these funds was \$107,016. \$3,500,444 of total net position for the proprietary funds is invested in capital assets, net of related debt. Water and Sewer District No. 1 and No. 2 are the only operating proprietary funds at June 30, 2022.

For the fiscal year ended June 30, 2022, there was no change in water rates.

Capital Asset and Debt Administration

Capital assets. Martin County's capital assets for its governmental and business-type activities as of June 30, 2022, totals \$38,779,999 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Major capital asset transactions during the year include:

- Renovation of the transit building
- Purchased new vehicles and equipment for public safety
- Industrial Park infrastructure improvements
- Airport infrastructure improvements

**Martin County's Capital Assets
(Net of Depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 3,170,659	\$ 3,170,659	\$ 46,800	\$ 46,800	\$ 3,217,459	\$ 3,217,459
Buildings and systems	15,899,562	16,392,520	12,801,173	13,157,478	28,700,735	29,549,998
Equipment	3,684,156	2,549,417	18,794	25,608	3,702,950	2,575,025
Vehicles	977,593	1,117,474	93,439	62,585	1,071,032	1,180,059
Construction in progress	2,046,296	1,502,196	41,527	41,527	2,087,823	1,543,723
Total	\$ 25,778,266	\$ 24,732,266	\$ 13,001,733	\$ 13,333,998	\$ 38,779,999	\$ 38,066,264

Additional information on the County's capital assets can be found in Note II A.6 of the Basic Financial Statements.

Long-term Debt

As of June 30, 2022, Martin County had total bonded debt outstanding of \$11,845,075, all of which is debt backed by the full faith and credit of the County.

Martin County's Outstanding Debt

Figure 5

	Governmental activities		Business-type activities	
	2022	2021	2022	2021
Limited obligation bonds	\$ -	\$ -	\$ 11,845,075	\$ 12,220,075
Installment purchase	14,059,521	14,059,521	-	-
Total	\$ 14,059,521	\$ 14,059,521	\$ 11,845,075	\$ 12,220,075

Additional information regarding Martin County's long-term debt can be found in Note II B.7 of the audited financial report.

Economic Factors and Next Year's Budgets and Rates

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

- The County's unemployment rate decreased from 5.1% at June 30, 2021 to 4.3% at June 30, 2022.
- The County's population remained steady at 22,849.

Governmental Activities:

The County is continuing several projects at the airport, including a new taxiway and planning for an additional hangar. The County did not raise property tax rates for fiscal year 2023.

Business-type Activities:

The Governing Board decided not to raise rates for the 2022-2023 fiscal year. The County is exploring several ways to partner with the towns within the County in order to create efficiencies for each unit. District 2 is budgeted to lose an additional \$114,942; and District 1 is budgeted to lose an additional \$21,476. The General Fund will continue to subsidize both districts.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Officer, Martin County, PO Box 668, Williamston, NC 27892.



BASIC FINANCIAL STATEMENTS



Martin County, North Carolina
STATEMENT OF NET POSITION
June 30, 2022

	Primary Government			Component Units		
	Governmental Activities	Business-type Activities	Total	Martin County ABC Board	Martin County Tourism Development Authority	Martin County Council on Aging, Inc.
ASSETS						
Cash and cash equivalents	\$ 13,454,509	\$ 20,427	\$ 13,474,936	\$ 359,002	\$ 345,516	\$ 146,612
Investments	12,777,364	1,080	12,778,444	-	45,691	-
Receivables (net):						
Taxes	2,390,989	-	2,390,989	-	-	-
Accounts	5,047,203	209,084	5,256,287	-	39,014	247
Internal balances	1,612,200	(1,612,200)	-	-	-	-
Inventories	-	-	-	638,396	-	18,030
Note receivable	-	2,343,786	2,343,786	-	-	-
Lease receivable	124,607	-	124,607	-	-	-
Prepaid expenses	114,758	4,090	118,848	5,397	1,363	-
Restricted cash	10,548,601	-	10,548,601	-	-	-
Restricted investments	4,420,534	-	4,420,534	-	-	-
Net pension asset	25,357	-	25,357	-	-	-
Right to use leased asset, net of amortization	69,525	-	69,525	-	-	-
Capital assets:						
Land, improvements, and construction in progress	5,216,955	88,327	5,305,282	117,233	-	-
Other capital assets, net of depreciation	20,561,311	12,913,406	33,474,717	595,439	6,097	29,497
Total capital assets	25,778,266	13,001,733	38,779,999	712,672	6,097	29,497
Total assets	76,363,913	13,968,000	90,331,913	1,715,467	437,681	194,386
DEFERRED OUTFLOW OF RESOURCES	3,531,418	95,053	3,626,471	80,571	29,918	-
LIABILITIES						
Accounts payable and accrued liabilities	2,422,140	7,234	2,429,374	339,043	1,493	5,718
Customer deposits	-	26,590	26,590	-	-	-
Unearned revenues	4,416,329	-	4,416,329	-	-	-
Long-term liabilities due within one year	217,297	393,000	610,297	27,029	1,500	-
Noncurrent liabilities due in more than one year:						
Net pension liability-LGERS	1,321,610	40,530	1,362,140	38,800	10,582	-
Net OPEB liability	15,466,299	521,192	15,987,491	492,825	-	-
Total pension liability-LEOSSA	1,816,112	-	1,816,112	-	-	-
Due in more than one year	14,636,039	11,466,525	26,102,564	404,607	2,981	-
Total noncurrent liabilities	33,240,060	12,028,247	45,268,307	936,232	13,563	-
Total liabilities	40,295,826	12,455,071	52,750,897	1,302,304	16,556	5,718
DEFERRED INFLOWS OF RESOURCES	9,079,362	170,770	9,250,132	60,996	15,118	-
NET POSITION						
Net investment in capital assets	11,717,910	3,500,444	15,218,354	281,036	6,097	-
Restricted for:						
Stabilization of State Statute	4,016,067	-	4,016,067	-	39,014	-
Register of Deeds	23,751	-	23,751	-	-	-
Public Safety	535,583	-	535,583	-	-	-
Economic Development Projects	508,135	-	508,135	-	-	-
Human Services	8,289,726	-	8,289,726	-	-	-
School Debt	10,317,870	-	10,317,870	-	-	-
Health Services	42,077	-	42,077	-	-	-
Working Capital	-	-	-	102,983	-	-
Unrestricted (deficit)	(4,930,976)	(2,063,232)	(6,994,208)	48,719	390,814	188,668
Total net position	\$ 30,520,143	\$ 1,437,212	\$ 31,957,355	\$ 432,738	\$ 435,925	\$ 188,668

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

Martin County, North Carolina
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units		
					Governmental Activities	Business-type Activities	Total	Martin County ABC Board	Martin County Tourism Development Authority	Martin County Council on Aging, Inc.
Primary government:										
Governmental Activities:										
General government	\$ 3,732,336	\$ 182,518	\$ 9,348	\$ -	\$ (3,540,470)	\$ -	\$ (3,540,470)			
Public safety	8,407,614	347,005	1,061,353	-	(6,999,256)	-	(6,999,256)			
Environmental protection	2,650,118	2,463,529	105,713	-	(80,876)	-	(80,876)			
Economic and physical development	1,931,081	-	656,220	8,000	(1,266,861)	-	(1,266,861)			
Human services	6,631,482	600,288	3,826,398	-	(2,204,796)	-	(2,204,796)			
Cultural and recreation	181,139	-	-	-	(181,139)	-	(181,139)			
Transportation	1,083,662	369,775	894,590	1,644,502	1,825,205	-	1,825,205			
Education	7,838,649	-	285,758	719,916	(6,832,975)	-	(6,832,975)			
Interest on long-term debt	763,593	-	-	-	(763,593)	-	(763,593)			
Total governmental activities	<u>33,219,674</u>	<u>3,963,115</u>	<u>6,839,380</u>	<u>2,372,418</u>	<u>(20,044,761)</u>	<u>-</u>	<u>(20,044,761)</u>			
Business-type activities:										
Water and Sewer	1,875,549	1,649,582	-	-	-	(225,967)	(225,967)			
Total business-type activities	<u>1,875,549</u>	<u>1,649,582</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(225,967)</u>	<u>(225,967)</u>			
	<u>35,095,223</u>	<u>5,612,697</u>	<u>6,839,380</u>	<u>2,372,418</u>	<u>(20,044,761)</u>	<u>(225,967)</u>	<u>(20,270,728)</u>			
Component units:										
ABC Board	3,465,014	3,463,362	-	-				\$ (1,652)	\$ -	\$ -
Tourism Development Authority	275,303	-	-	-				-	(275,303)	-
Council on Aging	101,828	-	-	-				-	-	(101,828)
Total component units	<u>\$ 3,842,145</u>	<u>\$ 3,463,362</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(1,652)</u>	<u>(275,303)</u>	<u>(101,828)</u>
General revenues:										
Taxes:										
Property taxes, levied for general purpose					17,609,745	-	17,609,745	-	-	-
Local option sales tax					6,140,174	-	6,140,174	-	-	-
Other taxes					731,030	-	731,030	-	316,615	-
Grants and contributions unrestricted to specific programs					30,000	25,334	55,334	-	-	120,238
Investment earnings, unrestricted					30,948	93,617	124,565	-	73	2
Miscellaneous, unrestricted					161,755	-	161,755	-	-	-
Total general revenues					<u>24,703,652</u>	<u>118,951</u>	<u>24,822,603</u>	<u>-</u>	<u>316,688</u>	<u>120,240</u>
Change in net position					4,658,891	(107,016)	4,551,875	(1,652)	41,385	18,412
Net position-beginning					25,861,252	1,544,228	27,405,480	434,390	394,540	170,256
Net position-ending					<u>\$ 30,520,143</u>	<u>\$ 1,437,212</u>	<u>\$ 31,957,355</u>	<u>\$ 432,738</u>	<u>\$ 435,925</u>	<u>\$ 188,668</u>

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

Martin County, North Carolina
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2022

	General	Debt Service	Hospital	American Rescue Plan	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 3,406,579	\$ -	\$ 8,861,184	\$ -	\$ 1,186,746	\$ 13,454,509
Investments	9,807,161	-	2,970,203	-	-	12,777,364
Restricted investments	-	-	-	4,362,898	57,636	4,420,534
Restricted cash	230,731	10,317,870	-	-	-	10,548,601
Taxes receivable	2,266,875	-	-	-	124,114	2,390,989
Accounts receivable, net	3,342,151	-	-	-	1,705,052	5,047,203
Lease receivable	124,607	-	-	-	-	124,607
Prepaid items	105,757	-	-	-	9,001	114,758
Advances to other funds	1,664,281	-	-	-	-	1,664,281
Total assets	<u>\$ 20,948,142</u>	<u>\$ 10,317,870</u>	<u>\$ 11,831,387</u>	<u>\$ 4,362,898</u>	<u>\$ 3,082,549</u>	<u>\$ 50,542,846</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 855,755	\$ -	\$ -	\$ -	\$ 1,566,385	\$ 2,422,140
Unearned revenues	-	-	-	4,358,707	57,622	4,416,329
Advance from other funds	-	-	-	-	52,081	52,081
Total liabilities	<u>855,755</u>	<u>-</u>	<u>-</u>	<u>4,358,707</u>	<u>1,676,088</u>	<u>6,890,550</u>
DEFERRED INFLOWS OF RESOURCES	<u>3,537,283</u>	<u>-</u>	<u>3,541,661</u>	<u>-</u>	<u>129,317</u>	<u>7,208,261</u>
Fund balances:						
Non-spendable						
Prepays	105,757	-	-	-	9,001	114,758
Leases	307	-	-	-	-	307
Advances	1,664,281	-	-	-	-	1,664,281
Restricted						
Stabilization by State Statute	2,316,127	-	-	-	1,699,940	4,016,067
Human Services	-	-	8,289,726	-	-	8,289,726
School Debt	-	10,317,870	-	-	-	10,317,870
Register of Deeds	23,751	-	-	-	-	23,751
Economic Development	-	-	-	-	508,135	508,135
Public Safety Programs	-	-	-	4,191	531,392	535,583
Health Services	-	-	-	-	42,077	42,077
Committed						
Tax Revaluation	190,428	-	-	-	-	190,428
Assigned						
Subsequent year's expenditures	1,423,881	-	-	-	-	1,423,881
Unassigned	10,830,572	-	-	-	(1,513,401)	9,317,171
Total fund balances	<u>16,555,104</u>	<u>10,317,870</u>	<u>8,289,726</u>	<u>4,191</u>	<u>1,277,144</u>	<u>36,444,035</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 20,948,142</u>	<u>\$ 10,317,870</u>	<u>\$ 11,831,387</u>	<u>\$ 4,362,898</u>	<u>\$ 3,082,549</u>	

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

Martin County, North Carolina
BALANCE SHEET
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2022

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

Total fund balance, governmental funds	\$ 36,444,035
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,778,266
Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds.	69,525
Deferred inflows of resources for taxes receivable	3,418,779
Net pension asset	25,357
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position	827,810
Benefit payments and pension administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	28,407
Net pension liability	(1,321,610)
Total pension liability	(1,816,112)
Pension related deferrals	(141,930)
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 4).	(14,853,336)
Net OPEB Liability	(15,466,299)
OPEB related deferrals	(2,472,749)
Net position of governmental activities	<u>\$ 30,520,143</u>

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

Martin County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Debt Service Fund	Hospital Fund	American Rescue Plan Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$ 16,542,009	\$ -	\$ -	\$ -	\$ 742,173	\$ 17,284,182
Local option sales taxes	5,915,434	-	-	-	224,740	6,140,174
Other taxes and licenses	486,955	-	-	-	-	486,955
Unrestricted intergovernmental	64,175	-	-	-	-	64,175
Restricted intergovernmental	6,705,839	-	-	-	2,594,170	9,300,009
Licenses and fees	291,153	-	-	-	-	291,153
Sales and services	2,986,308	-	566,667	-	-	3,552,975
Investment earnings	18,962	932	6,865	4,175	14	30,948
Miscellaneous	398,123	-	-	-	-	398,123
Total revenues	<u>33,408,958</u>	<u>932</u>	<u>573,532</u>	<u>4,175</u>	<u>3,561,097</u>	<u>37,548,694</u>
EXPENDITURES						
Current:						
General government	3,674,138	-	-	-	-	3,674,138
Public safety	6,817,643	-	-	-	1,200,603	8,018,246
Environmental protection	2,654,040	-	-	-	-	2,654,040
Economic and physical development	1,424,984	-	-	-	379,117	1,804,101
Human services	6,473,514	-	-	-	119,976	6,593,490
Cultural and recreational	160,074	-	-	-	-	160,074
Transportation	1,260,812	-	-	-	1,644,502	2,905,314
Intergovernmental:						-
Education	7,838,649	-	-	-	-	7,838,649
Debt service:						
Principal	16,009	-	-	-	-	16,009
Interest	763,593	-	-	-	-	763,593
Total expenditures	<u>31,083,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,344,198</u>	<u>34,427,654</u>
Excess (deficiency) of revenues over expenditures	<u>2,325,502</u>	<u>932</u>	<u>573,532</u>	<u>4,175</u>	<u>216,899</u>	<u>3,121,040</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	937,301	-	-	32,674	969,975
Transfers to other funds	(969,975)	-	-	-	-	(969,975)
Lease liabilities issued	86,369	-	-	-	-	86,369
Sale of capital assets	83,283	-	-	-	-	83,283
Total other financing sources (uses)	<u>(800,323)</u>	<u>937,301</u>	<u>-</u>	<u>-</u>	<u>32,674</u>	<u>169,652</u>
Net change in fund balance	1,525,179	938,233	573,532	4,175	249,573	3,290,692
Fund balances-beginning	15,029,925	9,379,637	7,716,194	16	1,027,571	33,153,343
Fund balances-ending	<u>\$ 16,555,104</u>	<u>\$ 10,317,870</u>	<u>\$ 8,289,726</u>	<u>\$ 4,191</u>	<u>\$ 1,277,144</u>	<u>\$ 36,444,035</u>

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

Martin County, North Carolina
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE TO THE STATEMENT OF ACTIVITIES**
 For the Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds	\$ 3,290,692
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation and amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period.	1,194,501
In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus the changes in net position differs from the change in fund balance by the cost of assets sold.	(78,975)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	856,217
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	325,563
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(70,360)
Some expenses reported on the Statement of Activities do not require the use of current financial resources and, therefore are not reported as expenditures in the governmental funds.	<u>(858,747)</u>
Total changes in net position of governmental activities	<u><u>\$ 4,658,891</u></u>

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

Martin County, North Carolina
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET
AND ACTUAL – GENERAL FUND**
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Over (Under)</u>
REVENUES				
Ad valorem taxes	\$ 16,281,238	\$ 16,281,238	\$ 16,542,009	\$ 260,771
Local option sales tax	5,092,490	5,092,490	5,915,434	822,944
Other taxes and licenses	396,300	446,300	486,955	40,655
Unrestricted intergovernmental	71,000	71,000	64,175	(6,825)
Restricted intergovernmental	6,490,406	7,150,008	6,705,839	(444,169)
Licenses and fees	279,000	284,000	291,153	7,153
Sales and services	2,510,465	2,525,465	2,977,180	451,715
Investment earnings	2,000	2,000	18,962	16,962
Miscellaneous	307,300	321,330	362,060	40,730
Total revenues	<u>31,430,199</u>	<u>32,173,831</u>	<u>33,363,767</u>	<u>1,189,936</u>
EXPENDITURES				
Current:				
General government	3,701,597	3,985,217	3,674,138	311,079
Public safety	6,742,373	7,315,905	6,817,643	498,262
Environmental protection	2,760,840	2,791,265	2,654,040	137,225
Economic and physical development	1,424,186	1,651,728	1,382,728	269,000
Human services	7,112,232	7,606,625	6,473,514	1,133,111
Cultural and recreational	160,074	160,074	160,074	-
Transportation	1,309,112	1,376,412	1,260,812	115,600
Intergovernmental:				
Education	7,841,250	7,927,634	7,838,649	88,985
Debt service:				
Principal	17,950	17,950	16,009	1,941
Interest and other charges	763,432	763,432	763,593	(161)
Total expenditures	<u>31,833,046</u>	<u>33,596,242</u>	<u>31,041,200</u>	<u>2,555,042</u>
Revenues over (under) expenditures	<u>(402,847)</u>	<u>(1,422,411)</u>	<u>2,322,567</u>	<u>3,744,978</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(987,302)	(1,004,977)	(1,004,975)	2
Transfers from other funds	-	-	-	-
Lease liabilities issued	-	20,000	86,369	66,369
Sale of capital assets	20,000	20,000	83,283	63,283
Total other financing sources (uses)	<u>(967,302)</u>	<u>(964,977)</u>	<u>(835,323)</u>	<u>129,654</u>
Appropriated fund balance	<u>1,370,149</u>	<u>2,387,388</u>	<u>-</u>	<u>(2,387,388)</u>
Revenues, other financing sources and appropriated fund balance over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,487,244</u>	<u>\$ 1,487,244</u>
Fund balances:				
Beginning of year			14,836,484	
End of year			<u>\$ 16,323,728</u>	

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

Martin County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – GENERAL FUND
For the Year Ended June 30, 2022

Amounts reported for general fund balance are different because legally budgeted Tax Revaluation Fund, Capital Reserve Fund, and 4-H Fund are consolidated into the General Fund for reporting purposes:

Ending Fund Balance		\$ 16,323,728	
Tax Revaluation Fund			
Expenditures	-		
Transfer in from General Fund	35,000		
Fund balance, beginning	<u>155,428</u>		
Net change			190,428
Capital Reserve Fund			
Transfer to General Fund	-		
Fund balance, beginning	<u>-</u>		
Net change			-
4-H Fund			
Revenue	45,191		
Expenditures	(42,256)		
Fund balance, beginning	<u>38,013</u>		
Net change			<u>40,948</u>
Ending Fund Balance (Exhibit 4)		\$ <u><u>16,555,104</u></u>	

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

Martin County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – HOSPITAL FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Over (Under)</u>
REVENUES				
Sales and services	\$ 566,667	\$ 566,667	\$ 566,667	\$ -
Investment earnings	-	-	6,865	6,865
Total revenues	<u>566,667</u>	<u>566,667</u>	<u>573,532</u>	<u>6,865</u>
EXPENDITURES				
Current:				
General government	<u>566,667</u>	<u>566,667</u>	-	566,667
Total expenditures	<u>566,667</u>	<u>566,667</u>	-	566,667
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	573,532	<u>\$ 573,532</u>
Fund balances:				
Beginning of year			7,716,194	
End of year			<u>\$ 8,289,726</u>	

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

Martin County, North Carolina
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
BUDGET AND ACTUAL – AMERICAN RESCUE PLAN FUND
For the Year Ended June 30, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Over (Under)</u>
REVENUES				
Restricted intergovernmental	\$ 4,358,707	\$ 4,358,707	\$ -	\$ (4,358,707)
Investment earnings	-	-	4,175	4,175
Total revenues	<u>4,358,707</u>	<u>4,358,707</u>	<u>4,175</u>	<u>(4,354,532)</u>
EXPENDITURES				
Current:				
General government	<u>4,358,707</u>	<u>4,358,707</u>	-	4,358,707
Total expenditures	<u>4,358,707</u>	<u>4,358,707</u>	-	4,358,707
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	4,175	<u>\$ 4,175</u>
Fund balances:				
Beginning of year			16	
End of year			<u>\$ 4,191</u>	

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

Martin County, North Carolina
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2022

	Enterprise Funds			
	Water and Sewer District No. 1	Water and Sewer District No. 2	Non- Major Enterprise Funds	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 9,641	\$ 10,786	\$ -	\$ 20,427
Investments	-	1,080	-	1,080
Receivables, net	100,722	108,362	-	209,084
Note receivable	22,920	53,973	-	76,893
Prepaid items	2,045	2,045	-	4,090
Total current assets	135,328	176,246	-	311,574
Noncurrent assets:				
Note receivable	492,780	1,774,113	-	2,266,893
Capital assets:				
Land, improvements, and construction in progress	14,000	32,800	41,527	88,327
Other capital assets, net of depreciation	4,134,272	8,779,134	-	12,913,406
Total capital assets	4,148,272	8,811,934	41,527	13,001,733
Total noncurrent assets	4,641,052	10,586,047	41,527	15,268,626
Total assets	4,776,380	10,762,293	41,527	15,580,200
DEFERRED OUTFLOW OF RESOURCES				
Pension deferrals	33,319	33,294	-	66,613
OPEB deferrals	14,220	14,220	-	28,440
Total deferred outflows of resources	47,539	47,514	-	95,053
LIABILITIES				
Current liabilities:				
Accounts payable	3,046	4,188	-	7,234
Customer deposits	11,975	14,615	-	26,590
Advances from other funds	154,981	1,446,798	10,421	1,612,200
Compensated absences	1,500	1,500	-	3,000
Limited obligation bonds payable	120,000	270,000	-	390,000
Total current liabilities	291,502	1,737,101	10,421	2,039,024
Noncurrent liabilities:				
Net pension liability	20,265	20,265	-	40,530
Compensated absences	5,725	5,725	-	11,450
Net OPEB liability	260,596	260,596	-	521,192
Limited obligation bonds payable	2,580,000	8,875,075	-	11,455,075
Total noncurrent liabilities	2,866,586	9,161,661	-	12,028,247
Total liabilities	3,158,088	10,898,762	10,421	14,067,271
DEFERRED INFLOW OF RESOURCES				
Pension deferrals	29,502	29,501	-	59,003
OPEB deferrals	55,884	55,883	-	111,767
Total deferred inflows of resources	85,386	85,384	-	170,770
NET POSITION				
Net investment in capital assets	1,963,972	1,494,945	41,527	3,500,444
Unrestricted (deficit)	(383,527)	(1,669,284)	(10,421)	(2,063,232)
Total net position	\$ 1,580,445	\$ (174,339)	\$ 31,106	\$ 1,437,212

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

Martin County, North Carolina
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2022

	Enterprise Funds			Total
	Water and Sewer District No. 1	Water and Sewer District No. 2	Non-Major Enterprise Funds	
OPERATING REVENUES				
Charges for services	\$ 714,955	\$ 934,627	\$ -	\$ 1,649,582
Total operating revenues	<u>714,955</u>	<u>934,627</u>	<u>-</u>	<u>1,649,582</u>
OPERATING EXPENSES				
Water operations	335,515	289,483	-	624,998
Administration	192,509	198,231	-	390,740
Depreciation	144,495	243,737	-	388,232
Total operating expenses	<u>672,519</u>	<u>731,451</u>	<u>-</u>	<u>1,403,970</u>
Operating income (loss)	<u>42,436</u>	<u>203,176</u>	<u>-</u>	<u>245,612</u>
NONOPERATING REVENUES (EXPENSES)				
Interest earnings	21,140	72,477	-	93,617
Distributions from other governments	-	25,334	-	25,334
Interest and other charges	<u>(110,679)</u>	<u>(360,900)</u>	<u>-</u>	<u>(471,579)</u>
Total nonoperating revenue (expenses)	<u>(89,539)</u>	<u>(263,089)</u>	<u>-</u>	<u>(352,628)</u>
Change in net position	<u>(47,103)</u>	<u>(59,913)</u>	<u>-</u>	<u>(107,016)</u>
Net position - beginning	1,627,548	(114,426)	31,106	1,544,228
Net position - ending	<u>\$ 1,580,445</u>	<u>\$ (174,339)</u>	<u>\$ 31,106</u>	<u>\$ 1,437,212</u>

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

Martin County, North Carolina
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	Enterprise Funds		
	Water and Sewer District No. 1	Water and Sewer District No. 2	Total
Cash flows from operating activities:			
Cash received from customers	\$ 710,406	\$ 934,110	\$ 1,644,516
Cash paid to employees for services	(173,556)	(173,221)	(346,777)
Cash paid for goods and services	(364,617)	(324,081)	(688,698)
Customer deposits received	2,450	590	3,040
Customer deposits repaid	(345)	(650)	(995)
Net cash provided by operating activities	<u>174,338</u>	<u>436,748</u>	<u>611,086</u>
Cash flows from noncapital financing activities			
Advances (to) from other funds	36,598	62,729	99,327
Miscellaneous	-	-	-
Prepaid items	(378)	(378)	(756)
Distributions from other governments	-	25,334	25,334
Net cash provided by noncapital financing activities	<u>36,220</u>	<u>87,685</u>	<u>123,905</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(27,984)	(27,984)	(55,968)
Interest earned on note	21,140	72,477	93,617
Note receivable payment	21,965	51,974	73,939
Principal paid on bond maturities	(115,000)	(260,000)	(375,000)
Interest paid on bond maturities	(110,679)	(360,900)	(471,579)
Net cash used by capital and related financing activities	<u>(210,558)</u>	<u>(524,433)</u>	<u>(734,991)</u>
Net increase in cash and cash equivalents	-	-	-
Cash and cash equivalents, July 1	9,641	10,786	20,427
Cash and cash equivalents, June 30	<u>\$ 9,641</u>	<u>\$ 10,786</u>	<u>\$ 20,427</u>

(continued)

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

Martin County, North Carolina
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For the Year Ended June 30, 2022

	Enterprise Funds		
	(continued)		
	Water and Sewer District No. 1	Water and Sewer District No. 2	Total
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 42,436	\$ 203,176	\$ 245,612
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation	144,495	243,737	388,232
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(4,549)	(517)	(5,066)
(Increase) decrease in deferred outflows of resources for pensions	(4,310)	(4,284)	(8,594)
(Increase) decrease in deferred outflows of resources for OPEB	18,142	18,141	-
Increase (decrease) in accounts payable	1,009	1,544	2,553
Increase(decrease) in deferred inflows of resources for pensions	29,457	29,456	58,913
Increase (decrease) in deferred inflows of resouces for OPEB	26,096	26,097	52,193
Increase (decrease) in net pension liability	(29,027)	(29,026)	(58,053)
Increase (decrease) in OPEB liability	(51,322)	(51,322)	(102,644)
Increase (decrease) in accrued vacation	(194)	(194)	(388)
Increase (decrease) in customer deposits	2,105	(60)	2,045
Total adjustments	131,902	233,572	365,474
Net cash provided by operating activities	\$ 174,338	\$ 436,748	\$ 611,086

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

Martin County, North Carolina
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
June 30, 2022

	<u>OPEB Trust Fund</u>	<u>Private-purpose Trusts</u>	<u>Municipal Tax Custodial Fund</u>
ASSETS			
Cash and cash equivalents	\$ -	\$ 405,730	\$ 21,555
Accounts receivable (net)	-	-	-
Restricted assets			
Investments:			
Cash and cash equivalents	105,422	-	-
Domestic equities	662,775	-	-
Fixed income	423,140	-	-
Total assets	<u>\$ 1,191,337</u>	<u>\$ 405,730</u>	<u>\$ 21,555</u>
LIABILITIES AND NET POSITION			
Liabilities:			
Miscellaneous liabilities	\$ -	\$ -	\$ 5,021
Intergovernmental payable	<u>-</u>	<u>-</u>	<u>15,271</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>20,292</u>
Net position:			
Restricted for:			
Individuals, organizations, and other governments	-	405,730	1,263
Postemployment benefits other than pensions	1,191,337	-	-
Total net position	<u>\$ 1,191,337</u>	<u>\$ 405,730</u>	<u>\$ 1,263</u>

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

Martin County, North Carolina
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
For the Year Ended June 30, 2022

	<u>OPEB Trust Fund</u>	<u>Private-purpose Trusts</u>	<u>Municipal Tax Custodial Fund</u>
ADDITIONS			
Ad valorem taxes collected for other governments	\$ -	\$ -	\$ 1,505,183
Investment income:			
Net appreciation (depreciation) in fair value of investments	(181,761)	(19,669)	-
Interest and dividends	12,342	-	-
Less Investment expense	(187)	-	-
Net investment income	<u>(169,606)</u>	<u>(19,669)</u>	<u>-</u>
Miscellaneous:			
Donations	-	10,258	-
Total additions	<u>(169,606)</u>	<u>(9,411)</u>	<u>1,505,183</u>
DEDUCTIONS			
Tax distributions to ther governments	-	-	1,505,085
Benefit payments	-	78,918	-
Total deductions	<u>-</u>	<u>78,918</u>	<u>1,505,085</u>
Change in net position	(169,606)	(88,329)	98
Net position - beginning of year	1,360,943	494,059	1,165
Net position - end of year	<u>\$ 1,191,337</u>	<u>\$ 405,730</u>	<u>\$ 1,263</u>

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of Martin County, North Carolina (the *County*) and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable.

Martin County Water Districts, 1-4, (the *Districts*) exist to provide and maintain a water system for the county residents within the Districts. The Districts are reported as enterprise funds in the County's financial statements. Water Districts 1 and 2 are currently operational. Water District 3 held a referendum in July 2009 concerning the general obligation bonds to finance the construction of facilities, and the referendum did not pass. Water District 4 is non-operational.

Martin County Industrial Facility and Pollution Control Financing Authority (the *Facility*) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. Martin County ABC Board (the *Board*), which has a June 30 year-end, is presented as if it were a separate proprietary fund of the County (discrete presentation).

The Martin County Tourism Development Authority (the *Authority*), and the Martin County Council on Aging, Inc. (the *Council*), which both have a June 30 year-end, are presented as if they were a governmental fund (discrete presentation).

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Martin County Water Districts 1	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None issued.
Martin County Water Districts 2	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None issued.
Martin County Water Districts 3	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None issued.
Martin County Water Districts 4	Blended	Under State law [NCGS 162A-89], the County's Board of Commissioners also serve as the governing board for the District. The County has operational responsibility for the District.	None issued.
Martin County Industrial Facility and Pollution Control Financing Authority	Discrete	The Facility is governed by a seven-member board of commissioners that is appointed by the County Commissioners. The County can remove any commissioner of the Facility with or without cause.	None issued.
Martin County ABC Board	Discrete	The members of the ABC Board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Martin County ABC Board PO Box 467 Williamston, NC 27892
Martin County Tourism Development Authority	Discrete	The members of the Martin County Tourism Development Authority are appointed by the County Commissioners. The County makes appropriations to the Authority from revenues received from the room occupancy taxes collected by the County.	Martin County Tourism Development Authority PO Box 382 Williamston, NC 27892
Martin County Council on Aging, Inc.	Discrete	The members of the Council's governing body are appointed by the County. The Council provides the County money earned on fund raisers.	Martin County Council on Aging PO Box 1023 Williamston, NC 27892

B. Basis of Presentation, Basis of Accounting

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

The statement of activities presents a comparison between direct expenses and program revenues for the different business-type activities of the County and for each function of the County's governmental activities. Direct expenses are those 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 not classified as program revenues, including all taxes, are presented as general revenues.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

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

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, the 4-H Fund, and the Capital Reserve Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB 54, they are consolidated in the General Fund.

Debt Service Fund. This fund is used to account for funds to be used for future debt service payments.

Hospital Fund. The fund accounts for rent received and related interest pursuant to a 30-year lease agreement paid in advance that restricts the use of the rent proceeds, which are held in trust, for a specific time period.

American Rescue Plan. The funds accounts for the transactions related to the American Rescue Plan funds.

The County reports the following major enterprise funds:

Martin County Water and Sewer District Fund 1. This fund is used to account for the operations of the water and sewer district within the County.

Martin County Water and Sewer District Fund 2. This fund is used to account for the operations of the water and sewer district within the County.

The County reports the following fund types:

Custodial Funds. Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the Municipal Tax Fund, which accounts for ad valorem and vehicle property taxes that are billed and collected by the County for various municipalities within the County, but that are not revenues to the County.

Trust Funds. The County has three private purpose trust funds used to account for assets held in a trustee capacity. The Carrie Biggs Morrison Fund accounts for money received from the Norfolk Foundation to be administered pursuant to a trust agreement that restricts the use of such funds. The Mary W. Taylor Fund for the Hearing Impaired accounts for money bequeathed to the County to be used for the hearing

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

impaired. The Albemarle and Tideland Mental Health Retirees Health Insurance Trust accounts for money being held to pay for health insurance benefits of retirees of the dissolved entities. The Other Postemployment Benefits Trust Fund accounts for the County's contributions for healthcare coverage provided to qualified retirees.

Nonmajor Funds. The County maintains twelve legally budgeted funds. The Fire District Fund, the Emergency Telephone System Fund, the Controlled Substance Tax Distribution Fund, the Program Grant Fund, the Scattered Sites CDBG Fund, the Coronavirus Relief Fund, the DSS Representative Payee Fund, and the Opioid Settlement Fund are reported as nonmajor special revenue funds. The Business Park Fund, the Airport Expansion Project Fund, and the Building Construction Fund are reported as capital projects funds.

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

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

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

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

Governmental Fund Financial Statements. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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 a revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. Since September 1, 2013, the State of North Carolina has been responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. These property taxes are due when vehicles are registered. Motor vehicle property tax revenues are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and 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 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 are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, Emergency Telephone System Fund, Fire District Fund, 4-H Fund, Controlled Substance Tax Distribution Fund, Revaluation Fund, Debt Service Fund, Hospital Fund, American Rescue Plan, Coronavirus Relief Fund, DSS Representative Payee Fund, the operating portion of Martin County Water and Sewer District No. 1 and 2, and the County Water Fund. All annual appropriations lapse at the fiscal year-end. Multi-year project ordinances are adopted for the remaining Special Revenue Funds (Program Grant fund, Capital Reserve fund, Scattered Site CDBG fund, and Opioid Settlement Fund), the Capital Projects Funds (Airport Expansion fund, Business Park fund, and Building Construction fund) and also Enterprise Fund's Water and Sewer Capital Projects Funds (blended component units). All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund and the Special Revenue Funds, except the Revaluation Fund. Expenditures may not legally exceed appropriations at the functional level for the Revaluation Fund. The project level is used for the Capital Projects Funds and the Enterprise Fund's Water and Sewer Capital Projects Funds. The County Manager is authorized by the budget ordinance to transfer appropriations within a department. Any revisions that alter total expenditures of any department must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material.

A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 - Each department head will transmit to the budget officer the departmental budget requests and revenue estimates for the budget year.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

June 1 - The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.

July 1 - The budget ordinance shall be adopted by the governing board.

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

1. Deposits and Investments

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

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

General Statute 159-30.1 allows the County to establish and fund an irrevocable trust for the purpose of paying post-employment benefits (OPEB) for which the County is liable. The County's Other Postemployment Benefit (OPEB) Trust is managed by the staff of the Department of the State Treasurer and operated in accordance with state laws and regulations. The Trust is not registered with the SEC. G.S. 159-30(g) allows the County to make contributions to the Trust. The State Treasurer in his discretion may invest the proceeds in equities of certain publicly held companies and long or short-term fixed income investments as detailed in G.S. 147-69.2(b) (1-6) and (8). Funds submitted are managed in three different sub-funds, the State Treasurer's Short Term Investment Fund (STIF) consisting of short to intermediate treasuries, agencies and corporate issues authorized by G.S. 147-69.1, the Bond Index Fund (BIF) consisting of high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6), and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund authorized under G.S. 147-69.2(b)(8).

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

- The North Carolina Capital Management Trust (NCCMT), which consists of an SEC-registered mutual fund (the Government Portfolio) is authorized by G.S. 159-30(c)(8). The Government Portfolio, which invests in treasuries and government agencies, is a money market mutual fund (2a7) and maintains an AAAM rating from S&P and AAAMf by Moody's Investor Services. It is reported at fair value.
- STIF investments are valued by the custodian using Level 2 inputs. The STIF is valued at \$1 per share. The STIF portfolio is unrated and had a weighted average maturity at June 30, 2022 of 0.9 years.
- The Bond Index Fund (BIF) does not have a credit rating, was valued at \$1 per unit, and had an average maturity of 8.75 years at June 30, 2022.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

- The BlackRock's MSCI ACWI EQ Index Non-Lendable Class B fund is a common trust fund considered to be commingled in nature. The Fund's fair value is the number of shares times the net asset value as determined by a third party. At June 30, 2022 the fair value of the funds was \$27.230307 per share. Fair value for this Blackrock fund is determined using Level 1 inputs.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents. The ABC Board, the Authority, and the Council consider demand deposits and investments purchased with an original maturity of 90 days or less, that are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted by G.S. 153A-150. 4-H funds are collected specifically to be used for 4-H programs. Debt Service funds are also classified as restricted. This money is held in a sinking fund to be used to repay a future debt. Money held in the Opioid Settlement Fund is classified as restricted assets because its use is restricted per the memorandum of agreement. American Rescue Plan funds are restricted based on the grant requirements.

Restricted Cash and Investments	
Governmental Activities	
Restricted Cash	
General Fund	
Tax revaluation	\$ 190,428
4-H	40,303
Debt Service Fund	10,317,870
Total Restricted Cash	<u>10,548,601</u>
Restricted Investments	
Opioid Settlement Fund	\$ 57,636
American Rescue Plan	4,362,898
Total Restricted Investments	<u>4,420,534</u>
Total Restricted Cash and Investments	<u>\$ 14,969,135</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021. As allowed by State law, the County has established a schedule of discounts that apply to taxes, which are paid prior to the due date. In the County's General Fund, ad valorem tax revenues are reported net of such discounts.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

5. Lease Receivable

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

6. Allowances for Doubtful Accounts

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

7. Inventory and Prepaids

The inventories, which are held for resale, of the ABC Board are valued at the lower of cost (first-in first-out) or market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

8. Capital Assets

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

The County holds title to certain Martin 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, once 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 Martin 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
Improvements	50
Furniture and equipment	10
Vehicles	7
Computer equipment	5

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

	<u>Years</u>
Buildings	20 – 31.5
Furniture and equipment	5 – 10
Leasehold improvements	7 – 15

Capital assets of the Tourism Development Authority are on a straight-line basis over the following estimated useful lives:

	<u>Years</u>
Equipment	5 – 10

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

	<u>Years</u>
Furniture, Vehicles, and Equipment	5 – 10

9. Right to Use Assets

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

10. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has two items that meet this criterion – pension related deferrals and contributions made to the 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 assets that applies to a future periods and so will not be recognized as revenue until then. The County has only three items that meet the criterion for this category – prepaid taxes, leases, and other pension and OPEB related deferrals.

11. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations, including net pension liabilities, are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

12. Compensated Absences

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

The sick leave policies of the County, the Authority, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

13. Opioid Settlement Funds

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

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

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

The County received \$57,622 as part of this settlement in fiscal year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options for expending the funds. Option A allows the County to fund one or more high-impact strategies from a list of evidence-based strategies and Option B allows the County a wider array of strategies to address the impact of the opioid epidemic. The County is still evaluating its options and has not determined a spending plan.

14. Reimbursements for Pandemic-related Expenditures

In fiscal year 2020/2021, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenues for the eligible state, local, territorial, and tribal governments. The County was allocated \$4,358,707 of fiscal recovery funds to be paid in two equal installments. The first installment of \$2,179,354 was received in June 2021. The second installment was received in June 2022. County staff and the Board of Commissioners plan to use the funds in fiscal year 2023 for revenue replacement. Revenue replacement funds will be transferred to the appropriate funds once the intended use of the funds is determined.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

15. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepays – portion of fund balance that is not an available resource because it represents the year-end balances of prepaid expenditures, which are not spendable resources.

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

Advances – portion of fund balance that is not an available resource because it represents the year-end balance of an advance to other funds, which are not spendable resources.

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

Restricted for Stabilization of State Statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were 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 restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Public Safety Programs – portion of fund balance restricted by revenue source for the public safety programs.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Restricted for School Debt – portion of fund balance that can only be used for school debt per the financing agreement.

Restricted for Human Services – portion of fund balance to be used for human services.

Restricted for Economic Development – portion of fund balance to be used for economic development programs.

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

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed passage of a resolution by majority vote of Martin 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 Martin 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.

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

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

Martin County adopted a fund balance policy for the General Fund on April 10, 2013, which instructs management to conduct the business of the Country in such a manner that available fund balance is at least 20% of budgeted expenditures. The Board may utilize fund balance that will reduce available fund balance below 20% for the purposes of a declared fiscal emergency, a financial opportunity to enhance the well-being of Martin County, or to protect the long term fiscal security of Martin County.

16. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF) and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). The Martin County ABC Board and Martin County Tourism Development Authority also participate in the Local Governmental Employees' Retirement System (LGERS). For purposes of measuring the net

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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, Board's and Authority's employer contributions are recognized when due, and the County, Board, and Authority have 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.

17. Other Postemployment Benefits

The net position of the County's Healthcare Benefits Plan (the HCB Plan) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the Net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other postemployment benefits, OPEB expense, and 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. Benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

E. Use of Estimates

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

F. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position - governmental activities as reported in the government-wide statement of net position. The net adjustment of \$(5,923,892) consists of several elements as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Description	Amount
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)	\$ 44,067,720
Less accumulated depreciation	(18,289,454)
Net capital assets	25,778,266
Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds	86,369
Less accumulated amortization	(16,844)
Net right to use asset	69,525
Net pension asset	25,357
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide	3,418,779
Contributions to the pension plan in the current fiscal year	827,810
Benefit payments and pension administration costs for LEOSSA	28,407
Pension related deferrals	(141,930)
OPEB related deferrals	(2,472,749)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Installment financing	(14,059,521)
Lease liabilities	(70,360)
Compensated absences	(723,455)
Net OPEB liability	(15,466,299)
Total pension liability	(1,816,112)
Net pension liability	(1,321,610)
Total adjustment	\$ (5,923,892)

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 – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$1,368,199 as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,628,491
Depreciation and amortization expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(1,433,990)
The statement of activities reports losses arising from the sale of existing capital assets. Conversely, the governmental funds do not report any gain or loss on a sale of capital assets.	(78,975)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statements	(86,369)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	16,009
Contributions to the pension plan in the current fiscal year are not included on the statement of activities	827,810
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the statement of net position	28,407
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(11,946)
OPEB Expense	4,635
The County's portion of collective pension expense	(851,436)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Reversal of deferred tax revenue recorded at 7/1/21	(2,162,388)
Recording of tax receipts deferred in the fund statements as of 6/30/22	2,433,130
Reversal of deferred availability fees recorded at 7/1/21	(917,051)
Recording of availability fee receipts deferred in the fund statements as of 6/30/22	974,179
Reversal of legal receipts deferred in the fund statements as of 7/1/21	(5,943)
Recording of legal receipts deferred in the fund statements as of 6/30/22	6,448
Reversal of assessment receipts deferred in the fund statements as of 7/1/21	(7,840)
Recording of assessment receipts deferred in the fund statements as of 6/30/22	5,028
Total adjustment	<u>\$ 1,368,199</u>

G. Recently Issued Accounting Pronouncements

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

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

In January 2020, the GASB issued GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the following:

- The effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports
- Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan
- The applicability of Statements No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and *Amendments to Certain Provisions of GASB Statements 67 and 68*, as amended, and No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, to reporting assets accumulated for postemployment benefits
- The applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefit arrangements
- Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition
- Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers
- Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature
- Terminology used to refer to derivative instruments.

The requirements of this Statement are effective as follows:

- The requirements related to the effective date of Statement 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance.
- The requirements related to intra-entity transfers of assets and those related to the applicability of Statements 73 and 74 are effective for fiscal years beginning after June 15, 2020.
- The requirements related to application of Statement 84 to postemployment benefit arrangements and those related to nonrecurring fair value measurements of assets or liabilities are effective for reporting periods beginning after June 15, 2020.
- The requirements related to the measurement of liabilities (and assets, if any) associated with AROs in a government acquisition are effective for government acquisitions occurring in reporting periods beginning after June 15, 2020.

Earlier application is encouraged and is permitted by topic. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

In March 2020, the GASB issued GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged. PPPs should be recognized and measured using the facts and circumstances that exist at the beginning of the period of implementation (or if applicable to earlier periods, the beginning of the earliest period restated).

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

In April 2022, the GASB issued GASB Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP)
- Disclosures related to nonmonetary transactions
- Pledges of future revenues when resources are not received by the pledging government
- Clarification of provisions in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statements
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this Statement that are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance. The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

In June 2022, the GASB issued GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement defines *accounting changes* as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this Statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information (RSI) and supplementary information (SI). For periods that are earlier than those included in the basic financial statements, information presented in RSI or SI should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

In June 2022, the GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

H. Recently Implemented Accounting Pronouncements

In June 2017, the GASB issued GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement was postponed by 18 months.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

In June 2018, the GASB issued GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged. The requirements of this Statement should be applied prospectively. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement was extended by one year.

In March 2020, the GASB issued GASB Statement No. 93, *Replacement of Interbank Offered Rates*. Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable.

The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement achieves that objective by:

- Providing exceptions for certain hedging derivative instruments to the hedge accounting termination provisions when an IBOR is replaced as the reference rate of the hedging derivative instrument's variable payment
- Clarifying the hedge accounting termination provisions when a hedged item is amended to replace the reference rate
- Clarifying that the uncertainty related to the continued availability of IBORs does not, by itself, affect the assessment of whether the occurrence of a hedged expected transaction is probable
- Removing LIBOR as an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap
- Identifying a Secured Overnight Financing Rate and the Effective Federal Funds Rate as appropriate benchmark interest rates for the qualitative evaluation of the effectiveness of an interest rate swap
- Clarifying the definition of reference rate, as it is used in Statement 53, as amended

Providing an exception to the lease modifications guidance in Statement 87, as amended, for certain lease contracts that are amended solely to replace an IBOR as the rate upon which variable payments depend.

The removal of LIBOR as an appropriate benchmark interest rate is effective for reporting periods ending after December 31, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2020. Earlier application is encouraged. The exceptions to the existing provisions for hedge accounting termination and lease modifications in this Statement will reduce the cost of the accounting and financial reporting ramifications of replacing IBORs with other reference rates. The reliability and relevance of reported information will be maintained by requiring that agreements that effectively maintain an existing hedging arrangement continue to be accounted for in the same manner as before the replacement of a reference rate. As a result, this Statement will preserve the consistency and

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

comparability of reporting hedging derivative instruments and leases after governments amend or replace agreements to replace an IBOR. With the issuance of GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the effective date of this statement has been extended by one year.

In June 2020, the GASB issued GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021. For purposes of determining whether a primary government is financially accountable for a potential component unit, the requirements of this Statement that provide that for all other arrangements, the absence of a governing board be treated the same as the appointment of a voting majority of a governing board if the primary government performs the duties that a governing board typically would perform, are effective for reporting periods beginning after June 15, 2021.

In October 2021, the GASB issued GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement are effective for fiscal years ending after December 15, 2021.

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the County's, the ABC Board's, the Authority's and the Council'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, the ABC Board's, the Authority's, or the Council's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the ABC Board, the Authority, and the Council, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

State Treasurer does not confirm this information with the County, the ABC Board, the Authority, the Council or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the ABC Board, the Authority, or the Council under the Pooling Method, the potential exists for undercollateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the ABC Board, the Authority, and the Council 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, the ABC Board, the Authority, and the Council comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, the ABC Board, the Authority, and the Council have no formal policies regarding custodial credit risk for deposits.

At June 30, 2022, the County's deposits had a carrying amount of \$24,449,472 and a bank balance of \$24,856,292. Of the bank balance, \$500,000 was covered by federal depository insurance and the entire balance was covered by collateral held under the Pooling Method. At June 30, 2022, Martin County had \$1,350 cash on hand.

At June 30, 2022, the carrying amount of deposits for Martin County ABC Board was \$355,992 and the bank balance was \$345,973. Of the bank balance, \$275,049 was covered by federal depository insurance and none was covered by collateral held under the pooling method. At June 30, 2022, Martin County ABC Board had \$3,010 cash on hand.

At June 30, 2022, the carrying amount of deposits for Martin County Tourism Development Authority was \$345,516, and the bank balance was \$346,834. \$250,000 of the bank balance was covered by federal depository insurance and the remainder was covered by collateral held under the pooling method.

At June 30, 2022, the carrying amount of deposits for Martin County Council on Aging, Inc. was \$146,612. At June 30, 2022, uninsured amounts held at these institutions totaled \$0.

2. Investments

As of June 30, 2022, the County had the following investments. The County has no policy regarding credit risk or interest rate risk.

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>	<u>6-12 Months</u>
NC Capital Management Trust- Government Portfolio	Fair Value - Level 1	\$ 17,198,978	\$ 17,198,978	N/A

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

As of June 30, 2022, Martin County Tourism Development Authority had the following investments. TDA has no policy regarding credit risk or interest rate risk.

Investment Type	Valuation Measurement	Fair Value	Less Than 6	6-12 Months
	Method		Months	
NC Capital Management Trust-Government Portfolio	Fair Value - Level 1	\$ 45,691	\$ 45,691	N/A

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

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

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

At June 30, 2022, the Martin County HCB Plan Fund had \$1,191,337 invested in the State Treasurer's Local Government Other Post-Employment Benefits (OPEB) Trust pursuant to G.S. 159-30.1. The State Treasurer's OPEB Trust may invest in public equities and both long-term and short-term fixed income obligations as determined the State Treasurer pursuant to the General Statutes. At year-end, the County's OPEB Trust was invested as follows: State Treasurer's Short Term Investment Fund (STIF) 8.85%, which is reported as cash and cash equivalents; State Treasurer's Bond Index Fund (BIF) 35.52%; and BlackRock's MSCI ACWI EQ Index Non-Lendable Class B Fund 55.63% (the equities were split with 58.82% in domestic securities and 41.18% in international securities). As of June 30, 2022, there were no redemption fees or maximum transaction amounts, or any other requirements that serve to limit the County's access to 100 percent of their account value in the investment pool.

Interest Rate Risk: The County does not have a formal investment interest rate policy that manages its exposure to fair value losses arising from increasing interest rates. The State Treasurer's STIF is unrated and had a weighted average maturity of 0.9 years at June 30, 2022. The State Treasurer's BIF is unrated and had a weighted average maturity of 8.75 years at June 30, 2022.

Credit Risk: The County does not have a formal investment policy regarding credit risk for the HCB Plan Fund. The STIF is unrated and authorized under NC General Statute 147-69.1. The State Treasurer's STIF is invested in highly liquid fixed income securities consisting primarily of short to intermediate term treasuries, agencies, and money market instruments. The BIF is unrated and authorized under NC General Statute 147-69.1 and 147-69.2. The State Treasurer's BIF is invested in high quality debt securities eligible under G.S. 147-69.2(b)(1)-(6).

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 2,188,977	\$ 716,890	\$ 2,905,867
2020	2,188,977	519,882	2,708,859
2021	2,188,977	322,874	2,511,851
2022	2,188,977	125,866	2,314,843
Total	<u>\$ 8,755,908</u>	<u>\$ 1,685,512</u>	<u>\$ 10,441,420</u>

4. Receivables

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

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Lease Receivable</u>	<u>Total</u>
Governmental Activities:				
General	\$ 3,346,151	\$ 2,789,695	\$ 124,607	\$ 6,260,453
Other Governmental	1,705,052	139,073	-	1,844,125
Total receivables	5,051,203	2,928,768	124,607	8,104,578
Allowance for doubtful accounts	(4,000)	(537,779)	-	(541,779)
Total governmental activities	<u>\$ 5,047,203</u>	<u>\$ 2,390,989</u>	<u>\$ 124,607</u>	<u>\$ 7,562,799</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Business-type Activities				
Water and Sewer Districts	\$ 281,584	\$ -	\$ -	\$ 281,584
Total receivables	281,584	-	-	281,584
Allowance for doubtful accounts	(72,500)	-	-	(72,500)
Total business-type activities	<u>\$ 209,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,084</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

In September 2019, the County entered into a lease with a banking institution. Under the lease, the lessee pays the County \$275 per month for thirty-six months in exchange for the use of an ATM at the Farmers Market. The lessor has the option to renew the contract for an additional thirty-six months at a rate of \$300 per month. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.198%. In fiscal year 2022, the County recognized \$3,281 in lease revenue and \$33 in interest revenue under the lease.

In January 2021, the County entered into a lease with a tenant. Under the lease, the tenant pays the County \$3,976.66 per month for twenty-four months in exchange for the use of office space at 104 Kehukee Park Road Williamston, NC. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.648%. In fiscal year 2022, the County recognized \$47,323 in lease revenue and \$627 in interest revenue under the lease.

In January 2022, the County entered into a lease with a tenant. Under the lease, the tenant pays the County \$1,239.17 per month for twenty-four months in exchange for the use of office space at 104 Kehukee Park Road Williamston, NC. There are no variable components in the lease. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 0.417%. In fiscal year 2022, the County recognized \$14,764 in lease revenue and \$169 in interest revenue under the lease.

Amounts due from other governments owed to the County and included in accounts receivable at year end consist of the following:

Local option sales tax	\$ 1,615,144
Scrap tire tax	9,893
Solid waste disposal	3,239
Airport grant funds	1,609,517
Transit grant funds	<u>183,466</u>
Total	<u><u>\$ 3,421,259</u></u>

The Tourism Development Authority's receivables consist of occupancy taxes from local hotels.

5. Note Receivable

On December 6, 1999, Martin County Water and Sewer District No. 1 entered into Water System Management Agreement with the Town of Williamston. Under the terms of this agreement, the County constructed the water lines and collected initial tap fees and deposits from customers. Upon completion of construction, the Town manages certain assets and customers of the Water District including maintaining and repairing the water lines, reading meters, providing insurance, billing customers and collecting water revenues. The Town shall pay to the County a proportionate share of the County issued debt for this project. The note payments including principal and interest are equal to the proportionate share of loan proceeds used for the construction of the project (19.1%). The term of this agreement is 40 years or until the debt has been paid in full by the County. Ownership of the project improvements and customers will transfer to the Town at the end of life of the project financing loan (upon final payment of the loan).

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

On December 2, 2005, the Martin County Water and Sewer District No. 2 entered into Water System Management Agreement with the Town of Williamston. The terms of this agreement are essentially the same as the agreement for Water District No. 1 described in the preceding paragraph, except that the Town will pay to the County a proportionate share equal to 48.1% of the County's debt service payments.

The future minimum payments to Martin County Water District No. 1 as a June 30, 2022, including \$198,133 of interest are as follows:

Year Ending <u>June 30</u>	Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 22,920	\$ 20,261	\$ 43,181
2024	22,920	19,345	42,265
2025	23,875	18,428	42,303
2026	24,830	17,473	42,303
2027	25,785	16,480	42,265
2028-2032	146,115	66,049	212,164
2033-2037	161,395	33,935	195,330
2038-2040	87,860	6,162	94,022
Total	<u>\$ 515,700</u>	<u>\$ 198,133</u>	<u>\$ 713,833</u>

The future minimum payments to Martin County Water District No. 2 as a June 30, 2022, including \$856,950 of interest are as follows:

Year Ending <u>June 30</u>	Business-Type Activities		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 53,973	\$ 40,476	\$ 94,449
2024	55,972	68,393	124,365
2025	57,971	66,227	124,198
2026	60,970	62,978	123,948
2027	62,969	60,644	123,613
2028-2032	354,822	267,254	622,076
2033-2037	435,782	187,492	623,274
2038-2042	519,740	100,191	619,931
2043-2044	225,887	3,295	229,182
Total	<u>\$ 1,828,086</u>	<u>\$ 856,950</u>	<u>\$ 2,685,036</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

6. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital Assets not being depreciated				
Land	\$ 3,170,659	\$ -	\$ -	\$ 3,170,659
Construction in Progress	1,502,196	1,644,501	1,100,401	2,046,296
Total Capital Assets not being depreciated	<u>4,672,855</u>	<u>1,644,501</u>	<u>1,100,401</u>	<u>5,216,955</u>
Capital Assets being depreciated				
Buildings	27,271,182	217,387	60,000	27,428,569
Equipment	7,355,933	1,179,824	250,678	8,285,079
Vehicles and motor equipment	3,178,647	600,810	642,340	3,137,117
Total Capital Assets being depreciated	<u>37,805,762</u>	<u>1,998,021</u>	<u>953,018</u>	<u>38,850,765</u>
Less accumulated depreciations for:				
Buildings	10,878,662	650,345	-	11,529,007
Equipment	4,806,516	417,772	623,365	4,600,923
Vehicles and motor equipment	2,061,173	349,029	250,678	2,159,524
Total accumulated depreciation	<u>17,746,351</u>	<u>\$ 1,417,146</u>	<u>\$ 874,043</u>	<u>18,289,454</u>
Total Capital Assets being depreciated, net	<u>20,059,411</u>			<u>20,561,311</u>
Governmental activity capital assets, net	<u>\$ 24,732,266</u>			<u>\$ 25,778,266</u>

Primary Government

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

General government	\$ 245,506
Public safety	617,853
Transportation	221,450
Environmental protection	31,892
Economic and physical development	133,830
Human services	145,549
Cultural and recreation	<u>21,066</u>
Total	<u>\$ 1,417,146</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	Beginning Balances Restated	Increases	Decreases	Ending Balances
Business-type activities:				
Martin County Water District #1				
Capital Assets not being depreciated:				
Land	\$ 14,000	\$ -	\$ -	\$ 14,000
Construction in progress	-	-	-	-
Total Capital Assets not being depreciated	<u>14,000</u>	<u>-</u>	<u>-</u>	<u>14,000</u>
Capital Assets being depreciated:				
Plant and distribution systems	6,302,715	-	-	6,302,715
Equipment	149,420	-	-	149,420
Vehicles and motor equipment	105,861	27,984	12,148	121,697
Total Capital Assets being depreciated	<u>6,557,996</u>	<u>27,984</u>	<u>12,148</u>	<u>6,573,832</u>
Less accumulated depreciations for:				
Plant and distribution systems	2,101,785	126,191	-	2,227,976
Equipment	136,701	5,747	-	142,448
Vehicles and motor equipment	68,727	12,557	12,148	69,136
Total accumulated depreciation	<u>2,307,213</u>	<u>144,495</u>	<u>12,148</u>	<u>2,439,560</u>
Total Capital Assets being depreciated, net	<u>4,250,783</u>			<u>4,134,272</u>
Martin County Water District #1 capital assets, net	<u>4,264,783</u>			<u>4,148,272</u>
Martin County Water District #2				
Capital Assets not being depreciated:				
Land	32,800	-	-	32,800
Construction in progress	-	-	-	-
Total Capital Assets not being depreciated	<u>32,800</u>	<u>-</u>	<u>-</u>	<u>32,800</u>
Capital Assets being depreciated:				
Equipment	21,700	-	-	21,700
Plant and distribution systems	11,511,037	-	-	11,511,037
Vehicles and motor equipment	67,865	27,984	12,148	83,701
Total Capital Assets being depreciated	<u>11,600,602</u>	<u>27,984</u>	<u>12,148</u>	<u>11,616,438</u>
Less accumulated depreciations for:				
Equipment	8,811	1,067	-	9,878
Plant and distribution systems	2,554,489	230,114	-	2,784,603
Vehicles and motor equipment	42,414	12,557	12,148	42,823
Total accumulated depreciation	<u>2,605,714</u>	<u>243,738</u>	<u>12,148</u>	<u>2,837,304</u>
Total Capital Assets being depreciated, net	<u>8,994,888</u>			<u>8,779,134</u>
Martin County Water District #2 capital assets, net	<u>9,027,688</u>			<u>8,811,934</u>
Martin County Water District #4				
Capital Assets not being depreciated:				
Construction in progress	41,527	-	-	41,527
Total Capital Assets not being depreciated	<u>41,527</u>			<u>41,527</u>
Business-type activities capital assets, net	<u>\$ 13,333,998</u>			<u>\$ 13,001,733</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 68,016	\$ -	\$ -	\$ 68,016
Construction in progress	-	49,217	-	49,217
Total capital assets not being depreciated	<u>68,016</u>	<u>49,217</u>	<u>-</u>	<u>117,233</u>
Capital assets being depreciated:				
Buildings	830,268	-	-	830,268
Furniture and equipment	192,340	26,311	5,500	213,151
Total capital assets being depreciated	<u>1,022,608</u>	<u>26,311</u>	<u>5,500</u>	<u>1,043,419</u>
Less accumulated depreciations for:				
Buildings	300,947	15,132	-	316,079
Furniture and equipment	121,879	15,522	5,500	131,901
Total accumulated depreciation	<u>422,826</u>	<u>\$ 30,654</u>	<u>\$ 5,500</u>	<u>447,980</u>
Total capital assets being depreciated, net	<u>599,782</u>			<u>595,439</u>
ABC capital assets, net	<u>\$ 667,798</u>			<u>\$ 712,672</u>

Activity for the Martin County Tourism Development Authority for the year ended June 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment and furniture	\$ 43,849	\$ -	\$ -	\$ 43,849
Less accumulated depreciation:				
Equipment and furniture	34,488	\$ 3,264	\$ -	37,752
Capital assets, net	<u>\$ 9,361</u>			<u>\$ 6,097</u>

Activity for the Martin County Council on Aging for the year ended June 30, 2022, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets being depreciated:				
Equipment and furniture	\$ 153,410	\$ -	\$ -	\$ 153,410
Less accumulated depreciation:				
Equipment and furniture	121,977	\$ 1,936	\$ -	123,913
Capital assets, net	<u>\$ 31,433</u>			<u>\$ 29,497</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

7. Right to Use Leased Assets

The County has recorded four right to use leased assets. The assets are right to use assets for leased equipment and office space. The related leases are discussed in the leases subsection of the long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

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

	<u>Beginning Balance</u>	<u>Beginning Balance (As restated)*</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use asset					
Leased equipment	\$ -	\$ 73,743	\$ 12,626	\$ -	\$ 86,369
Less accumulated amortization					
Leased equipment	-	-	16,844	-	16,844
Right to use asset, net	<u>\$ -</u>	<u>\$ 73,743</u>	<u>\$ (4,218)</u>	<u>\$ -</u>	<u>\$ 69,525</u>

* The notes require a restatement due to the implementation of GASB 87. There is no impact on the financial statements.

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:			
General	\$ 855,755	\$ -	\$ 855,755
Other Governmental	1,566,385	-	1,566,385
Total-governmental activities	<u>\$ 2,422,140</u>	<u>\$ -</u>	<u>\$ 2,422,140</u>
Business-type Activities			
Water and Sewer District No. 1	\$ 3,046	\$ -	\$ 3,046
Water and Sewer District No. 2	4,188	-	4,188
Total - business-type activities	<u>\$ 7,234</u>	<u>\$ -</u>	<u>\$ 7,234</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at 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, 2022, was 12.04% of compensation for law enforcement officers and 11.43% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$854,016 for the year ended June 30, 2022.

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

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

County

At June 30, 2022, the County reported a liability of \$1,362,140 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The 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, 202 (measurement date), the County's proportion was .0888%, which was a decrease of .003% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the County recognized pension expense of \$609,058. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 433,346	\$ -
Changes of assumptions	855,772	-
Net difference between projected and actual earnings on pension plan investments	-	1,946,089
Changes in proportion and differences between County contributions and proportionate share of contributions	5,634	23,547
County contributions subsequent to the measurement date	854,016	-
Total	<u>\$ 2,148,768</u>	<u>\$ 1,969,636</u>

\$854,016 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 liability in the year ended June 30, 2023. Other amounts reported as deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Year ended June 30:	Amount
2023	\$ 124,472
2024	(49,100)
2025	(154,741)
2026	(595,515)
2027	-
Thereafter	-

Martin County ABC Board

At June 30, 2022, the ABC Board reported a liability of \$38,800 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The ABC Board's proportion of the net pension liability was based on a projection of the ABC Board'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 (measurement date), the ABC Board's proportion was .00253%, which was an increase of .00008% from its proportion measured as of June 30, 2021 (measured as of June 30, 2020).

For the year ended June 30, 2022, the ABC Board recognized pension expense of \$14,981. At June 30, 2022, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,344	\$ -
Changes of assumptions	24,376	-
Net difference between projected and actual earnings on pension plan investments	-	55,434
Changes in proportion and differences between Board contributions and proportionate share of contributions	426	5,562
Board contributions subsequent to the measurement date	20,582	-
Total	<u>\$ 57,728</u>	<u>\$ 60,996</u>

\$20,582 reported as deferred outflows of resources related to pensions resulting from ABC Board contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Year ended June 30:	Amount
2023	\$ 1,339
2024	(2,852)
2025	(5,372)
2026	(16,965)
2027	-
Thereafter	-

Martin County Tourism Development Authority

At June 30, 2022, the TDA reported a liability of \$10,582 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The TDA's proportion of the net pension liability was based on a projection of the TDA'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 (measurement date), the TDA's proportion was .00069%, which was an increase of .00022% from its proportion measured as of June 30, 2020 (measured as of June 30, 2020).

For the year ended June 30, 2022, the TDA recognized pension expense of \$9,606. At June 30, 2022, the TDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 3,366	\$ -
Changes of assumptions	6,648	-
Net difference between projected and actual earnings on pension plan investments	-	15,118
Changes in proportion and differences between Authority contributions and proportionate share of contributions	10,100	-
Authority contributions subsequent to the measurement date	9,804	-
Total	<u>\$ 29,918</u>	<u>\$ 15,118</u>

\$9,804 reported as deferred outflows of resources related to pensions resulting from the TDA contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Year ended June 30:	Amount
2023	\$ 5,254
2024	3,449
2025	921
2026	(4,628)
2027	-
Thereafter	-

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

Inflation	2.50 percent
Salary increases	3.25 to 8.25 percent, including inflation and productivity factor
Investment rate of return	6.50 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022 are summarized in the following table:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	29.0%	1.4%
Global Equity	42.0%	5.3%
Real Estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation Protection	6.0%	4.0%
Total	100.0%	

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 2.50%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily require 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, ABC Board's, and the TDA's proportionate share of the net pension liability calculated using the discount rate of 6.50%, as well as what their proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease (5.500%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 5,287,714	\$ 1,362,140	\$ (1,868,379)
Martin County ABC Board's proportionate share of the net pension liability (asset)	150,618	38,800	(53,220)
Martin County Tourism Development Authority's proportionate share of the net pension liability (asset)	41,078	10,582	(14,515)

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description:

Martin 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 valuation date, December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	3
Active plan members	<u>40</u>
Total	<u>43</u>

2. Summary of Significant Accounting Policies:

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

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

3. Actuarial Assumptions:

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

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.25 percent

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

The actuarial assumptions used in the December 31, 2020 valuation were based on the results of an experience study completed by the Actuary for the Local Governments Employees' Retirement System for the five year period ending December 31, 2019.

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

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

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

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

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

4. Contributions:

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$28,047 as benefits came due for the reporting period.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2022, the County's reported a total pension liability of \$1,816,112. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$261,841.

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 236,690	\$ -
Changes of assumptions and other inputs	333,221	62,193
County benefit payments and plan administrative expense made subsequent to the measurement date	<u>28,407</u>	<u>-</u>
Total	<u><u>\$ 598,318</u></u>	<u><u>\$ 62,193</u></u>

The County paid \$28,407 in benefit payments subsequent to the measurement date that are reported as deferred outflows of resources related to pensions, which will be recognized as a decrease of the total pension liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

<u>Year ended June 30:</u>	<u>Amount</u>
2023	\$ 135,621
2024	127,850
2025	121,633
2026	102,024
2027	20,064
Thereafter	526

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 2.25 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	<u>1% Decrease (1.25%)</u>	<u>Discount Rate (2.25%)</u>	<u>1% Increase (3.25%)</u>
Total Pension Liability	\$ 1,990,577	\$ 1,816,112	\$ 1,657,632

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

	<u>2022</u>
Beginning Balance	\$ 1,638,559
Service Cost	94,746
Difference between expected and actual experience	133,906
Interest on the total pension liability	31,350
Changes of assumptions or other imputs	(54,042)
Benefit payments	(28,407)
Ending balance of the total pension liability	<u>\$ 1,816,112</u>

Change of Assumptions. The Municipal Bond Index Rate increased from 1.93% to 2.25%

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2022 were \$146,464, which consisted of \$103,847 from the County and \$42,617 from the law enforcement officers.

In 2021-2022 the County also contributed four percent of each employee's gross salary to 401(k) accounts for employees who are not engaged in law enforcement. For the 2021-2022 year, contributions were \$300,722 which consisted of \$209,532 from the County and \$91,190 from employees.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description. Martin County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined 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 Register of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report of the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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 \$1,579 for the year ended June 30, 2022.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

At June 30, 2022, the County reported an asset of \$25,357 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021 (measurement date), the County's proportion was .0132%, which was a decrease of .016% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2022, the County recognized pension expense of \$3,610. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 271	\$ 308
Changes in assumptions	1,849	-
Net difference between projected and actual earnings on pension plan investments	-	78
Changes in proportion and differences between County contributions and proportionate share of contributions	3,327	-
County contributions subsequent to the measurement date	1,579	-
Total	<u>\$ 7,026</u>	<u>\$ 386</u>

\$1,579 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred inflow of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	Amount
2023	\$ 2,922
2024	1,608
2025	(59)
2026	590
2027	-
Thereafter	-

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

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

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

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

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 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 2.50%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current rate:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (20,141)	\$ (25,357)	\$ (29,740)

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

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

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

	LGERS	ROD	LEOSSA	Total
Proportionate share of the net pension liability (asset)	\$ 1,362,140	\$ (25,357)		\$ 1,336,783
Proportion of the net pension liability (asset)	0.0888%	0.13198%		
Total Pension Liability	\$ -	\$ -	\$ 1,816,112	\$ 1,816,112
Pension Expense	\$ 609,058	\$ 3,610	\$ 261,841	\$ 874,509

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Difference between expected and actual experience	\$ 433,346	\$ 271	\$ 236,690	\$ 670,307
Changes of assumptions	855,772	1,849	333,221	1,190,842
Net difference between projected and actual earnings on pension plan investments	-	-	-	-
Changes in proportion and differences between County contributions and proportionate share of contributions	5,634	3,327	-	8,961
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	854,016	1,579	28,407	884,002
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	\$ -	\$ 308	\$ -	\$ 308
Changes of assumptions	-	-	62,193	62,193
Net difference between projected and actual earnings on pension plan investments	1,946,089	78	-	1,946,167
Changes in proportion and differences between County contributions and proportionate share of contributions	23,547	-	-	23,547

f. **Other Postemployment Benefits (OPEB)**

County

Plan Description. According to a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB plan). The County Board has the authority to establish and amend the benefit terms and financing requirements.

Benefits Provided. For employees hired prior to September 1, 2011 and who retire from the Local Government Employees Retirement System, Martin County offers hospitalization or a Medicare supplement, if over age 65, under the following conditions:

<u>Employee Classification</u>	<u>Years of Creditable Service with LGERS</u>	<u>Last # Years Employment with Martin County</u>	<u>Retirement Age</u>	<u>Benefit</u>
All	30+ years	10	any	Full coverage paid for by County
Non-LEO	25+ years	10	60	Full coverage paid for by County
Non-LEO	20+ years	10	65	Full coverage paid for by County
LEO	20+ years	10	55	Full coverage paid for by County
All	20+ years	20	any	Full coverage paid for by County
All	20+ years	10	any	50% of coverage paid for by County
All	15+ years	15	65	50% of coverage paid for by County
Non-LEO	25+ years	10	60	50% of coverage paid for by County
Non-LEO	20+ years	10	65	50% of coverage paid for by County
LEO	20+ years	10	55	50% of coverage paid for by County

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Commissioners elected prior to September 1, 2011 are eligible for coverage determined by the years of service as an active County Commissioner to Martin County.

Years of Service	Benefit
10 - 15 years	66% of coverage paid for by County
16 - 19 years	75% of coverage paid for by County
20+ years	Full coverage paid for by County

Employees hired after August 31, 2011 are not eligible for retiree health insurance benefits upon retirement.

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

Retirees and dependents receiving benefits	72
Active plan participants	65
Total	137

Investments

Investment policy. The HCB Plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Commissioners by a majority vote of its members. It is the policy of the Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The HCB Plan's policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. Investments are valued at fair value. The following was the Board's adopted asset allocation policy and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2022:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
	2022	2022
Cash and Cash Equivalents	10.00%	2.32%
Equity Index Fund	50.00%	6.75%
Fixed Income	40.00%	2.84%
Total	100.00%	

Rate of return. For the year ended June 30, 2022, the long-term investment expected rate of return, net of OPEB plan investment expense, including price inflation was 4.74%.

The components of the net OPEB liability of the County at June 30, 2022 were as follows:

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Total OPEB liability	\$ 17,178,828
Plan fiduciary net position	<u>(1,191,337)</u>
County's net OPEB liability	\$ 15,987,491
Plan fiduciary net position as a percentage of the total OPEB liability	6.93%

Net OPEB Liability

The County's Net OPEB liability of \$15,987,491 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2020.

Actuarial assumptions and other inputs. The total OPEB liability in the 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%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases, including wage inflation	
General employees	3.25% - 8.41%
Law enforcement employees	3.25% - 7.90%
Long-term investment rate of return, net of OPEB plan investment expense, including price of inflation	4.74%
Municipal bond index rate	
Prior measurement date	2.16%
Measurement date	3.54%
Year FNP is projected to be depleted	
Prior measurement date	2029
Measurement date	2027
Single Equivalent Interest Rate, net of OPEB plan investment expense, including price inflation	
Prior measurement date	2.27%
Measurement date	3.59%
Health care cost trends	
Pre-Medicare	7.00% for 2020 decreasing to an ultimate rate of 4.50% by 2026
Medicare	5.25% for 2020 decreasing to an ultimate rate of 4.50% by 2024
Dental	4.00%

The discount rate used to measure the TOL was based upon the Single Equivalent Interest Rate.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2015 – December 31, 2019, adopted by LGERS.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The remaining actuarial assumptions (e.g., initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 valuation.

Several factors should be considered in evaluating the long-term rate of return assumption, including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) are developed by the investment consultant for each major asset class. These ranges should be 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 then adding expected inflation. The capital market assumptions developed by the investment consultant may cover a shorter investment horizon and may not be useful in setting the long-term rate of return for funding OPEB plans which are likely to cover a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

Discount Rate (SEIR). The discount rate used to measure the TOL as of the Measurement Date was 3.59%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 74. The projection's basis was an actuarial valuation performed as of June 30, 2020. In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually using the payroll growth assumptions.
- Active employees do not explicitly contribute to the Plan.
- In all years, the employer is assumed to contribute the average of at least 5 years of contributions to the Plan through deposits to the Trust and pays benefits directly to plan members as the benefits come due. The employer is assumed to have the ability and willingness to make benefit payments from its own resources for all periods in the projection.
- Projected assets do not include employer contributions that fund the estimated service costs of future employees.
- Cash flows occur mid-year.

Based on these assumptions, the Plan's FNP was projected to be depleted in 2029 and, as a result, the Municipal Bond Index Rate was used in the determination of the SEIR. Here, the long-term expected rate of return of 4.74% on Plan investments was applied to periods through 2027 and the Municipal Bond Index Rate at the Measurement Date (3.54%) was applied to periods on and after 2027, resulting in a SEIR at the Measurement Date (3.59%). There was a change in the discount rate from 2.271% at the Prior Measurement Date to 3.59% at the Measurement Date.

The FNP projections are based upon the Plan's financial status on the Measurement Date, the indicated set of methods and assumptions, and the requirements of GASB 74. As such, the FNP projections are not reflective of the cash flows and asset accumulations that would occur on an ongoing plan basis, reflecting the impact of future members. Therefore, the results of this test do not necessarily indicate whether or not the fund will actually run out of money, the financial condition of the Plan, or the Plan's ability to make benefit payments in future years.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Changes in the Net OPEB Liability

The following table shows the development of the TOL, FNP and NOL from the prior measurement date to the current measurement date.

Schedule of Changes in Net OPEB Liability

	Total OPEB Liability (a)	Plan Net Position (b)	Net OPEB Liability (a) - (b)
Balance as of June 30, 2021	\$ 20,497,040	\$ 1,360,943	\$ 19,136,097
Changes for the year:			
Service Cost at the end of the year (includes interest)	462,238	-	462,238
Interest on TOL and Cash Flows	461,311	-	461,311
Change in benefit terms	-	-	-
Difference between expected and actual experience	(240,722)	-	(240,722)
Changes of assumptions or other inputs	(3,649,031)	-	(3,649,031)
Contributions - employer	-	351,958	(351,958)
Contributions - non-employer	-	-	-
Net investment income	-	(169,606)	169,606
Benefit payments	(351,958)	(351,958)	-
Plan administrative expenses	-	-	-
Other	-	-	-
Net changes	(3,318,162)	(169,606)	(3,148,556)
Balance as of June 30, 2022	\$ 17,178,878	\$ 1,191,337	\$ 15,987,541

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.59%) or 1-percentage-point higher (4.59) than the current discount rate:

	1% Decrease (2.59%)	Discount Rate (3.59%)	1% Increase (4.59%)
Net OPEB Liability	\$ 18,648,141	\$ 15,987,491	\$ 13,849,059

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

	1% Decrease	Trend Rate *	1% Increase
Net OPEB Liability	\$ 13,457,363	\$ 15,987,491	\$ 19,172,070

* Medical - 7.75% and Prescription - 5.75%

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

**OPEB Expense
For Year Ending June 30, 2022**

Service Cost at end of year*	\$ 462,238
Interest on the Total OPEB Liability and Cash Flow	461,311
Current-period benefit changes	-
Expensed portion of current-period difference between expected and actual experience in the Total OPEB Liability	(76,679)
Expensed portion of current-period changes of assumptions or other inputs	(1,162,112)
Active member contributions	-
Projected earnings on plan investments	(64,509)
Expensed portion of current-period differences between actual and projected earnings on plan investments	46,823
Administrative Costs**	-
Other	-
Recognition of beginning Deferred Outflows of Resources as OPEB Expense	1,186,929
Recognition of beginning Deferred Inflows of Resources as OPEB Expense	(936,620)
OPEB Expense	<u><u>\$ (82,619)</u></u>

*The service cost includes interest for the year.

**Administrative costs are based on the fees paid from the Trust and any additional cost paid as reported outside the Trust.

For the year ended June 30, 2022, the County recognized OPEB expense (income) of (\$82,619). At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 931,324
Changes in assumptions	798,447	2,497,111
Differences between projected and actual earnings	73,912	-
Total	<u><u>\$ 872,359</u></u>	<u><u>\$ 3,428,435</u></u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Amounts reported as deferred outflows of resources related to pensions will be recognized in OPEB expense as follows:

Year ended June 30:	
2023	\$ (1,123,264)
2024	(1,319,689)
2025	(159,946)
2026	46,823
2027	-
Thereafter	-

Martin County ABC Board

Plan Description. Under the terms of a Board resolution that can be amended by the Board, the Board administers a single-employer defined benefit, Healthcare Benefits Plan (the HCB Plan). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

Benefits Provided. This plan provides postemployment healthcare benefits to retirees of the Board, provided they participate in the North Carolina Local Government Employees' Retirement System (System) and have at least twenty years of creditable service with the Board. The Board pays the full cost of coverage for these benefits through private insurers. The Board's retirees cannot purchase spouse or dependent coverage.

On March 13, 2012 the Board approved to cease providing postemployment healthcare benefits to future retirees that are hired on or after March 13, 2012. Current retirees and employees hired before March 13, 2012 who otherwise qualify, will continue to be eligible for postemployment health care benefits.

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

Retirees and dependents receiving benefits	6
Active plan participants	-
<u>Total</u>	<u>6</u>

Total OPEB Liability

The Board's total OPEB liability of \$492,825 was measured as of June 30, 2021 and was determined by an actuarial valuation as of June 30, 2021.

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Inflation	2.50%
Salary increases	3.25% to 8.41%, including inflation
Discount rate	2.16%
Health Care Cost Trends	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2024

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 as of the measurement date.

Changes in the Total OPEB Liability

	<u>2022</u>
Balance as of June 30, 2021	\$ 400,536
Changes for the year:	
Service Cost at the end of the year (includes interest)	-
Interest on TOL and Cash Flows	8,633
Change in benefit terms	-
Difference between expected and actual experience	96,788
Changes of assumptions or other inputs	6,741
Benefit payments	<u>(19,873)</u>
Net changes	<u>92,289</u>
Balance as of June 30, 2022	<u><u>\$ 492,825</u></u>

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

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvement using Scale 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 1, 2010 through December 31, 2014, adopted by LGERS.

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

	<u>1% Decrease (1.16%)</u>	<u>Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Total OPEB Liability	\$ 551,263	\$ 492,825	\$ 443,468

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

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

For the year ended June 30, 2021, the Board recognized OPEB expense (income) of \$112,162. At June 30, 2022, the Board reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Differences between projected and actual earnings	-	-
County contributions subsequent to measurement date	22,843	-
Total	<u>\$ 22,843</u>	<u>\$ -</u>

\$22,843 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ -
2024	-
2025	-
2026	-
2027	-
Thereafter	-

3. Other Employment Benefits

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

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The County provides additional group term life insurance in the amount of \$10,000 for each employee. The policy is provided by Fort Dearborn Life Insurance Company. For the year ending June 30, 2022, the County paid \$5,380 for these benefits. The County has no liability beyond the payment of monthly contributions. If an employee's benefits are in excess of \$50,000 when combining the Death Benefit Plan and the additional life insurance, the excess of \$50,000 is a taxable fringe benefit to the employee.

4. Deferred Outflows and Inflows of Resources

<u>Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB - difference between expected and actual experience	\$ -	\$ 931,324
OPEB - change is assumptions	798,447	2,497,111
OPEB - net difference between projected and actual earnings	73,912	-
Pensions - difference between expected and actual experience		
LGERS	433,346	-
Register of Deeds	271	308
LEOSSA	236,690	62,193
Pensions - difference between projected and actual investment earnings		
LGERS	-	78
Register of Deeds	-	1,946,089
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	5,634	23,547
Register of Deeds	3,327	-
Pensions - change in assumptions		
LGERS	855,772	-
Register of Deeds	1,849	-
LEOSSA	333,221	-
Contributions to pension plan in fiscal year		
LGERS	854,016	-
Register of Deeds	1,579	-
Benefit payments/administrative costs paid subsequent to the measurement date (LEOSSA)	28,407	-
Leases (General)	-	124,300
Prepaid taxes not yet earned (General)	-	122,667
Prepaid lease proceeds (Special Revenue)	-	3,541,661
Prepaid grants not yet earned (General)		854
Total	<u>\$ 3,626,471</u>	<u>\$ 9,250,132</u>

5. 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 Risk Management Agency of the North Carolina Association of County Commissioners.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

Through these pools, the County obtains property insurance coverage on buildings and contents coverage (which include inland marine and computers), general liability coverage of \$2 million per occurrence, worker's compensation coverage up to statutory limits, and employee health coverage. The pools are reinsured through commercial companies for single occurrence losses in excess of \$500,000 up to \$2 million limit for general liability coverage, \$2 million of aggregate annual losses in excess of \$1,000 per occurrence for property coverage, and single occurrence losses of \$1,350,000 for worker's compensation.

The County carries flood insurance through The Hartford. Because the County is in an area of the state that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase flood insurance on various buildings throughout the County. The coverage is based on replacement costs of the buildings.

In accordance with G.S. 159-29, the County's employees who 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 is individually bonded for \$250,000, the Tax Collector for \$50,000, the Sheriff for \$25,000, and the Register of Deeds for \$10,000. The remaining employees that have access to funds are bonded under a blanket bond for \$2,000,000.

The County currently carries no commercial insurance. 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.

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

The Tourism Development Authority 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 Authority carries commercial coverage for all risks of loss. Through these policies the Authority obtains property insurance coverage of \$50,000 per occurrence, general liability of \$1 million per occurrence, and worker's compensation coverage up to statutory limits. There have been no significant reductions in insurance coverage in the prior year, and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

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

7. Long-term Obligations

a. Leases

The County has entered into agreements to lease certain equipment and office space. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The first agreement was executed in March 2019 to lease office equipment and requires sixty monthly payments of \$628. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 0.648%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$12,492 as of June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The second agreement was executed in August 2019 to lease office space and requires one hundred two monthly payments of \$2,650. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 1.138%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$44,962 as of June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The third agreement was executed in April 2022 to lease office equipment and requires sixty monthly payments of \$121. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.01%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$6,429 as of June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The fourth agreement was executed in April 2022 to lease office equipment and requires sixty monthly payments of \$106. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.01%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$5,642 as of June 30, 2022. The right to use asset is discussed in more detail in the right to use asset section of this note.

The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2022 were as follows:

Year Ending June 30	Principal Payments	Interest Payments	Total
2023	\$ 17,297	\$ 910	\$ 18,207
2024	14,988	705	15,693
2025	10,135	532	10,667
2026	10,298	368	10,666
2027	9,782	203	9,985
2028	7,860	89	7,949
Total	<u>\$ 70,360</u>	<u>\$ 2,807</u>	<u>\$ 73,167</u>

b. Installment Purchases

As authorized by State Law (G.S. 160A-20 and 153A-158.1), the County financed the construction of a new middle school in a direct placement for use by the Martin County Board of Education during the fiscal year ended June 30, 2011, by an installment purchase. The installment purchase was issued pursuant to a deed of trust that requires that legal title remain with the County as long as the debt is outstanding, because the property is pledged as collateral for the debt. The County has entered into a lease with the Martin County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease term is the same as that of the purchase obligation.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The installment purchase was executed on May 19, 2011. At that time, the transaction required 15 annual payments by the County of \$1,000,000 into a sinking fund held by the escrow agent in the County's name, and thirty semi-annual interest payments at an interest rate of 5.43% and one principle payment at the end of the term. On May 19, 2014, the County made a principal payment of the remaining amount advanced in compliance with the financing documents of \$940,481. In connection with the prepayment, the amount to be deposited annually to the sinking fund changed to \$937,301. The transaction utilized Qualified School Construction Bonds, which allows the County to be refunded the interest payments. For Martin County, the future minimum payments as of June 30, 2022, including \$3,049,614 of interest are:

Year Ending June 30	Governmental Activities Principal	Interest
2023		\$ 763,432
2024		763,432
2025		763,432
2026	\$ 14,059,521	759,318
Principal payments	\$ 14,059,521	
Total interest payments		\$ 3,049,614

Currently the County is being refunded 94.5% of the interest paid. Direct placement installment purchase in the amount of \$14,059,521 includes a provision that if the County is determined to be in default, the full amount of the obligation could become due immediately, at the discretion of the lender.

c. General Obligation Indebtedness/Limited Obligation Indebtedness

The general obligation bonds issued to finance the construction of facilities utilized in the operations of the water system, which are being retired by its resources, are reported as debt in the Water and Sewer District Funds. All general obligation bonds are backed by the faith, credit and taxing power of the County. Principal and interest requirements are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

In December 2014, the Water Districts (blended component units of the County) issued GO debt (30 year), the proceeds of which are used to refund existing USDA District debt. The original issue amount of the GO debt was \$14,445,000 with the annual installments of \$265,000 to \$655,000; plus interest at 2 to 4% through June 1, 2044. The balance at June 30, 2015 was \$14,180,000. The County then issued Limited Obligation Bonds in an amount sufficient enough to purchase all the Districts GO debt. Both the District and the County assign their rights to a third-party trustee that received the debt payments from the District and uses those funds to make the debt service payments on the LOBs.

The County Water Fund is responsible for accounting for the Limited Obligation Bonds which are accounted for as Limited Obligations in the County Water Fund.

Water Department Limited Obligations:

Serviced by the County's Water Fund:

\$14,445,000 2014 Limited Obligation Water Bonds;

due in annual installments of \$265,000 to \$655,000

plus interest at 2.0% to 4% through June 1, 2044

\$11,845,075

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

The County is required by law to budget both the GO district debt and the County Water Fund LOBs. These budget to actual schedules are reported behind the notes to the financial statements.

In the Government-wide statements and the fund statements that appear before the notes, the County is required to net the GO debt transaction in the District funds against the County Water Fund, and present the LOBs in each water district.

Annual debt service requirements to maturity for the County's general obligation bonds, including interest of \$5,183,374 are as follows:

Year Ending June 30	Business-type Activities	
	Principal	Interest
2023	\$ 390,000	\$ 456,581
2024	400,000	440,981
2025	415,000	424,981
2026	435,000	108,381
2027	450,000	390,981
2028-2032	2,540,000	1,670,306
2033-2037	3,025,000	1,103,588
2038-2042	3,060,000	525,950
2043-2044	1,130,075	61,625
Principal payments	<u>\$ 11,845,075</u>	
Total interest payments		<u>\$ 5,183,374</u>

At June 30, 2022, Martin County had a legal debt margin of \$150,619,304.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

d. Long-Term Obligations Activity

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

	Balance July 1, 2021	Balance July 1, 2021 (As restated)*	Increases	Decreases	Balance June 30, 2022	Current Portion of Balance
Governmental activities:						
Direct placement installment purchase	\$ 14,059,521	\$ -	\$ -	\$ -	\$ 14,059,521	\$ -
Lease liability	-	73,743	12,626	16,009	70,360	17,297
Compensated absences	711,509	-	242,643	230,697	723,455	200,000
Net OPEB liability	18,512,261	-	-	3,045,962	15,466,299	-
Net pension liability (LGERS)	3,198,618	-	-	1,877,008	1,321,610	-
Total pension liability (LEOSSA)	1,638,559	-	177,553	-	1,816,112	-
Total governmental activities	<u>\$ 38,120,468</u>	<u>\$ 73,743</u>	<u>\$ 432,822</u>	<u>\$ 5,169,676</u>	<u>\$ 33,457,357</u>	<u>\$ 217,297</u>
Business-type activities:						
Limited obligation bonds	\$ 12,220,075	\$ -	\$ -	\$ 375,000	\$ 11,845,075	\$ 390,000
Net OPEB liability	623,836	-	-	102,644	521,192	-
Net pension liability (LGERS)	98,583	-	-	58,053	40,530	-
Compensated absences	14,838	-	1,640	2,028	14,450	3,000
Total business-type activities	<u>\$ 12,957,332</u>	<u>\$ -</u>	<u>\$ 1,640</u>	<u>\$ 537,725</u>	<u>\$ 12,421,247</u>	<u>\$ 393,000</u>

*The notes require a restatement due to the implementation of GASB 87. There is no impact on the financial statements.

Net pension liability, total pension liability, and net other postemployment liability for governmental activities are all typically liquidated in the General Fund. Compensated absences typically have been liquidated in the General Fund and are accounted for on a last in first out (LIFO) basis, assuming employees are taking leave time as it is earned.

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

Direct placement installment purchase	\$ 457,478	\$ -	\$ 25,842	\$ 431,636	\$ 27,029
Net pension liability (LGERS)	93,266	-	54,466	38,800	-
Total OPEB liability	400,536	92,289	-	492,825	-
Total	<u>\$ 951,280</u>	<u>\$ 92,289</u>	<u>\$ 80,308</u>	<u>\$ 963,261</u>	<u>\$ 27,029</u>

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

Compensated absences	\$ 9,461	\$ -	\$ 4,980	\$ 4,481	\$ 1,500
Net pension liability (LGERS)	16,795	-	6,213	10,582	-
Total	<u>\$ 26,256</u>	<u>\$ -</u>	<u>\$ 11,193</u>	<u>\$ 15,063</u>	<u>\$ 1,500</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

e. Conduit Debt Obligations

Martin County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit, and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance.

Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2022, there were seven series of industrial revenue bonds outstanding, with an aggregate principal amount payable of \$244,845,000.

C. Interfund Balances and Activity

The composition of current interfund balances as of June 30, 2022 is as follows:

Advances to/from other funds:

From the General Fund to the Martin County Water and Sewer Districts to supplement other funding sources:

Water and Sewer District No. 1	\$ 154,981
Water and Sewer District No. 2	1,446,798
Water and Sewer District No. 4	10,421
	<u>\$ 1,612,200</u>

From the General Fund to the Special Revenue and Capital Project funds to supplement other funding sources:

Airport Expansion Fund	52,081
	<u>\$ 52,081</u>

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

From the General Fund to the Debt Service Fund to accumulate resources for the debt payment on the middle school	\$ 937,301
From the General Fund to the Program Grant Fund to provide a match for grant revenue	15,000
From the General Fund to the Emergency Telephone System Fund for reimbursement of supplies	2,674
From the General Fund to the Scattered Site CDBG Fund to provide a match for grant revenue	5,000
From the General Fund to the Business Park Fund to expand the infrastructure at the park	10,000
	<u>\$ 969,975</u>

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

D. Net Investment in Capital Assets

Net investment in capital assets is calculated as follows:

	Governmental Activities	Business-type Activities	Total
Total capital assets	\$ 25,778,266	\$ 13,001,733	\$ 38,779,999
Right to use asset	69,525	-	69,525
Note receivable	-	2,343,786	2,343,786
Outstanding lease liability	(70,360)	-	(70,360)
Outstanding debt	(14,059,521)	(11,845,075)	(25,904,596)
Net Investment in Capital Assets	<u>\$ 11,717,910</u>	<u>\$ 3,500,444</u>	<u>\$ 15,218,354</u>

E. Fund Balance

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

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

Total fund balance - General Fund	\$ 16,555,104
Less:	
Advances	(1,664,281)
Leases	(307)
Prepays	(105,757)
Stabilization by State Statute	(2,316,127)
Register of Deeds	(23,751)
Tax Revaluation	(190,428)
Appropriated Fund Balance in 2023 budget	(1,423,881)
Working Capital/Fund Balance Policy	-
Remaining Fund Balance	<u>\$ 10,830,572</u>

Martin 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 than 20% of budgeted expenditures.

III. JOINT VENTURES

The County participates in a joint venture to operate the Beaufort-Hyde-Martin Regional Library (Library) with two other counties and four municipalities. Each participating county appoints three board members to the nine member board of the Library. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments has any equity interest in the Library, so no equity interest

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$104,904 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 158 North Market Street, Washington, NC 27889.

The County participates in a joint venture to operate the Bertie-Martin Regional Jail (Jail) with one other local government. Each participating government appoints three board members to the six-member board of the Jail. The County has an ongoing financial responsibility for the joint venture because the Jail's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Jail, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$1,346,486 to the Jail to supplement its activities. Complete financial statements for the Jail may be obtained from the Jail's offices at 230 County Farm Road, Windsor, NC 27983.

The County participates in a joint venture to operate the Martin-Tyrrell-Washington Health Department with two other local governments. Each participating government appoints board members to the fifteen member board based upon population. Martin, Tyrrell, and Washington counties each appoint one member from their respective Board of Commissioners. These Board members appoint the remaining members from restricted profiles established by state statute. The County has an ongoing financial responsibility for the joint venture because the Health Department's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Health Department, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$378,733 to the Health Department to supplement its activities. Complete financial statements for the Health Department may be obtained from the Department's offices at P. O. Box 396, Plymouth, NC 27962.

The County participates in a joint venture to operate the Trillium Health Resources (the Center) with nineteen other local governments. Martin County appoints one board member to the twenty-four member board of the Center. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$48,462 to the Center to supplement its activities. Complete financial statements for the Center may be obtained from the Center's offices at 1141 North Road Street, Suite L, Elizabeth City, NC 27909.

The County, in conjunction with the State of North Carolina and the Martin County Board of Education, participates in a joint venture to operate Martin County Community College. Each of the three participants appoints four members of the thirteen member Board of Trustees of the Community College. The president of the Community College's student government association serves as a non-voting, ex officio member of the Board of Trustees. The Community College is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities. The County contributed \$1,026,250 and \$60,000 to the Community College for operating and capital purposes, respectively, during the fiscal year ended June 30, 2022. The

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2022. Complete financial statements for the Community College may be obtained from the Community College's administrative offices at Kehukee Park Road, Williamston, NC 27892.

IV. JOINTLY GOVERNED ORGANIZATIONS

The County participates in a joint venture with the Town of Williamston to operate the Martin County Regional Water and Sewer Authority (Authority). Each member appoints three board members to the six member board. The County has an ongoing financial responsibility for the joint venture because the Authority's continued existence depends on the participating governments' continued funding. None of the governments has any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2022. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$540,727 to the Authority to fund its activities. Complete financials for the Authority may be obtained from the Authority's offices at 305 East Main Street, Williamston, NC 27892.

The County, in conjunction with four other counties and forty municipalities, is a member of the Region Q Council of Government (Mid-East Commission). The participating governments established the Commission to coordinate funding received from various federal and state agencies. Each participating government appoints two members to the Commission's governing board. The County paid membership fees of \$16,768 to the Commission during the fiscal year ended June 30, 2022.

V. BENEFIT PAYMENTS ISSUED BY THE STATE

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

<u>Program Title</u>	<u>Assistance Listing No.</u>	<u>Federal</u>	<u>State</u>
Supplemental Nutrition Assistance Program	10.561	15,436,818	-
Temporary Assistance for Needy Families	93.558	59,808	-
Adoption Assistance	93.659	226,670	42,402
Foster Care - Title IV-E	93.658	91,661	18,314
Medical Assistance Program	93.778	46,346,993	17,855,209
Children's Health Insurance Program	93.767	454,265	101,716
Child Welfare Services Adoption		-	38,831
State Foster Home		-	29,735
SFHF Maximization		-	224
SC/SA Domiciliary Care		-	168,826
Foster Care - Title IV-B		-	27,500

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

VI. SUMMARY DISCLOSURE OF SIGNIFICANT COMMITMENTS AND CONTINGENCIES

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 monies to the grantor agencies. Management believes any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

Under the terms of the agreement to lease the hospital, signed October 31, 1998, the County has a potential liability regarding periods prior to the lease agreement with any threatened or pending investigation from any of the Medicare, Medicaid, or third-party payer programs.

VII. LEASE OF HOSPITAL

On October 31, 1998, the County entered into an agreement with Williamston Hospital Corporation, a wholly-owned subsidiary of Community Health Systems, to lease the assets of the hospital. Under the terms of the agreement, the lessee prepaid rent in the amount of \$17,000,000, which constitutes all of the rent for the entire lease term. The terms of the agreement are for a period of thirty years with an option to extend the lease for an additional term of ten years. In addition, this lease included a provision whereby the lessee is to purchase assets owned or used by the hospital in connection with their operations, other than the leased premises, as specified in the agreement. The purchase price of the assets was adjusted after closing to reflect adjusted working capital and other post-closing issues.

For Martin County, minimum future rentals on non-cancelable operating leases as of June 30, 2022 are as follows:

<u>Year Ending June 30</u>	
2023	\$ 566,667
2024	566,667
2025	566,667
2026	566,667
2027	566,667
2028-2029	<u>708,326</u>
	<u><u>\$ 3,541,661</u></u>

VIII. 911 DISCLAIMER

Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view and policies of the North Carolina 911 Board.

IX. CHANGE IN ACCOUNTING PRINCIPLES

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, effective July 1, 2021. The statement enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources.

Martin County, North Carolina
NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended June 30, 2022

As part of implementing this statement, the County performed a comprehensive review of its lease relationships and applied the criteria within the guidance. As a result, the County recognized a lease receivable and deferred inflow of resources of \$189,668 related to its lessor transactions at July 1, 2021. In addition, the County recognized a right to use asset net of accumulated amortization and related lease liability of \$86,369 at July 1, 2021 for its lessee transactions. There was no effect on beginning net position or fund balance.

X. SUBSEQUENT EVENTS

Management has evaluated subsequent events through November 28, 2022, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information required by generally accepted accounting principles.

Schedule of Changes in the Net Other Postemployment Benefits (OPEB) Liability and Related Ratios

Schedule of County Contributions (HCB)

Schedule of Investment Returns (HCB)

Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)

Schedule of County Contributions (LGERS)

Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEOSSA)

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

Martin County, North Carolina
SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS
June 30, 2022

Total OPEB Liability

	2022	2021	2020	2019	2018
Service cost	\$ 462,238	\$ 572,524	\$ 379,822	\$ 411,375	\$ 497,888
Interest on the total pension liability	461,311	502,220	621,734	659,387	551,475
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	(240,772)	(2,081,696)	(57,275)	(1,015,294)	(45,543)
Changes of assumptions or other inputs	(3,649,031)	(28,070)	3,992,240	611,658	(1,672,862)
Benefit payments	(351,958)	(415,774)	(418,777)	(372,187)	(368,773)
Net change in total OPEB liability	(3,318,212)	(1,450,796)	4,517,744	294,939	(1,037,815)
Beginning pension liability balance	20,497,040	21,947,836	17,430,092	17,135,153	18,504,452
Ending Total OPEB Liability	<u>17,178,828</u>	<u>20,497,040</u>	<u>21,947,836</u>	<u>17,430,092</u>	<u>17,466,637</u>
Plan Fiduciary Net Position					
Contributions - Employer	351,958	415,774	418,777	1,372,187	
Net Investment Income	(169,606)	220,733	53,110	87,100	
Benefit payments	(351,958)	(415,774)	(418,777)	(372,187)	
Net Change in Plan Fiduciary Net Position	(169,606)	220,733	53,110	1,087,100	
Plan Fiduciary Net Position - beginning	1,360,943	1,140,210	1,087,100	-	
Plan Fiduciary Net Position - ending	<u>1,191,337</u>	<u>1,360,943</u>	<u>1,140,210</u>	<u>1,087,100</u>	
Net OPEB Liability - ending	<u>\$ 15,987,491</u>	<u>\$ 19,136,097</u>	<u>\$ 20,807,626</u>	<u>\$ 16,342,992</u>	
Plan fiduciary net position as a percentage of the total OPEB liability	6.93%	6.64%	5.20%	6.24%	
Covered-employee payroll	\$ 2,766,470	\$ 2,766,470	\$ 2,939,115	\$ 2,939,115	
Net OPEB liability as a percentage of covered-employee payroll	577.90%	691.72%	707.96%	556.05%	

The difference in \$331,484 between the 2018 ending TOL and the 2019 beginning TOL is due to the change in assumption. The measurement date was changed to be the same date as the report date instead of 12 months in arrears of the report date.

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
SCHEDULE OF THE COUNTY CONTRIBUTIONS
HEALTHCARE BENEFITS PLAN
For the Year Ended June 30, 2022

Healthcare Benefits Plan

	2022	2021	2020	2019
Actuarially Determined Contribution	\$ 1,019,679	\$ 1,119,961	\$ 1,119,961	\$ 1,119,978
Contributions in relation to the Actuarially Determined Contribution	351,958	415,774	418,777	1,372,187
Annual contribution deficiency (excess)	\$ 667,721	\$ 704,187	\$ 701,184	\$ (252,209)
Covered payroll	\$ 2,766,470	\$ 2,766,470	\$ 2,939,115	\$ 2,939,115
Actual contributions as a percentage of covered payroll	12.72%	15.03%	14.25%	46.69%

Assumptions used to calculate contribution rates:

Actuarial cost method	Entry age normal
Amortization method	30-yr level pay
Amortization period	Decrease each year
Asset valuation method	Market value
Inflation	2.50%
Healthcare cost trend rates	7.00% initial, decreasing to 4.50% by 2026
Salary increases	3.25 to 8.41% including inflation and productivity factor
Discount rate as of the measurement date	3.59% per annum,
Retirement age	Based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019 adopted by the LGERS Board
Mortality	Based on the Pub-2010 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2019

Martin County, North Carolina
SCHEDULE OF INVESTMENT RETURNS
HEALTHCARE BENEFITS PLAN
For the Year Ended June 30, 2022

Healthcare Benefits Plan Investment Returns

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Long term investment rate of return, net of OPEB plan investment expense, including price inflation	4.74%	4.74%	4.74%	4.74%

Martin County, North Carolina
**SCHEDULE OF THE COUNTY'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY (ASSET)**
 Last Nine Fiscal Years

Local Governmental Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)%	0.089%	0.092%	0.096%	0.098%	0.096%	0.089%	0.092%	0.920%	0.096%
County's proportionate share of the net pension liability (asset)\$	\$ 1,362,140	\$ 3,297,201	\$ 2,614,585	\$ 2,324,895	\$ 1,471,352	\$ 1,896,306	\$ 412,038	\$ (540,618)	\$ 1,152,347
County's covered-payroll	\$ 6,962,710	\$ 6,984,666	\$ 6,637,486	\$ 6,435,638	\$ 6,074,494	\$ 5,789,835	\$ 5,476,422	\$ 5,499,478	\$ 5,482,322
County's proportion of the net pension liability (asset) as a percentage of its covered-payroll	19.56%	47.21%	39.39%	36.10%	24.22%	32.75%	7.52%	9.83%	21.02%
Plan fiduciary net position as a percentage of the total pension liability	95.51%	92.00%	94.18%	91.47%	98.09%	98.79%	102.64%	94.35%	98.22%

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

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
SCHEDULE OF COUNTY CONTRIBUTIONS
Last Nine Fiscal Years

Local Governmental Employees' Retirement System

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 843,184	\$ 722,284	\$ 644,763	\$ 534,244	\$ 502,127	\$ 458,014	\$ 392,341	\$ 387,294	\$ 389,832
Contributions in relation to the contractually required contribution	843,184	722,284	644,763	534,244	502,127	458,014	392,341	387,294	389,832
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered-payroll	\$ 7,328,287	\$ 6,962,710	\$ 6,984,666	\$ 6,637,486	\$ 6,435,638	\$ 6,074,494	\$ 5,789,835	\$ 5,476,422	\$ 5,499,478
Contribution as a percentage of covered-payroll	11.51%	10.37%	9.23%	8.05%	7.80%	7.50%	6.78%	7.70%	7.09%

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
**SCHEDULE OF THE COUNTY'S PROPORTIONATE
 SHARE OF THE NET PENSION LIABILITY (ASSET)**
 Last Nine Fiscal Years

Register of Deeds' Supplemental Pension Fund

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)%	0.132%	0.148%	0.155%	0.170%	0.180%	0.190%	0.190%	0.190%	0.170%
County's proportionate share of the net pension liability (asset)\$	\$ (25,357)	\$ (34,013)	\$ (30,669)	\$ (27,929)	\$ (30,128)	\$ (34,619)	\$ (42,772)	\$ (42,555)	\$ (36,192)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%	188.75%	189.65%

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

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
SCHEDULE OF COUNTY CONTRIBUTIONS
 Last Nine Fiscal Years

Register of Deeds' Supplemental Pension Fund

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,579	\$ 1,455	\$ 1,421	\$ 1,476	\$ 1,443	\$ 1,534	\$ 1,513	\$ 1,477	\$ 1,533
Contributions in relation to the contractually required contribution	<u>1,579</u>	<u>1,455</u>	<u>1,421</u>	<u>1,476</u>	<u>1,443</u>	<u>1,534</u>	<u>1,513</u>	<u>1,477</u>	<u>1,533</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
SCHEDULE OF THE CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE

Law Enforcement Officers' Special Separation Allowance

	2022	2021	2020	2019	2018	2017
Beginning pension liability balance	\$ 1,638,559	\$ 1,051,096	\$ 844,269	\$ 751,336	\$ 607,009	\$ 573,305
Service cost	94,746	55,113	53,012	53,324	45,597	35,670
Interest on the total pension liability	31,350	33,917	30,508	23,624	23,286	20,400
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	133,906	71,603	97,662	65,142	17,835	-
Changes of assumptions or other inputs	(54,042)	448,196	37,946	(41,655)	65,111	(18,615)
Benefit payments	(28,407)	(21,366)	(12,301)	(7,502)	(7,502)	(3,751)
Other changes	-	-	-	-	-	-
Ending pension liability balance	<u>\$ 1,816,112</u>	<u>\$ 1,638,559</u>	<u>\$ 1,051,096</u>	<u>\$ 844,269</u>	<u>\$ 751,336</u>	<u>\$ 607,009</u>

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

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

Martin County, North Carolina
**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
 LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE**

Law Enforcement Officers' Special Separation Allowance

	2022	2021	2020	2019	2018	2017
Total pension liability	\$ 1,816,112	\$ 1,638,559	\$ 1,051,096	\$ 844,269	\$ 751,336	\$ 607,009
Covered payroll	2,094,572	1,898,764	1,886,786	1,684,306	1,672,357	1,293,818
Total pension liability as a percentage of covered payroll	86.71%	86.30%	55.71%	50.13%	44.93%	46.92%

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

The above schedules are intended to show information for ten years. Additional years' information will be displayed as it becomes available.

GENERAL FUND

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



Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes:			
Current year		\$ 15,773,425	
Prior years		563,769	
Tax penalties and interest		182,508	
Tax commission		22,307	
Total	<u>\$ 16,281,238</u>	<u>16,542,009</u>	<u>\$ 260,771</u>
Local option sales taxes:			
Local option sales tax 1 cent		1,935,135	
Local option sales tax ½ cent		1,832,450	
Local option sales tax - Board of Education - ½ cent		1,467,774	
Local options sales tax ¼ cent		680,075	
Total	<u>5,092,490</u>	<u>5,915,434</u>	<u>822,944</u>
Other taxes and licenses:			
Beer and wine license		1,330	
Room occupancy tax		329,776	
Cable TV franchise		20,963	
Scrap tire disposal tax		36,678	
Gross receipts tax		16,990	
Deeds stamp tax		67,248	
Solid waste disposal tax		13,970	
Total	<u>446,300</u>	<u>486,955</u>	<u>40,655</u>
Unrestricted intergovernmental revenues:			
Beer and wine		55,262	
State reimbursement for DWI		1,978	
Jail fees		6,935	
Total	<u>71,000</u>	<u>64,175</u>	<u>(6,825)</u>
Restricted intergovernmental revenues:			
ABC bottle tax		10,397	
Court facilities fees		49,792	
Automation enhancement		9,064	
OJJ grants		134,418	
Emergency management		57,452	
DSS		3,271,877	
Sheriff:			
SRO grant		520,392	
State grant		84,270	
Officer fees		16,125	
Contract deputy fees		29,103	
Misdemeanant confinement		428	
Miscellaneous grants		4,125	

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Restricted intergovernmental revenues: (continued)			
Soil conservation		27,399	
HCCBG Aging grant		421,154	
Public School Building Capital Fund		285,758	
Stream Clean-up grant		104,013	
CARES grants		290,018	
QSCB Interest reimbursement		719,916	
Electronic mgmt fund		284	
Scrap tire disposal		1,700	
Spay/Neuter program		15,694	
Senior Center – grants		17,888	
Martin County Council on Aging		30,000	
NCDOT grant		461,016	
Transit grants		143,556	
Total	<u>7,150,008</u>	<u>6,705,839</u>	<u>(444,169)</u>
Licenses and fees:			
Register of Deeds fees		82,135	
Building permits and inspection fees		55,292	
DMV fees		135,736	
Sheriff's pistol permits		4,480	
Concealed weapon permits		13,510	
Total	<u>284,000</u>	<u>291,153</u>	<u>7,153</u>
Sales and services:			
Rents and concessions		29,620	
Lease revenue		65,368	
Airport operations		102,897	
Solid waste fees		2,412,881	
TDA management fee		5,395	
Senior center operations		33,621	
Transit operations		266,878	
Sheriff fees and miscellaneous		60,520	
Total	<u>2,525,465</u>	<u>2,977,180</u>	<u>451,715</u>
Investment earnings	<u>2,000</u>	<u>18,962</u>	<u>16,962</u>

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Miscellaneous:			
ABC proceeds		103,725	
Other		71,581	
White Oak paving		2,811	
Fines and forfeitures		156,476	
Insurance proceeds		21,041	
Legal reimbursements		6,426	
Total	321,330	362,060	40,730
Total revenues	32,173,831	33,363,767	1,189,936
Expenditures			
<u>General Government:</u>			
Governing Body:			
Salaries and benefits		98,439	
Other operating expenditures		121,384	
Capital outlay		60,000	
Total	292,064	279,823	12,241
County Manager:			
Salaries and benefits		253,361	
Other operating expenditures		24,379	
Total	279,990	277,740	2,250
Elections:			
Salaries and benefits		100,772	
Other operating expenditures		45,528	
Total	196,752	146,300	50,452
Data Processing:			
Salaries and benefits		167,366	
Other operating expenditures		161,578	
Capital outlay		11,029	
Total	372,732	339,973	32,759
Finance:			
Salaries and benefits		389,873	
Other operating expenditures		99,000	
Total	496,138	488,873	7,265
Tax Assessor:			
Salaries and benefits		259,843	
Other operating expenditures		108,825	
Total	414,878	368,668	46,210

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Tax Collector:			
Salaries and benefits		252,770	
Other operating expenditures		84,956	
Capital outlay		5,901	
Total	<u>387,527</u>	<u>343,627</u>	<u>43,900</u>
Legal:			
Other operating expenditures		57,902	
Total	<u>66,116</u>	<u>57,902</u>	<u>8,214</u>
DMV License Plate Agency:			
Salaries and benefits		101,405	
Other operating expenditures		24,989	
Total	<u>130,678</u>	<u>126,394</u>	<u>4,284</u>
Register of Deeds:			
Salaries and benefits		228,322	
Other operating expenditures		49,474	
Total	<u>287,635</u>	<u>277,796</u>	<u>9,839</u>
Public buildings:			
Governmental Center:			
Salaries and benefits		209,051	
Other operating expenditures		237,656	
Capital outlay		49,563	
Total	<u>575,789</u>	<u>496,270</u>	<u>79,519</u>
County Office building:			
Utilities		8,847	
Other operating expenditures		29,941	
Total	<u>43,268</u>	<u>38,788</u>	<u>4,480</u>
Agricultural building:			
Utilities		10,480	
Other operating expenditures		21,448	
Total	<u>34,257</u>	<u>31,928</u>	<u>2,329</u>
Farmer's Market:			
Utilities		4,036	
Other operating expenditures		16,463	
Total	<u>23,211</u>	<u>20,499</u>	<u>2,712</u>

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Moratoc Park:			
Utilities		12,817	
Other operating expenditures		32,651	
Total	52,311	45,468	6,843
Health Department:			
Utilities		23,641	
Other operating expenditures		55,622	
Capital outlay		7,284	
Total	85,514	86,547	(1,033)
Kehukee Office Building:			
Utilities		10,842	
Other operating expenditures		31,584	
Total	48,292	42,426	5,866
Shooting Range Building:			
Other operating expenditures		652	
Total	3,700	652	3,048
Watts Street Building:			
Other operating expenditures		6,335	
Total	14,540	6,335	8,205
PSAP Building:			
Utilities		25,504	
Other operating expenditures		41,768	
Total	60,153	67,272	(7,119)
Water Maintenance Building:			
Other operating expenditures		2,907	
Total	20,000	2,907	17,093
Ray Street Building:			
Other operating expenditures		23,387	
Total	27,842	23,387	4,455
Court facilities:			
Salaries and benefits		242	
Other operating expenditures		50,515	
Capital outlay		53,806	
Total	71,830	104,563	(32,733)
<u>Total General Government</u>	<u>3,985,217</u>	<u>3,674,138</u>	<u>311,079</u>

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
<u>Public Safety:</u>			
Sheriff:			
Salaries and benefits		3,278,766	
Other operating expenditures		471,605	
Capital outlay		306,436	
Total	<u>4,465,236</u>	<u>4,056,807</u>	<u>408,429</u>
Communications:			
Salaries and benefits		644,134	
Other operating expenditures		55,931	
Total	<u>713,277</u>	<u>700,065</u>	<u>13,212</u>
Emergency Management:			
Salaries and benefits		107,849	
Other operating expenditures		21,689	
Total	<u>138,863</u>	<u>129,538</u>	<u>9,325</u>
Building Inspector:			
Salaries and benefits		98,420	
Other operating expenditures		9,491	
Total	<u>151,568</u>	<u>107,911</u>	<u>43,657</u>
Medical Examiner	<u>40,000</u>	<u>30,250</u>	<u>9,750</u>
Jail:			
Bertie-Martin Regional Jail		1,346,486	
Youth Services – detention subsidy		17,202	
Total	<u>1,376,486</u>	<u>1,363,688</u>	<u>12,798</u>
Rescue Squads	<u>430,475</u>	<u>429,384</u>	<u>1,091</u>
<u>Total Public Safety</u>	<u>7,315,905</u>	<u>6,817,643</u>	<u>498,262</u>
<u>Environmental Protection:</u>			
Construction and Demolition Facility:			
Salaries and benefits		241,278	
Other operating expenditures		2,333,142	
Total	<u>2,694,551</u>	<u>2,574,420</u>	<u>120,131</u>
Forest Fire Protection	<u>96,714</u>	<u>79,620</u>	<u>17,094</u>
<u>Total Environmental Protection</u>	<u>2,791,265</u>	<u>2,654,040</u>	<u>137,225</u>

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
<u>Economic & Physical Development:</u>			
Soil conservation:			
Salaries and benefits		137,986	
Other operating expenditures		115,920	
Total	272,316	253,906	18,410
Cooperative extension:			
Salaries and benefits		4,738	
Contracted services		116,119	
Other operating expenditures		18,658	
Total	232,198	139,515	92,683
Water:			
Water tank maintenance			
Other operating expenditures		14,109	
Total	170,799	14,109	156,690
Martin County Chamber of Commerce	22,500	22,500	-
Economic Development Corporation	638,665	636,082	2,583
Martin County Travel & Tourism Authority	315,250	316,616	(1,366)
<u>Total Economic & Physical Development</u>	1,651,728	1,382,728	269,000
<u>Human Services:</u>			
Social Services:			
Administration:			
Salaries and benefits		3,077,076	
Other operating expenditures		757,070	
Total	4,307,453	3,834,146	473,307
Assistance Programs:			
Work First		2,974	
Independent Living		30,862	
Special assistance for adults		177,442	
Low Income Energy Assistance		516,221	
General assistance		8,121	
TANF – Foster Care		166,696	
State Foster Home Fund		109,423	
Adoption assistance		47,014	
Low Income Household Water Assistance		17,456	
Medicaid transportation		6,960	
Aid to blind		5,744	
Crisis intervention		78,051	
Total	1,789,469	1,166,964	622,505
Total Social Services	6,096,922	5,001,110	1,095,812

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Veterans Service Officer:			
Salaries and benefits		69,946	
Other operating expenditures		3,502	
Total	78,167	73,448	4,719
Mental Health – Trillium Health Resources	60,462	58,859	1,603
Martin-Tyrrell-Washington Health Department	378,733	378,733	-
Office of Juvenile Justice:			
Educational Support Services		21,512	
Friends of Families		47,974	
Network Initiative for Families		36,060	
Task Force Certification		1,629	
Smithwick Chapel Summer		18,900	
Riverside Intervention		34,901	
Total	160,976	160,976	-
Vocational Rehabilitation:			
Martin Enterprises		36,250	
Other operating expenses		6,640	
Total	42,890	42,890	-
Department of Aging:			
Administration:			
Salaries and benefits		237,202	
Other operating expenditures		119,967	
Total	377,485	357,169	20,316
Congregate Nutrition:			
Salaries and benefits		55,331	
Other operating expenditures		31,843	
Total	90,928	87,174	3,754
Home Delivered Meals:			
Salaries and benefits		17,508	
Other operating expenditures		128,106	
Total	146,037	145,614	423

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Personal Care:			
Salaries and benefits		97,591	
Other operating expenditures		1,950	
Total	106,025	99,541	6,484
Total Department of Aging	720,475	689,498	30,977
Other Human Services:			
Choanoke Area Development		25,000	
County projects		43,000	
Total	68,000	68,000	-
<u>Total Human Services</u>	<u>7,606,625</u>	<u>6,473,514</u>	<u>1,133,111</u>
<u>Cultural and Recreational:</u>			
Recreation:			
Williamston		9,677	
Bear Grass		4,446	
Robersonville		7,650	
Oak City		3,985	
Jamesville		5,285	
Hamilton		4,127	
Total	35,170	35,170	-
BHM Regional Library	105,904	105,904	-
Martin County Arts Council	8,500	8,500	-
Martin Community Players	8,500	8,500	-
Roanoke River Project	2,000	2,000	-
<u>Total Cultural and Recreational</u>	<u>160,074</u>	<u>160,074</u>	<u>-</u>
<u>Transportation</u>			
Airport:			
Salaries and benefits		2,175	
Contracted services		96,346	
Other operating expenditures		124,394	
Total	232,781	222,915	9,866

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Martin County Transit:			
Salaries and benefits		484,925	
Other operating expenditures		172,337	
Capital outlay		380,635	
Total	1,143,631	1,037,897	105,734
<u>Total Transportation</u>	1,376,412	1,260,812	115,600
<u>Education:</u>			
Martin Community College:			
Current expenditures		1,026,250	
Capital outlay		60,000	
Total	1,086,250	1,086,250	-
Board of Education:			
Current expenditures		6,000,000	
Fines and forfeitures		166,015	
Capital outlay		586,384	
Total	6,841,384	6,752,399	88,985
<u>Total Education</u>	7,927,634	7,838,649	88,985
<u>Debt Service:</u>			
Principal		16,009	
Interest		763,593	
<u>Total Debt Service</u>	781,382	779,602	1,780
Total expenditures	33,596,242	31,041,200	2,555,042
Revenues over (under) expenditures	(1,422,411)	2,322,567	3,744,978
Other financing sources (uses):			
Transfers to other funds:			
Debt Service Fund		(937,301)	
Emergency Telephone System Fund		(2,674)	
Scattered Site CDBG Fund		(5,000)	
Revaluation Fund		(35,000)	
Business Park Fund		(10,000)	
Program Grant Fund		(15,000)	
Total	(1,004,977)	(1,004,975)	2
Lease liabilities issued	20,000	86,369	66,369
Sale of capital assets	20,000	83,283	63,283
Total other financing sources (uses)	(964,977)	(835,323)	129,654

Martin County, North Carolina
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	(2,387,388)	1,487,244	3,874,632
Fund balance appropriation	<u>2,387,388</u>	<u>-</u>	<u>(2,387,388)</u>
Revenues, other financing sources over (under) expenditures and other financing uses and appropriated fund balance	<u>\$ -</u>	1,487,244	<u>\$ 1,487,244</u>
Fund balances:			
Beginning of year		<u>14,836,484</u>	
End of year		<u>\$ 16,323,728</u>	

Martin County, North Carolina
4-H FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Sales and Service:			
Agricultural services		\$ 4,973	
Home economics program		2,250	
Farmers Market Association		1,905	
Total	<u>\$ 27,250</u>	<u>9,128</u>	<u>\$ (18,122)</u>
Miscellaneous:			
Lamb and swine show		33,100	
Miscellaneous		2,963	
Total	<u>48,000</u>	<u>36,063</u>	<u>(11,937)</u>
Total revenues	<u>75,250</u>	<u>45,191</u>	<u>(30,059)</u>
Expenditures:			
Current:			
Economic and physical development:			
Agricultural program		3,415	
Home economics program		2,701	
4-H program		1,990	
4-H camp		150	
Lamb and swine show		31,202	
EFNEP grant		174	
Farmers market		2,624	
Total expenditures	<u>78,155</u>	<u>42,256</u>	<u>35,899</u>
Revenues over (under) expenditures	(2,905)	2,935	5,840
Fund balance appropriation	<u>2,905</u>	<u>-</u>	<u>(2,905)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	2,935	<u>\$ 2,935</u>
Fund balance at beginning of year		38,013	
Fund balance at end of year		<u>\$ 40,948</u>	

Martin County, North Carolina
TAX REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures:			
Current:			
General government:			
Contracted services	\$ 35,000	\$ -	\$ 35,000
Total expenditures	<u>35,000</u>	<u>-</u>	<u>35,000</u>
Revenues over (under) expenditures	(35,000)	-	(35,000)
Other financing sources:			
Operating transfer in:			
From General Fund	<u>35,000</u>	<u>35,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	35,000	<u>\$ 35,000</u>
Fund balance at beginning of year		<u>155,428</u>	
Fund balance at end of year		<u>\$ 190,428</u>	

Martin County, North Carolina
HOSPITAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings		\$ 6,865	
Proceeds from lease		566,667	
Total revenues	<u>\$ 566,667</u>	<u>573,532</u>	<u>\$ 6,865</u>
Expenditures			
Miscellaneous	<u>566,667</u>	<u>-</u>	<u>566,667</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>573,532</u>	<u>\$ 573,532</u>
Fund balance at beginning of year		7,716,194	
Fund balance at end of year		<u>\$ 8,289,726</u>	

Martin County, North Carolina
DEBT SERVICE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Investment earnings		\$ 932	
Total revenues	<u>\$ -</u>	<u>932</u>	<u>\$ 932</u>
Expenditures:			
Current:			
General government:			
Reserve for future		-	
Total expenditures	<u>937,302</u>	<u>-</u>	<u>937,302</u>
Revenues over (under) expenditures	(937,302)	932	938,234
Other financing sources:			
Transfer from General Fund	<u>937,302</u>	<u>937,301</u>	<u>(1)</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	938,233	<u>\$ 938,233</u>
Fund balance at beginning of year		<u>9,379,637</u>	
Fund balance at end of year		<u>\$ 10,317,870</u>	

Martin County, North Carolina
AMERICAN RESCUE PLAN FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 4,358,707	\$ -	\$ (4,358,707)
Investment earnings	-	4,175	4,175
Total revenues	<u>4,358,707</u>	<u>4,175</u>	<u>(4,354,532)</u>
Expenditures:			
General Government			
Unassigned ARP Expenditures	<u>4,358,707</u>	-	<u>4,358,707</u>
Total expenditures	<u>4,358,707</u>	<u>-</u>	<u>4,358,707</u>
Revenues over (under) expenditures	<u>\$ -</u>	4,175	<u>\$ 4,175</u>
Fund balance at beginning of year		16	
Fund balance at end of year		<u>\$ 4,191</u>	

COMBINING SCHEDULES FOR NONMAJOR GOVERNMENTAL FUNDS MARTIN COUNTY

Special Revenue Funds

- **Fire District Fund** - accounts for the revenues of the seven fire districts in Martin County.
- **Emergency Telephone System Fund** - this fund was established in accordance with North Carolina law to account for the accumulation of telephone surcharges to be used for emergency telephone systems.
- **Controlled Substance Tax Distribution Fund** - accounts for funds received from the NC Department of Revenue to support law enforcement.
- **Program Grant Fund** – accounts for economic development grants through the Rural Center and CDBG.
- **Scattered Sites CDBG** – accounts for the community development block grant used for housing repairs throughout the County.
- **Coronavirus Relief Fund** – accounts for Coronavirus Relief funds.
- **DSS Representative Payee Fund** – accounts for resources deposited with the Department of Social Services for the benefit of certain individuals
- **Opioid Settlement Fund** – accounts for the Opioid Settlement Funds

Capital Projects Funds

- **Business Park Fund** - accounts for funding used for the construction of a water main, sewer main, rail spur track, and railroad expansion to serve the Martin County Regional Business Park in Everetts.
- **Airport Expansion Project Fund** - accounts for funds to be used in expanding the Martin County Airport.
- **Building Construction Fund** – accounts for funds used to build a new 911 Communications Center.

Martin County, North Carolina
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Assets			
Cash and cash equivalents	\$ 1,012,445	\$ 174,301	\$ 1,186,746
Investments	57,636	-	57,636
Taxes receivable(net)	124,114	-	124,114
Other assets	9,001	-	9,001
Accounts receivable(net)	95,279	1,609,773	1,705,052
Total assets	<u>1,298,475</u>	<u>1,784,074</u>	<u>3,082,549</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable and accrued liabilities	168,520	1,397,865	1,566,385
Unearned revenues	57,622	-	57,622
Advance from general fund	-	52,081	52,081
Total liabilities	<u>226,142</u>	<u>1,449,946</u>	<u>1,676,088</u>
Deferred inflows of resources			
Taxes receivable	<u>129,317</u>	<u>-</u>	<u>129,317</u>
Total deferred inflows of resources	<u>129,317</u>	<u>-</u>	<u>129,317</u>
Fund Balances:			
Non-spendable - Prepaids	9,001	-	9,001
Restricted:			
Stabilization by State Statute	90,167	1,609,773	1,699,940
Public safety programs	531,392	-	531,392
Health services	42,077	-	42,077
Economic development	333,834	174,301	508,135
Unassigned	<u>(63,455)</u>	<u>(1,449,946)</u>	<u>(1,513,401)</u>
Total fund balances	<u>943,016</u>	<u>334,128</u>	<u>1,277,144</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,298,475</u>	<u>\$ 1,784,074</u>	<u>\$ 3,082,549</u>

Martin County, North Carolina
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	Total Nonmajor Special Revenue Funds	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
Revenues:			
Ad valorem taxes	\$ 742,173	\$ -	\$ 742,173
Local option sales tax	224,740	-	224,740
Intergovernmental revenues	949,668	1,644,502	2,594,170
Investment earnings	14	-	14
Total revenues	<u>1,916,595</u>	<u>1,644,502</u>	<u>3,561,097</u>
Expenditures:			
Current:			
Public safety	1,200,603	-	1,200,603
Human services	119,976	-	119,976
Economic and physical development	379,117	-	379,117
Transportation	-	1,644,502	1,644,502
Total expenditures	<u>1,699,696</u>	<u>1,644,502</u>	<u>3,344,198</u>
Excess (deficiency) of revenues over expenditures	<u>216,899</u>	<u>-</u>	<u>216,899</u>
Other financing sources (uses):			
Transfers from other funds	22,674	10,000	32,674
Total other financing sources(uses)	<u>22,674</u>	<u>10,000</u>	<u>32,674</u>
Net change in fund balances	239,573	10,000	249,573
Fund balances – beginning	703,443	324,128	1,027,571
Fund balances – ending	<u>\$ 943,016</u>	<u>\$ 334,128</u>	<u>\$ 1,277,144</u>



View from Moratoc Park overlooking the Roanoke River

Martin County, North Carolina
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

	Fire District Fund	Emergency Telephone System Fund	Controlled Substance Tax Fund	Program Grant Fund	Scattered Site CDBG Fund	Coronavirus Relief Fund	DSS Representative Payee Fund	Opioid Settlement Fund	Total
Assets									
Cash and cash equivalents	\$ 101,573	\$ 488,201	\$ 43,533	\$ 323,181	\$ 10,653	\$ -	\$ 45,304	\$ -	\$ 1,012,445
Restricted investments	-	-	-	-	-	-	-	57,636	57,636
Taxes receivable (net)	124,114	-	-	-	-	-	-	-	124,114
Other assets	-	9,001	-	-	-	-	-	-	9,001
Accounts receivable (net)	68,663	21,707	2,562	-	2,347	-	-	-	95,279
Total Assets	\$ 294,350	\$ 518,909	\$ 46,095	\$ 323,181	\$ 13,000	\$ -	\$ 45,304	\$ 57,636	\$ 1,298,475
Liabilities and Fund Balances									
Liabilities:									
Advance from general fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenues	-	-	-	-	-	-	-	57,622	57,622
Accounts payable and accrued liabilities	165,027	252	-	-	-	-	3,241	-	168,520
Total liabilities	165,027	252	-	-	-	-	3,241	57,622	226,142
Deferred inflows of resources:									
Taxes receivable	129,317	-	-	-	-	-	-	-	129,317
Total deferred inflows of resources	129,317	-	-	-	-	-	-	-	129,317
Fund balances:									
Non-spendable - Prepays	-	9,001	-	-	-	-	-	-	9,001
Restricted:									
Stabilization by State Statute	63,461	21,707	2,652	-	2,347	-	-	-	90,167
Public safety	-	487,949	43,443	-	-	-	-	-	531,392
Health services	-	-	-	-	-	-	42,063	14	42,077
Economic development	-	-	-	323,181	10,653	-	-	-	333,834
Unassigned	(63,455)	-	-	-	-	-	-	-	(63,455)
Total fund balances	6	518,657	46,095	323,181	13,000	-	42,063	14	943,016
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 294,350	\$ 518,909	\$ 46,095	\$ 323,181	\$ 13,000	\$ -	\$ 45,304	\$ 57,636	\$ 1,298,475

Martin County, North Carolina
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
For the Year Ended June 30, 2022

	Building Construction Fund	Business Park Fund	Airport Expansion Project Fund	Total
Assets				
Cash	\$ -	\$ 174,301	\$ -	\$ 174,301
Accounts receivable (net)	-	-	1,609,773	1,609,773
	<u>-</u>	<u>-</u>	<u>1,609,773</u>	<u>1,609,773</u>
Total Assets	<u>\$ -</u>	<u>\$ 174,301</u>	<u>\$ 1,609,773</u>	<u>\$ 1,784,074</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 1,397,865	\$ 1,397,865
Advance from general fund	-	-	52,081	52,081
Total liabilities	<u>-</u>	<u>-</u>	<u>1,449,946</u>	<u>1,449,946</u>
Fund balances:				
Restricted:				
Stabilization by State Statue	-	-	1,609,773	1,609,773
Economic development	-	174,301	-	174,301
Unassigned	-	-	(1,449,946)	(1,449,946)
Total fund balances	<u>-</u>	<u>174,301</u>	<u>159,827</u>	<u>334,128</u>
Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 174,301</u>	<u>\$ 1,609,773</u>	<u>\$ 1,784,074</u>

Martin County, North Carolina
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

	Fire District Fund	Emergency Telephone System Fund	Controlled Substance Tax Fund	Program Grant Fund	Scattered Site CDBG Fund	Cornoavirus Relief Fund	DSS Representative Payee Fund	Opioid Settlement Fund	Total
Revenues:									
Ad valorem taxes	\$ 742,173	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 742,173
Local option sales tax	224,740	-	-	-	-	-	-	-	224,740
Intergovernmental revenue	-	156,924	31,522	258,000	378,821	8,922	115,479	-	949,668
Investment earnings	-	-	-	-	-	-	-	14	14
Total revenues	<u>966,913</u>	<u>156,924</u>	<u>31,522</u>	<u>258,000</u>	<u>378,821</u>	<u>8,922</u>	<u>115,479</u>	<u>14</u>	<u>1,916,595</u>
Expenditures:									
Current:									
Public safety	969,343	170,110	52,084	-	-	9,066	-	-	1,200,603
Human services	-	-	-	-	-	-	119,976	-	119,976
Economic and physical development	-	-	-	593	378,524	-	-	-	379,117
Total expenditures	<u>969,343</u>	<u>170,110</u>	<u>52,084</u>	<u>593</u>	<u>378,524</u>	<u>9,066</u>	<u>119,976</u>	<u>-</u>	<u>1,699,696</u>
Excess (deficiency) of revenues over expenditures	<u>(2,430)</u>	<u>(13,186)</u>	<u>(20,562)</u>	<u>257,407</u>	<u>297</u>	<u>(144)</u>	<u>(4,497)</u>	<u>14</u>	<u>216,899</u>
Other financing sources:									
Transfers from other funds	-	2,674	-	15,000	5,000	-	-	-	22,674
Total other financing sources	<u>-</u>	<u>2,674</u>	<u>-</u>	<u>15,000</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>22,674</u>
Net change in fund balances	(2,430)	(10,512)	(20,562)	272,407	5,297	(144)	(4,497)	14	239,573
Fund balances, beginning	2,436	529,169	66,657	50,774	7,703	144	46,560	-	703,443
Fund balances, ending	<u>\$ 6</u>	<u>\$ 518,657</u>	<u>\$ 46,095</u>	<u>\$ 323,181</u>	<u>\$ 13,000</u>	<u>\$ -</u>	<u>\$ 42,063</u>	<u>\$ 14</u>	<u>\$ 943,016</u>

Martin County, North Carolina
FIRE DISTRICT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	\$ 755,250	\$ 707,111	\$ (48,139)
Prior year	33,600	26,793	(6,807)
Interest	<u>6,000</u>	<u>8,269</u>	<u>2,269</u>
Total ad valorem taxes	<u>794,850</u>	<u>742,173</u>	<u>(52,677)</u>
Other taxes:			
Local option sales taxes	<u>248,000</u>	<u>224,740</u>	<u>(23,260)</u>
Total revenues	<u>1,042,850</u>	<u>966,913</u>	<u>(75,937)</u>
Expenditures:			
Current:			
Public safety:			
Jamesville Fire District	207,850	208,593	(743)
Roanoke Fire District	105,000	96,889	8,111
Williamston Fire District	284,000	258,518	25,482
Goose Nest Fire District	84,500	79,640	4,860
Griffins Fire District	83,000	74,384	8,616
Bear Grass Fire District	168,000	157,616	10,384
Hamilton Fire District	<u>110,500</u>	<u>93,703</u>	<u>16,797</u>
Total expenditures	<u>1,042,850</u>	<u>969,343</u>	<u>73,507</u>
Revenues over (under) expenditures	<u>\$ -</u>	(2,430)	<u>\$ (2,430)</u>
Fund balance at beginning of year		<u>2,436.00</u>	
Fund balance at end of year		<u>\$ 6</u>	

Martin 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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Intergovernmental revenue			
911 access charges	\$ 156,924	\$ 156,924	\$ -
Total revenues	<u>156,924</u>	<u>156,924</u>	<u>-</u>
Expenditures:			
Current:			
Public safety			
Supplies		19,216	
Training		1,654	
Telephone		11,407	
Maintenance		137,833	
Total expenditures	<u>200,599</u>	<u>170,110</u>	<u>30,489</u>
Revenues over (under) expenditures	(43,675)	(13,186)	30,489
Other financing sources			
Transfer from General Fund	2,675	2,674	(1)
Appropriated fund balance	<u>41,000</u>	<u>-</u>	<u>(41,000)</u>
Revenues, other financing sources and fund balance appropriated over (under) expenditures	<u>\$ -</u>	(10,512)	<u>\$ (10,512)</u>
Fund balance at beginning of year		<u>529,169</u>	
Fund balance at end of year		<u>\$ 518,657</u>	

*Matches 911 report

Martin County, North Carolina
CONTROLLED SUBSTANCE TAX DISTRIBUTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Intergovernmental revenue			
Controlled substance tax distribution	\$ 21,000	\$ 31,522	\$ 10,522
Total revenues	<u>21,000</u>	<u>31,522</u>	<u>10,522</u>
Expenditures:			
Public safety			
Supplies and materials		473	
Capital outlay		51,611	
Total expenditures	<u>87,600</u>	<u>52,084</u>	<u>35,516</u>
Revenues over (under) expenditures	(66,600)	(20,562)	46,038
Appropriated fund balance	<u>66,600</u>	<u>-</u>	<u>(66,600)</u>
Revenues and fund balance appropriations over (under) expenditures	<u>\$ -</u>	(20,562)	<u>\$ (20,562)</u>
Fund balance at beginning of year		<u>66,657</u>	
Fund balance at end of year		<u>\$ 46,095</u>	

Martin County, North Carolina
PROGRAM GRANT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Intergovernmental revenue					
DOC – AR Textiles	\$ 750,000	\$ 750,000	\$ -	\$ 750,000	\$ -
DOC – Syfan	24,960	24,960	-	24,960	-
Misc - Penco repayment	-	11,000	-	11,000	11,000
Horse trail grant	19,000	11,000	8,000	19,000	-
DPS - State Directed	-	-	250,000	250,000	250,000
TDA Contribution for Trails Grant	-	16,000	-	16,000	16,000
Total revenues	<u>793,960</u>	<u>812,960</u>	<u>258,000</u>	<u>1,070,960</u>	<u>277,000</u>
Expenditures:					
Economic and physical development					
Administration	137,060	143,051	593	143,644	(6,584)
Construction	<u>809,000</u>	<u>756,235</u>	<u>-</u>	<u>756,235</u>	<u>52,765</u>
Total expenditures	<u>946,060</u>	<u>899,286</u>	<u>593</u>	<u>899,879</u>	<u>46,181</u>
Revenues over (under) expenditures	<u>(152,100)</u>	<u>(86,326)</u>	<u>257,407</u>	<u>171,081</u>	<u>323,181</u>
Other financing sources:					
Transfer from General Fund	<u>152,100</u>	<u>137,100</u>	<u>15,000</u>	<u>152,100</u>	<u>-</u>
Total other funding sources	<u>152,100</u>	<u>137,100</u>	<u>15,000</u>	<u>152,100</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 50,774</u>	<u>272,407</u>	<u>\$ 323,181</u>	<u>\$ 323,181</u>
Fund balance at beginning of year			<u>50,774</u>		
Fund balance at end of year			<u>\$ 323,181</u>		

Martin County, North Carolina
SCATTERED SITE CDBG FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2022

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:					
Intergovernmental revenue					
NCHFA-SFR #SFRLP1515	\$ 504,903	\$ 475,140	\$ -	\$ 475,140	\$ 29,763
NCHFA-SFR #SFRLPDR1718	2,550,200	1,756,533	163,176	1,919,709	630,491
CDBG-CV	900,000	23,137	191,777	214,914	685,086
CDBG-NR	750,000	-	23,868	23,868	726,132
Total revenues	<u>4,705,103</u>	<u>2,254,810</u>	<u>378,821</u>	<u>2,633,631</u>	<u>2,071,472</u>
Expenditures:					
Economic and physical development					
Administration	775,903	530,554	73,478	604,032	171,871
Subsistence payment	810,000	-	170,610	170,610	639,390
Rehabilitation	<u>3,132,200</u>	<u>1,724,553</u>	<u>134,436</u>	<u>1,858,989</u>	<u>1,273,211</u>
Total expenditures	<u>4,718,103</u>	<u>2,255,107</u>	<u>378,524</u>	<u>2,633,631</u>	<u>2,084,472</u>
Revenues over (under) expenditures	<u>(13,000)</u>	<u>(297)</u>	<u>297</u>	<u>-</u>	<u>13,000</u>
Other financing sources:					
Operating transfer in					
From General Fund	<u>13,000</u>	<u>8,000</u>	<u>5,000</u>	<u>13,000</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 7,703</u>	<u>5,297</u>	<u>\$ 13,000</u>	<u>\$ 13,000</u>
Fund balance at beginning of year			<u>7,703</u>		
Fund balance at end of year			<u>\$ 13,000</u>		

Martin County, North Carolina
CORONAVIRUS RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
CARES grant	\$ 8,922	\$ 8,922	\$ -
Investment earnings	6	-	6
Total revenues	<u>8,928</u>	<u>8,922</u>	<u>(6)</u>
Expenditures:			
Public safety			
Salaries and benefits		8,322	
Town of Hamilton		744	
Total expenditures	<u>9,072</u>	<u>9,066</u>	<u>6</u>
Revenues over (under) expenditures	(144)	(144)	-
Appropriated fund balance	<u>144</u>	<u>-</u>	<u>(144)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(144)	<u>\$ (144)</u>
Fund balance at beginning of year		<u>144</u>	
Fund balance at end of year		<u>\$ -</u>	

Martin County, North Carolina
DSS REPRESENTATIVE PAYEE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
For the Year Ended June 30, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Restricted intergovernmental		\$ 115,479	
Total revenues	<u>\$ 257,200</u>	<u>115,479</u>	<u>\$ (141,721)</u>
Expenditures:			
Human services			
Payments made for the benefit of beneficiaries		119,976	
Total expenditures	<u>257,200</u>	<u>119,976</u>	<u>137,224</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>(4,497)</u>	<u>\$ (4,497)</u>
Fund balance at beginning of year as previously reported		46,560	
Fund balance at end of year		<u>\$ 42,063</u>	

Martin County, North Carolina
OPIOID SETTLEMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and For the Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total to Date	
Revenues:					
Opioid Settlement Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	-	14	14	14
Total revenues	-	-	14	14	14
Expenditures:					
Health services					
Opioid addiction treatment	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	\$ -	\$ -	14	\$ 14	\$ 14
Fund balance at beginning of year			-		
Fund balance at end of year			\$ 14		

Martin County, North Carolina
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR CAPITAL PROJECT FUNDS
For the Year Ended June 30, 2022

	Building Construction Fund	Business Park Fund	Airport Expansion Project Fund	Total
Revenues:				
Intergovernmental revenues	\$ -	\$ -	\$ 1,644,502	\$ 1,644,502
Total revenues	<u>-</u>	<u>-</u>	<u>1,644,502</u>	<u>1,644,502</u>
Expenditures:				
Current:				
Economic & physical development	-	-	-	-
Transportation	-	-	1,644,502	1,644,502
Public safety	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>1,644,502</u>	<u>1,644,502</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources:				
Transfer from General Fund	-	10,000	-	10,000
Total other financing sources	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Net change	-	10,000	-	10,000
Fund balance at beginning of year	<u>-</u>	<u>164,301</u>	<u>159,827</u>	<u>324,128</u>
Fund balance at end of year	<u><u>\$ -</u></u>	<u><u>\$ 174,301</u></u>	<u><u>\$ 159,827</u></u>	<u><u>\$ 334,128</u></u>

Martin County, North Carolina
BUILDING CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2022

	Actual			Variance
	Project		Current	Positive
	Authorization	Prior Years	Year	(Negative)
Revenues:				
Intergovernmental revenue				
Martin Co. PSAP & Regional Back-up Facility	\$ 5,196,315	\$ 4,879,491	\$ -	\$ (316,824)
Pasquotank Co. Contribution	157,500	157,500	-	-
Miscellaneous	-	6,318	-	6,318
Total revenues	<u>5,353,815</u>	<u>5,043,309</u>	<u>-</u>	<u>(310,506)</u>
Expenditures:				
Public safety				
Capital outlay				
Consultative services	378,000	378,000	-	-
Construction	3,272,365	3,552,301	-	(279,936)
Furniture & fixtures	158,741	179,537	-	(20,796)
Technology	1,257,799	920,285	-	337,514
Security	118,237	13,186	-	105,051
Contingency	168,673	-	-	168,673
Total expenditures	<u>5,353,815</u>	<u>5,043,309</u>	<u>-</u>	<u>310,506</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Fund balance at beginning of year			-	
Fund balance at end of year			<u>\$ -</u>	

**Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the view and policies of the 911 Board.*

Martin County, North Carolina
BUSINESS PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2022

		Actual			Variance
	Project	Prior Years	Current Year	Total to Date	Positive
	Authorization				(Negative)
Revenues:					
Intergovernmental revenue					
NC DOC Rural	\$ 1,013,940	\$ 990,360	\$ -	\$ 990,360	\$ (23,580)
Department of Commerce	387,500	387,500	-	387,500	-
DOT Grant	200,000	200,000	-	200,000	-
Golden Leaf	200,000	200,000	-	200,000	-
MCEDC	13,925	-	-	-	(13,925)
STX Settlement	-	50,000	-	50,000	50,000
NCRR	467,000	527,000	-	527,000	60,000
Weitron contribution	300,000	300,000	-	300,000	-
Total revenues	2,582,365	2,654,860	-	2,654,860	72,495
Expenditures:					
Economic and physical development					
Admin/Engineering	448,988	448,183	-	448,183	805
Rail Maintenance	55,000	56,111	-	56,111	(1,111)
Sewer	31,200	31,200	-	31,200	-
Miscellaneous	96,400	24,812	-	24,812	71,588
Construction	2,742,835	2,690,967	-	2,690,967	51,868
Total expenditures	3,374,423	3,251,273	-	3,251,273	123,150
Revenues over (under) expenditures	(792,058)	(596,413)	-	(596,413)	195,645
Other financing sources:					
Operating transfer in					
From General Fund	737,058	760,714	10,000	770,714	33,656
Revenues and other financing sources over (under) expenditures	(55,000)	164,301	10,000	174,301	229,301
Fund balance appropriation	55,000	-	-	-	(55,000)
Revenues and other financing sources and fund balance appropriation over (under) expenditures	\$ -	\$ 164,301	10,000	\$ 174,301	\$ 174,301
Fund balance at beginning of year			164,301		
Fund balance at end of year			\$ 174,301		

Martin County, North Carolina
AIRPORT EXPANSION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
From Inception and for the Year Ended June 30, 2022

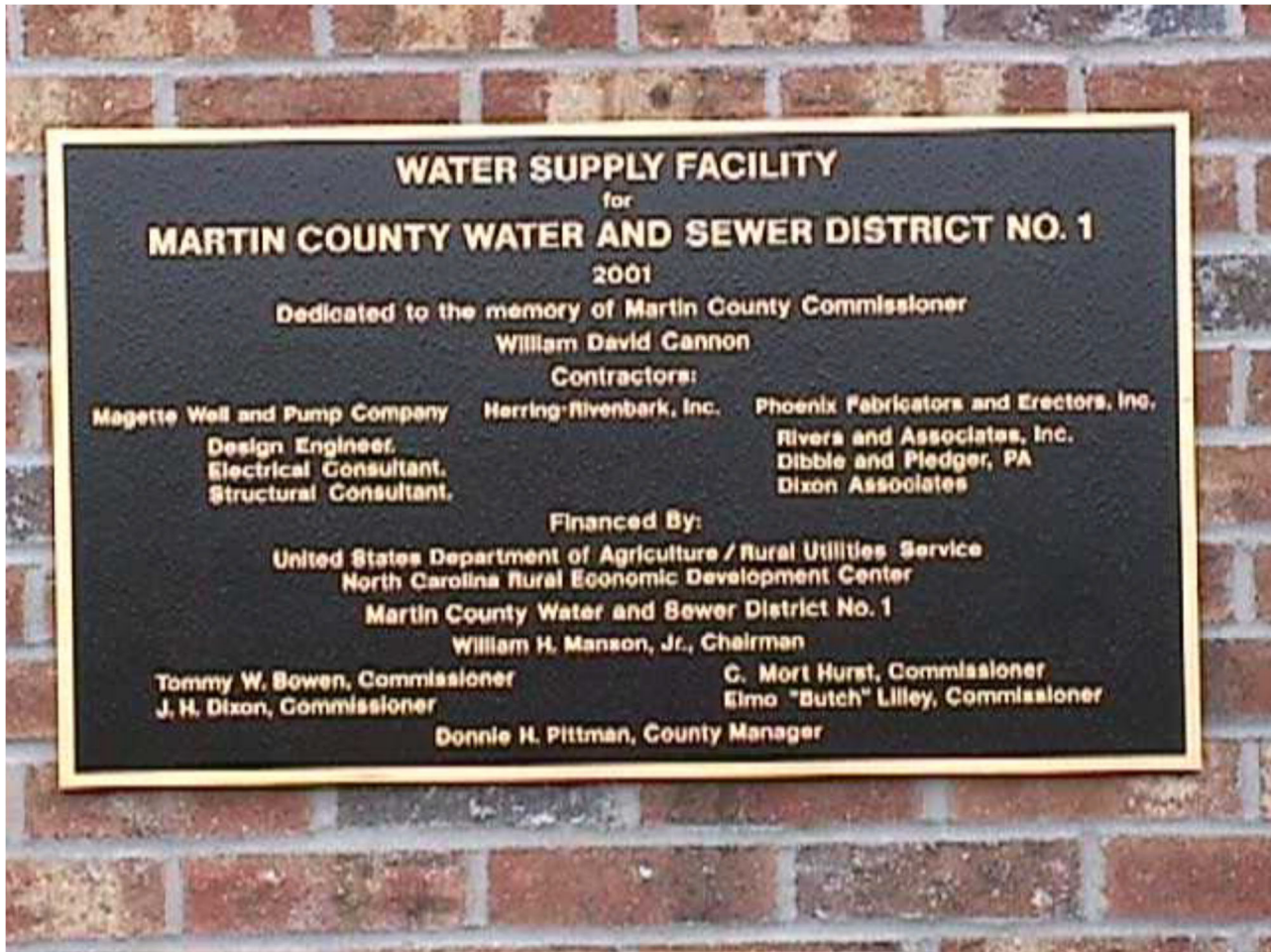
		Actual			Variance
	Project				Positive
	Authorization	Prior Years	Current Year	Total to Date	(Negative)
Revenues:					
Intergovernmental revenue					
NC DOT - #44.6.1	\$ 165,000	\$ 160,158	\$ -	\$ 160,158	\$ (4,842)
NC DOT - #44.7.1	217,804	211,741	51,634	263,375	45,571
NCDOT - #44.7.2	250,000	190,053	27,785	217,838	(32,162)
NCDOT -#33.18.1	102,500	-	10,198	10,198	(92,302)
Airport Improvement Program	4,608,000	-	1,527,633	1,527,633	(3,080,367)
ARPA - Parallel Taxiway	512,000	-	-	-	(512,000)
STIP 74.1.1	100,000	-	1,870	1,870	(98,130)
NPE Funds 18 & 19	37,330	-	25,382	25,382	(11,948)
Vision 100 - #33.16.2	532,078	652,235	-	652,235	120,157
Total revenues	6,524,712	1,214,187	1,644,502	2,858,689	(3,666,023)
Expenditures:					
Transportation					
Capital outlay					
Professional fees/Admin.	1,589,871	521,649	170,161	691,810	898,061
Construction	5,094,841	692,711	1,474,341	2,167,052	2,927,789
Total expenditures	6,684,712	1,214,360	1,644,502	2,858,862	3,825,850
Revenues over (under) expenditures	(160,000)	(173)	-	(173)	159,827
Other financing sources:					
Operating transfer in					
From General Fund	160,000	160,000	-	160,000	-
Revenues and other financing					
sources over (under) expenditures	\$ -	\$ 159,827	-	\$ 159,827	\$ 159,827
Fund balance at beginning of year			159,827		
Fund balance at end of year			\$ 159,827		



SCHEDULES FOR NONMAJOR ENTERPRISE FUNDS MARTIN COUNTY

Enterprise Funds

- **Martin County Water and Sewer District No. 4 Fund** - This fund is used to account for the operations of the water and sewer district within the County.



Dedication of Martin County Water and Sewer District No. 1

Martin County, North Carolina
STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
June 30, 2022

	Water and Sewer District No. 4
	<hr/>
Assets	
Capital assets	
Land and construction in progress	\$ 41,527
Total capital assets	<hr/> 41,527
Total assets	<hr/> <hr/> 41,527
 Liabilities	
Current liabilities	
Due to other funds	<hr/> 10,421
Total liabilities	<hr/> <hr/> 10,421
 Net Position	
Net investment in capital assets	41,527
Unrestricted	<hr/> (10,421)
Total net position	<hr/> <hr/> \$ 31,106

Martin County, North Carolina
WATER AND SEWER DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

	2022		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Charges for services:			
Water sales		\$ 714,955	
Total charges for services	\$ 766,602	714,955	\$ (51,647)
Non-operating revenues:			
Note receivable payment		21,965	
Investment earnings		21,140	
Total nonoperating revenue	43,105	43,105	-
Total revenues	809,707	758,060	(51,647)
Expenditures:			
Administration			
Salaries and benefits		173,556	
Uniforms		563	
Office supplies		1,620	
Telephone		1,365	
Postage		4,030	
Travel		10,796	
Contract service		2,498	
Insurance		6,830	
Maintenance		2,409	
Total	210,447	203,667	6,780
Water operations			
Water purchased		285,128	
Testing		2,673	
Utilities		7,269	
Maintenance		18,499	
Rent		6,000	
Permits and fees		244	
Contracted services		15,702	
Total	344,328	335,515	8,813
Debt service			
Principal		115,000	
Interest		110,679	
Total	225,682	225,679	3.00
Capital outlay	29,250	27,984	1,266
Total expenditures	809,707	792,845	16,862
Revenues over (under) expenditures	\$ -	\$ (34,785)	\$ (34,785)

Martin County, North Carolina
WATER AND SEWER DISTRICT NO. 1 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

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

Revenues over (under) expenditures	\$ (34,785)
Reconciling items:	
Capital outlay	27,984
Increase in deferred outflows of resources – pensions	4,310
Decrease in net pension liability	29,027
Increase in deferred inflows of resources – pensions	(29,457)
Depreciation	(144,495)
Decrease in compensated absences	194
Increase in deferred inflows of resources – OPEB	(26,096)
Principal debt payment	115,000
Decrease in deferred outflows of resources – OPEB	(18,142)
Decrease in OPEB liability	51,322
Note receivable payment	<u>(21,965)</u>
Total reconciling items	<u>(12,318)</u>
Change in net position	<u><u>\$ (47,103)</u></u>

Martin County, North Carolina
WATER AND SEWER DISTRICT NO. 2 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

	2022		Variance
	Budget	Actual	Positive (Negative)
Revenues:			
Charges for services			
Water sales		\$ 934,627	
Total charges for services	\$ 1,040,411	934,627	\$ (105,784)
Non-operating revenues:			
NCDOT		25,334	
Note receivable payment		51,974	
Investment earnings		72,477	
Total nonoperating revenue	127,269	149,785	22,516
Total revenues	1,167,680	1,084,412	(83,268)
Expenditures:			
Administration			
Salaries and benefits		173,221	
Uniforms		563	
Office supplies		1,648	
Telephone		3,248	
Postage		3,955	
Travel		10,796	
Contract services		2,498	
Supplies		4,631	
Insurance		6,394	
Maintenance		2,409	
Total	212,310	209,363	2,947
Water operations			
Water purchased		255,599	
Testing		3,558	
Utilities		4,841	
Maintenance		9,641	
Permits and fees		244	
Contracted Services		15,600	
Total	305,220	289,483	15,737
Debt service			
Principal		260,000	
Interest		360,900	
Total	620,900	620,900	-
Capital outlay	29,250	27,984	1,266
Total expenditures	1,167,680	1,147,730	19,950
Revenues over (under) expenditures	\$ -	\$ (63,318)	\$ (63,318)

Martin County, North Carolina
WATER AND SEWER DISTRICT NO. 2 FUND
SCHEDULE OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

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

Revenues over (under) expenditures	\$ (63,318)
Reconciling items:	
Capital outlay	27,984
Increase in deferred outflows on resources – pension	4,284
Decrease in net pension liability	29,026
Increase in deferred inflows of resources – pension	(29,456)
Depreciation	(243,737)
Decrease in OPEB liability	51,322
Decrease in compensated absences	194
Increase in deferred inflows of resources – OPEB	(26,097)
Decrease in deferred outflows of resources – OPEB	(18,141)
Principal debt payment	260,000
Note receivable payment	(51,974)
Total reconciling items	<u>3,405</u>
Change in net position	<u><u>\$ (59,913)</u></u>

Martin County, North Carolina
COUNTY WATER FUND
SCHEDULE OF REVENUES AND EXPENDITURES -BUDGET AND ACTUAL (NON-GAAP)
For the Year Ended June 30, 2022

	2022		Variance
	Budget	Actual	Positive
			(Negative)
Revenues:			
Non-operating revenues			
District 1 Contribution		\$ 115,000	
District 2 Contribution		260,000	
Investment earnings		471,579	
Total revenues	<u>\$ 846,582</u>	<u>846,579</u>	<u>\$ (3)</u>
Expenditures:			
Debt service			
Principal		375,000	
Interest		471,579	
Total expenditures	<u>846,582</u>	<u>846,579</u>	<u>3</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Martin County, North Carolina
WATER AND SEWER CAPITAL PROJECT FUND NO. 1
SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2022

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues:					
Intergovernmental revenue					
NC Water Infrastructure Grant	\$ 1,476,275	\$ 1,066,590	\$ -	\$ 1,066,590	\$ 409,685
Total	<u>1,476,275</u>	<u>1,066,590</u>	<u>-</u>	<u>1,066,590</u>	<u>409,685</u>
Expenditures:					
Capital outlay					
Engineering	263,000	248,698	-	248,698	14,302
Construction	1,213,275	817,865	-	817,865	395,410
Administration	<u>22,145</u>	<u>16,039</u>	<u>-</u>	<u>16,039</u>	<u>6,106</u>
Total expenditures – capital outlay	<u>1,498,420</u>	<u>1,082,602</u>	<u>-</u>	<u>1,082,602</u>	<u>415,818</u>
Revenues over (under) expenditures	(22,145)	(16,012)	-	(16,012)	(6,133)
Other financing sources:					
Transfer from General Fund	<u>22,145</u>	<u>22,145</u>	<u>-</u>	<u>22,145</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ 6,133</u>	<u>\$ -</u>	<u>\$ 6,133</u>	<u>\$ (6,133)</u>

Martin County, North Carolina
WATER AND SEWER CAPITAL PROJECT FUND NO. 4
SCHEDULE OF REVENUES AND EXPENDITURES –
BUDGET AND ACTUAL (NON-GAAP)
From Inception and for the Year Ended June 30, 2022

	Actual				Variance
	Project		Current		Positive
	Authorization	Prior Years	Year	Total To Date	(Negative)
Revenues:					
Intergovernmental revenue					
Rural Economic Development Center	\$ 40,000	\$ 26,606	\$ -	\$ 26,606	\$ 13,394
Total	<u>40,000</u>	<u>26,606</u>	<u>-</u>	<u>26,606</u>	<u>13,394</u>
Expenditures:					
Capital outlay					
Planning	44,500	41,527	-	41,527	2,973
Total expenditures – capital outlay	<u>44,500</u>	<u>41,527</u>	<u>-</u>	<u>41,527</u>	<u>2,973</u>
Revenues over (under) expenditures	(4,500)	(14,921)	-	(14,921)	10,421
Other financing sources:					
Transfer from General Fund	<u>4,500</u>	<u>4,500</u>	<u>-</u>	<u>4,500</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ (10,421)</u>	<u>\$ -</u>	<u>\$ (10,421)</u>	<u>\$ 10,421</u>

COMBINING STATEMENTS FOR TRUST AND CUSTODIAL FUNDS MARTIN COUNTY

Private-purpose Trust Funds

- **Mary W. Taylor Fund for the Hearing Impaired** – accounts for the principal and related interest of the Mary W. Taylor Expendable Trust pursuant to a bequest that restricts the use of such funds.
- **Carrie Biggs Morrison Trust** – accounts for the principal and related interest of the Carrie Biggs Morrison Expendable Trust Fund pursuant to a trust agreement that restricts the use of such funds.
- **Albemarle and Tideland Mental Health Retirees Health Insurance Trust** - accounts for money held for the benefit of health insurance retirement benefits for retirees of dissolved entities.

Custodial Funds

- **Municipal Tax Fund** – accounts for the proceeds of taxes that are collected by the County on behalf of the municipalities within the County.

Martin County, North Carolina
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
June 30, 2022

	Mary W. Taylor Fund for the Hearing Impaired	Carrie Biggs Morrison Trust	Albemarle and Tideland Mental Health Retirees Health Insurance Trust	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Assets				
Cash and cash equivalents	\$ 375	\$ 169,865	\$ 235,490	\$ 405,730
Total assets	<u> 375</u>	<u> 169,865</u>	<u> 235,490</u>	<u> 405,730</u>
Net Position				
Restricted for:				
Individuals, organizations, and other governments	<u> 375</u>	<u> 169,865</u>	<u> 235,490</u>	<u> 405,730</u>
Total fiduciary net position	<u> \$ 375</u>	<u> \$ 169,865</u>	<u> \$ 235,490</u>	<u> \$ 405,730</u>

Martin County, North Carolina
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE-PURPOSE TRUST FUNDS
For the Year Ended June 30, 2022

	Mary W. Taylor Fund for the Hearing Impaired	Carrie Biggs Morrison Trust	Albemarle and Tideland Mental Health Retirees Health Insurance Trust	Total
Additions				
Investment income:				
Net appreciation (depreciation) in fair value	\$ -	\$ -	\$ (19,669)	\$ (19,669)
Miscellaneous:				
Donations	-	10,258	-	10,258
Total additions	-	10,258	(19,669)	(9,411)
Deductions				
Benefits	-	-	78,918	78,918
Total deductions	-	-	78,918	78,918
Change in net position	-	10,258	(98,587)	(88,329)
Net position - beginning of year	375	159,607	334,077	159,982
Prior period restatement	-	-	-	-
Net position - beginning of year, as restated	375	159,607	334,077	494,059
Net position - end of year	\$ 375	\$ 169,865	\$ 235,490	\$ 405,730

ADDITIONAL FINANCIAL DATA

- **Schedule of Ad Valorem Taxes Receivable**
- **Analysis of Current Tax Levy**
- **Ten Largest Taxpayers**

Martin County, North Carolina
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2022

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2021</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	\$ -	\$ 16,673,731	\$ 15,805,856	\$ 867,875
2020-2021	807,263	-	247,308	559,955
2019-2020	541,129	-	130,212	410,917
2018-2019	327,614	-	73,523	254,091
2017-2018	243,227	-	54,340	188,887
2016-2017	176,937	-	26,813	150,124
2015-2016	130,696	-	17,171	113,525
2014-2015	95,133	-	12,954	82,179
2013-2014	83,405	-	8,147	75,258
2012-2013	65,304	-	4,327	60,977
2011-2012	47,749	-	47,749	-
Total	<u>\$ 2,518,457</u>	<u>\$ 16,673,731</u>	<u>\$ 16,428,400</u>	<u>2,763,788</u>
Plus: uncollected 2020-2021 ad valorem taxes receivable				25,907
Less: allowance for uncollectible ad valorem taxes receivable				<u>(522,820)</u>
Ad valorem taxes receivable - net				<u>\$ 2,266,875</u>
Reconciliation with revenues:				
Taxes - ad valorem - General Fund				\$ 16,542,009
Reconciling items:				
Interest collected				(182,508)
Amounts written off for tax year 2011-2012 per statute of limitations				43,501
Refunds and other adjustments				49,944
Releases - prior years				5,917
Garnishment fees and commissions				<u>(30,463)</u>
Total reconciling items				<u>(113,609)</u>
Total collections and credits				<u>\$ 16,428,400</u>

* Beginning uncollected balances have been restated on this schedule due to fire district taxes reverting to the County after three years.

Martin County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
COUNTY-WIDE LEVY
For the Year Ended June 30, 2022

	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	\$ 2,057,050,988	\$ 0.81	\$ 16,662,113	\$ 14,746,619	\$ 1,915,494
Penalties	4,243,951		34,376	34,376	-
Total	2,061,294,938		16,696,489	14,780,995	1,915,494
Abatements:	(2,809,630)		(22,758)	(17,418)	(5,340)
Total property valuation	<u>\$ 2,058,485,308</u>		16,673,731	14,763,577	1,910,154
Uncollected taxes at June 30, 2022			867,875	867,875	-
Current year's taxes collected			<u>\$ 15,805,856</u>	<u>\$ 13,895,702</u>	<u>\$ 1,910,154</u>
Current levy collection percentage			<u>94.79%</u>	<u>94.12%</u>	<u>100.00%</u>

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	
Real Property	\$ 1,122,410,371
Personal Property	850,189,281
Public Service Companies ²	85,885,657
Total Assessed Valuation	<u>\$ 2,058,485,309</u>
Tax Rate per \$100	0.81
Levy (includes discoveries, releases and abatements) ³	<u>\$ 16,673,731</u>

¹ Percentage of appraised value has been established by statute.

² Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³ The levy includes interest and penalties.

Martin County, North Carolina
TEN LARGEST TAXPAYERS
June 30, 2022

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2022 Assessed Valuation</u>	<u>Percentage of Total Assessed Valuation</u>
Domtar Paper Co	Wood pulp manufacturer	\$ 358,779,269	17.43%
Dominion NC Power	Utility	159,783,284	7.76%
Piedmont Natural Gas	Utility	39,542,813	1.92%
Weyerhaeuser Co	Wood products manufacturer	33,472,543	1.63%
Edgecombe-Martin EMC	Utility	30,413,945	1.48%
Weyerhaeuser Co	Timberland	28,262,220	1.37%
Ann's House of Nuts	Food processing	23,404,898	1.14%
Flatiron Constructors	Construction	17,989,852	0.87%
Community Health Systems	Health Care	14,410,685	0.70%
Penco Products Inc.	Manufacturing	13,718,836	0.67%
Total		<u>\$ 719,778,345</u>	<u>34.97%</u>

Source: Martin County Tax Department

STATISTICAL SECTION

Information presented in this section presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the county's overall financial health. Information presented in this section differs from financial statements because they cover more than one fiscal year and may present non-accounting data. The Statistical Section is provided for additional analysis purposes only and has not been subjected to audit verification as presented.

Financial Trends – contains information to help explain how the financial performance has changed over time.

Revenue Capacity – contains information to help assess the factors affecting the county's ability to generate its property and sales tax.

Debt Capacity – presents information to help assess the affordability of current levels of outstanding debt and the ability to issue additional debt in the future.

Demographic and Economic Information – offers indicators to help explain the environment within which the county's financial activities take place and to help make comparisons over time and with other governments.

Operating Information – contains information about the county's operation and resources to help explain how the financial information relates to services provided and activities performed.



Martin County, North Carolina
NET POSITION BY COMPONENT
LAST NINE FISCAL YEARS
Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities									
Net investment in capital assets	\$ 15,911,611	\$ 1,645,223	\$ 1,450,737	\$ 1,832,686	\$ 4,405,556	\$ 9,262,178	\$ 10,356,159	\$ 10,672,745	\$ 11,717,910
Restricted	2,564,821	11,607,715	13,798,102	14,005,627	17,529,543	18,795,360	19,830,562	20,675,488	23,733,209
Unrestricted (deficit)	(538,319)	5,082,066	4,408,063	4,417,446	(7,590,354)	(6,616,299)	(7,067,708)	(5,486,981)	(4,930,976)
Total governmental activities net position	<u>\$ 17,938,113</u>	<u>\$ 18,335,004</u>	<u>\$ 19,656,902</u>	<u>\$ 20,255,759</u>	<u>\$ 14,344,745</u>	<u>\$ 21,441,239</u>	<u>\$ 23,119,013</u>	<u>\$ 25,861,252</u>	<u>\$ 30,520,143</u>
Business-type activities									
Net investment in capital assets	\$ 2,486,343	\$ 2,597,644	\$ 2,537,343	\$ 2,513,165	\$ 2,505,140	\$ 3,486,266	\$ 3,594,138	\$ 3,531,649	\$ 3,500,444
Unrestricted (deficit)	(932,251)	(820,393)	(896,341)	(1,081,655)	(1,533,776)	(1,753,236)	(1,805,411)	(1,987,421)	(2,063,232)
Total business-type activities	<u>\$ 1,554,092</u>	<u>\$ 1,777,251</u>	<u>\$ 1,641,002</u>	<u>\$ 1,431,510</u>	<u>\$ 971,364</u>	<u>\$ 1,733,030</u>	<u>\$ 1,788,727</u>	<u>\$ 1,544,228</u>	<u>\$ 1,437,212</u>
Primary government									
Net investment in capital assets	\$ 18,397,954	\$ 4,242,867	\$ 3,988,080	\$ 4,345,851	\$ 6,910,696	\$ 12,748,444	\$ 13,950,297	\$ 14,204,394	\$ 15,218,354
Restricted	2,564,821	11,607,715	13,798,102	14,005,627	17,529,543	18,795,360	19,830,562	20,675,488	23,733,209
Unrestricted (deficit)	(1,470,570)	4,261,673	3,511,722	3,335,791	(9,124,130)	(8,369,535)	(8,873,119)	(7,474,402)	(6,994,208)
Total primary government net position	<u>\$ 19,492,205</u>	<u>\$ 20,112,255</u>	<u>\$ 21,297,904</u>	<u>\$ 21,687,269</u>	<u>\$ 15,316,109</u>	<u>\$ 23,174,269</u>	<u>\$ 24,907,740</u>	<u>\$ 27,405,480</u>	<u>\$ 31,957,355</u>

Martin County, North Carolina
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses									
Governmental activities:									
General government	\$ 3,062,535	\$ 2,949,440	\$ 3,155,063	\$ 3,520,961	\$ 3,094,228	\$ 3,582,095	\$ 3,772,807	\$ 3,787,404	\$ 3,732,336
Public safety	6,547,884	6,605,428	6,417,741	6,949,230	7,147,854	7,642,046	8,428,361	9,157,238	8,407,614
Environmental protection	2,144,234	2,165,280	2,157,190	2,221,149	2,284,860	2,433,270	2,536,292	2,720,406	2,650,118
Economic and physical development	2,420,655	2,374,453	2,950,722	2,087,831	1,191,108	2,747,201	2,528,682	2,154,221	1,931,081
Human services	6,848,442	6,845,609	7,067,122	7,172,049	6,325,579	6,315,078	6,953,039	6,659,498	6,631,482
Cultural and recreation	171,745	597,059	162,321	190,283	170,463	172,156	189,358	185,183	181,139
Transportation	963,734	554,959	923,615	927,933	1,165,929	1,007,097	1,085,636	993,888	1,083,662
Education	8,208,634	7,065,581	7,076,879	7,270,323	7,520,394	7,579,133	7,673,133	8,732,180	7,838,649
Interest on long term debt	815,822	768,215	763,432	763,432	763,432	763,432	763,432	763,432	763,593
Total governmental activities	<u>31,183,685</u>	<u>29,926,024</u>	<u>30,674,085</u>	<u>31,103,191</u>	<u>29,663,847</u>	<u>32,241,508</u>	<u>33,930,740</u>	<u>35,153,450</u>	<u>33,219,674</u>
Business-type activities:									
Water	<u>3,256,721</u>	<u>1,779,560</u>	<u>1,830,853</u>	<u>1,886,929</u>	<u>1,870,730</u>	<u>2,054,002</u>	<u>2,075,808</u>	<u>1,968,881</u>	<u>1,875,549</u>
Total primary government expenses	<u>\$ 34,440,406</u>	<u>\$ 31,705,584</u>	<u>\$ 32,504,938</u>	<u>\$ 32,990,120</u>	<u>\$ 31,534,577</u>	<u>\$ 34,295,510</u>	<u>\$ 36,006,548</u>	<u>\$ 37,122,331</u>	<u>\$ 35,095,223</u>
Program Revenues									
Governmental activities									
Charges for services:									
General government	\$ 384,939	\$ 255,555	\$ 256,707	\$ 276,597	\$ 244,717	\$ 266,194	\$ 288,192	\$ 146,301	\$ 182,518
Public safety	690,676	733,149	502,486	508,358	547,885	685,105	718,512	434,801	347,005
Human services	566,667	566,667	566,667	566,667	566,667	566,667	566,667	583,685	600,288
Economic and physical development	-	-	-	-	-	-	-	-	-
Environmental protection	2,002,172	2,270,341	2,221,986	2,207,872	2,235,110	2,228,672	2,279,001	2,406,343	2,463,529
Transportation	89,619	102,939	54,523	93,532	300,114	147,020	127,237	189,509	369,775
Operating grants and contributions:									
General government	12,158	11,436	33,284	14,331	10,918	11,026	10,208	84,142	9,348
Public safety	715,517	402,714	377,900	547,315	153,766	471,132	347,060	1,887,973	1,061,353
Human services	4,384,418	5,021,266	4,954,406	4,846,644	3,873,989	3,706,172	4,162,354	4,163,530	3,826,398
Economic and physical development	1,439,137	480,809	1,716,785	1,181,457	829,902	1,537,113	1,357,518	396,543	656,220
Environmental protection	44,485	42,035	43,385	334,605	48,137	46,332	50,300	320,468	105,713
Transportation	129,328	253,493	255,172	530,699	262,933	509,363	399,683	387,590	894,590
Cultural and recreation	-	-	-	-	-	-	-	-	-
Education	1,389,759	364,210	289,957	-	289,193	285,551	286,521	285,758	285,758
Capital grants and contributions:									
General government	-	-	-	-	-	-	-	59,951	-
Public safety	-	-	-	67,051	339,121	3,889,841	710,866	36,430	-
Human services	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	2,139,600	537,593	174,805	815,556	8,000
Environmental protection	-	-	-	-	-	-	-	-	-
Transportation	756,071	172,044	81,236	-	208,954	632,787	467,867	543,161	1,644,502
Cultural and recreation	-	-	-	-	-	-	-	-	-
Education	755,856	712,663	711,509	710,755	713,045	718,214	721,841	719,916	719,916
Total government activities program revenues	<u>13,360,802</u>	<u>11,389,321</u>	<u>12,066,003</u>	<u>11,885,883</u>	<u>12,764,051</u>	<u>16,238,782</u>	<u>12,668,632</u>	<u>13,461,657</u>	<u>13,174,913</u>

Martin County, North Carolina
CHANGES IN NET POSITION
LAST NINE FISCAL YEARS
Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses									
Governmental activities:									
General government	\$ 3,062,535	\$ 2,949,440	\$ 3,155,063	\$ 3,520,961	\$ 3,094,228	\$ 3,582,095	\$ 3,772,807	\$ 3,787,404	\$ 3,732,336
Public safety	6,547,884	6,605,428	6,417,741	6,949,230	7,147,854	7,642,046	8,428,361	9,157,238	8,407,614
Environmental protection	2,144,234	2,165,280	2,157,190	2,221,149	2,284,860	2,433,270	2,536,292	2,720,406	2,650,118
Economic and physical development	2,420,655	2,374,453	2,950,722	2,087,831	1,191,108	2,747,201	2,528,682	2,154,221	1,931,081
Human services	6,848,442	6,845,609	7,067,122	7,172,049	6,325,579	6,315,078	6,953,039	6,659,498	6,631,482
Cultural and recreation	171,745	597,059	162,321	190,283	170,463	172,156	189,358	185,183	181,139
Transportation	963,734	554,959	923,615	927,933	1,165,929	1,007,097	1,085,636	993,888	1,083,662
Education	8,208,634	7,065,581	7,076,879	7,270,323	7,520,394	7,579,133	7,673,133	8,732,180	7,838,649
Interest on long term debt	815,822	768,215	763,432	763,432	763,432	763,432	763,432	763,432	763,593
Total governmental activities	31,183,685	29,926,024	30,674,085	31,103,191	29,663,847	32,241,508	33,930,740	35,153,450	33,219,674
Business-type activities:									
Water	3,256,721	1,779,560	1,830,853	1,886,929	1,870,730	2,054,002	2,075,808	1,968,881	1,875,549
Total primary government expenses	\$ 34,440,406	\$ 31,705,584	\$ 32,504,938	\$ 32,990,120	\$ 31,534,577	\$ 34,295,510	\$ 36,006,548	\$ 37,122,331	\$ 35,095,223
Program Revenues									
Governmental activities:									
Charges for services:									
General government	\$ 384,939	\$ 255,555	\$ 256,707	\$ 276,597	\$ 244,717	\$ 266,194	\$ 288,192	\$ 146,301	\$ 182,518
Public safety	690,676	733,149	502,486	508,358	547,885	685,105	718,512	434,801	347,005
Human services	566,667	566,667	566,667	566,667	566,667	566,667	566,667	583,685	600,288
Economic and physical development	-	-	-	-	-	-	-	-	-
Environmental protection	2,002,172	2,270,341	2,221,986	2,207,872	2,235,110	2,228,672	2,279,001	2,406,343	2,463,529
Transportation	89,619	102,939	54,523	93,532	300,114	147,020	127,237	189,509	369,775
Operating grants and contributions:									
General government	12,158	11,436	33,284	14,331	10,918	11,026	10,208	84,142	9,348
Public safety	715,517	402,714	377,900	547,315	153,766	471,132	347,060	1,887,973	1,061,353
Human services	4,384,418	5,021,266	4,954,406	4,846,644	3,873,989	3,706,172	4,162,354	4,163,530	3,826,398
Economic and physical development	1,439,137	480,809	1,716,785	1,181,457	829,902	1,537,113	1,357,518	396,543	656,220
Environmental protection	44,485	42,035	43,385	334,605	48,137	46,332	50,300	320,468	105,713
Transportation	129,328	253,493	255,172	530,699	262,933	509,363	399,683	387,590	894,590
Cultural and recreation	-	-	-	-	-	-	-	-	-
Education	1,389,759	364,210	289,957	-	289,193	285,551	286,521	285,758	285,758
Capital grants and contributions:									
General government	-	-	-	-	-	-	-	59,951	-
Public safety	-	-	-	67,051	339,121	3,889,841	710,866	36,430	-
Human services	-	-	-	-	-	-	-	-	-
Economic and physical development	-	-	-	-	2,139,600	537,593	174,805	815,556	8,000
Environmental protection	-	-	-	-	-	-	-	-	-
Transportation	756,071	172,044	81,236	-	208,954	632,787	467,867	543,161	1,644,502
Cultural and recreation	-	-	-	-	-	-	-	-	-
Education	755,856	712,663	711,509	710,755	713,045	718,214	721,841	719,916	719,916
Total government activities program revenues	13,360,802	11,389,321	12,066,003	11,885,883	12,764,051	16,238,782	12,668,632	13,461,657	13,174,913

Martin County, North Carolina
FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
Modified Accrual Basis of Accounting

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
General Fund									
Nonspendable	\$ 1,119,724	\$ 1,013,975	\$ 1,119,260	\$ 1,370,326	\$ 1,831,322	\$ 2,039,201	\$ 1,921,579	\$ 1,643,575	\$ 1,770,345
Restricted	2,036,930	1,816,778	3,164,983	1,796,139	1,756,099	1,764,450	1,948,227	2,422,623	2,339,878
Committed	620,121	505,121	342,733	15,428	50,428	85,428	120,428	155,428	190,428
Assigned	-	-	-	-	-	-	-	1,370,149	1,423,881
Unassigned	<u>5,507,145</u>	<u>7,790,454</u>	<u>7,776,204</u>	<u>8,834,079</u>	<u>8,436,400</u>	<u>7,735,034</u>	<u>8,010,686</u>	<u>9,438,150</u>	<u>10,830,572</u>
Total General Fund	<u>\$ 9,283,920</u>	<u>\$ 11,126,328</u>	<u>\$ 12,403,180</u>	<u>\$ 12,015,972</u>	<u>\$ 12,074,249</u>	<u>\$ 11,624,113</u>	<u>\$ 12,000,920</u>	<u>\$ 15,029,925</u>	<u>\$ 16,555,104</u>
All Other Governmental Funds									
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,001
Restricted	10,000,819	9,790,937	10,633,119	12,209,488	15,773,444	17,030,910	17,882,335	18,252,865	21,393,331
Committed	73,327	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-
Unassigned	<u>(180,576)</u>	<u>(52,635)</u>	<u>(296,395)</u>	<u>(263,765)</u>	<u>(862,864)</u>	<u>(995,174)</u>	<u>(266,463)</u>	<u>(129,447)</u>	<u>(1,513,401)</u>
Total All Other Governmental Funds	<u>\$ 9,893,570</u>	<u>\$ 9,738,302</u>	<u>\$ 10,336,724</u>	<u>\$ 11,945,723</u>	<u>\$ 14,910,580</u>	<u>\$ 16,035,736</u>	<u>\$ 17,615,872</u>	<u>\$ 18,123,418</u>	<u>\$ 19,888,931</u>

Martin County, North Carolina
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST NINE FISCAL YEARS
Modified Accrual Basis of Accounting

	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues									
Ad valorem taxes	\$ 14,872,052	\$ 14,819,792	\$ 14,872,159	\$ 14,908,949	\$ 16,315,858	\$ 16,204,621	\$ 16,775,184	\$ 17,525,646	17,284,182
Local option sales taxes	4,006,177	4,247,682	4,248,663	4,491,610	4,692,965	4,995,674	5,199,305	6,009,539	6,140,174
Other taxes and licenses	396,934	406,274	405,357	396,427	406,904	446,893	356,247	373,674	486,955
Unrestricted intergovernmental	79,792	86,385	75,503	86,669	76,340	79,027	76,347	70,621	64,175
Restricted intergovernmental	9,816,406	7,710,691	8,627,585	8,276,972	9,362,910	12,552,781	8,898,578	9,781,293	9,300,009
Licenses and fees	276,844	296,509	325,975	305,945	305,280	290,976	323,188	367,317	291,153
Sales and services	3,091,871	3,199,871	2,973,269	2,962,934	3,182,552	3,196,723	3,288,943	3,259,006	3,552,975
Investment earnings	38,384	13,245	29,503	60,634	158,436	338,702	174,171	8,791	30,948
Miscellaneous	190,348	217,168	277,577	341,312	289,645	223,503	217,151	383,852	398,123
Total Revenues	32,768,808	30,997,617	31,835,591	31,831,452	34,790,890	38,328,900	35,309,114	37,779,739	37,548,694
Expenditures									
General government	2,834,811	2,837,997	3,006,131	3,289,542	3,336,542	3,513,800	3,502,672	3,554,588	3,674,138
Public safety	6,890,016	6,491,752	6,384,364	6,845,020	7,213,676	11,022,841	8,391,697	8,414,378	8,018,246
Environmental protection	2,102,558	2,133,514	2,123,054	2,407,967	2,348,637	2,483,181	2,488,715	2,740,984	2,654,040
Economic and physical development	2,378,457	2,340,777	2,917,954	2,166,922	3,472,907	3,208,632	2,548,807	2,944,465	1,804,101
Human services	6,371,835	6,586,015	6,791,665	6,718,007	6,054,250	6,089,607	6,292,149	6,158,165	6,593,490
Cultural and recreational	150,396	141,627	148,639	149,390	149,527	159,949	167,983	163,864	160,074
Transportation	1,456,728	993,871	787,139	1,004,556	1,021,024	1,846,234	1,535,639	839,207	2,905,314
Education	8,208,634	7,065,581	7,076,879	7,270,323	7,520,394	7,579,133	7,673,133	8,732,180	7,838,649
Debt Service:									
Principal	964,998	25,169	-	-	-	-	-	-	16,009
Interest	815,822	768,215	763,432	763,432	763,432	763,432	763,432	763,432	763,593
Total Expenditures	32,174,255	29,384,518	29,999,257	30,615,159	31,880,389	36,666,809	33,364,227	34,311,263	34,427,654
Excess of revenues over (under) expenditures	594,553	1,613,099	1,836,334	1,216,293	2,910,501	1,662,091	1,944,887	3,468,476	3,121,040
Other Financing Sources (Uses)									
Transfers in	2,241,963	2,886,422	1,704,350	1,084,742	2,551,188	-	960,901	1,979,801	969,975
Transfers out	(2,241,963)	(2,886,422)	(1,704,350)	(1,106,887)	(2,551,188)	(1,000,000)	(960,901)	(1,979,801)	(969,975)
Sale of capital assets	34,620	74,043	38,940	27,643	112,633	12,929	12,056	2,925	83,283
Lease liabilities issued	-	-	-	-	-	-	-	-	86,369
Total other financing sources (uses)	34,620	74,043	38,940	5,498	112,633	(987,071)	12,056	2,925	169,652
Net change in fund balances	\$ 629,173	\$ 1,687,142	\$ 1,875,274	\$ 1,221,791	\$ 3,023,134	\$ 675,020	\$ 1,956,943	\$ 3,471,401	\$ 3,290,692
Debt service as a percentage of noncapital expenditures *	5.53%	2.76%	2.61%	2.61%	2.70%	2.49%	2.45%	2.33%	2.26%

*The ratio of total debt service as a percentage of non capital expenditures is calculated by dividing total debt service expenditures (principal and interest) by total noncapital expenditures (the difference between total expenditures and capitalized capital outlay expenditures).

Martin County, North Carolina
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
 In Thousands of Dollars

Fiscal Year	Residential Property	Commercial Property	Personal Property	Public Service Companies (1)	Total Taxable Assessed Value	Total Direct Tax Rate (2)	Estimated Actual Taxable Value (3)
2013	763,295	252,702	838,013	63,988	1,917,998	0.670	1,875,793
2014	785,163	259,942	862,021	64,024	1,971,150	0.720	1,791,955
2015	785,163	259,942	862,021	64,024	1,971,150	0.720	1,821,765
2016	799,955	264,839	806,344	71,917	1,943,055	0.735	1,779,680
2017(4)	796,203	263,538	802,721	74,644	1,937,106	0.735	1,908,855
2018	819,862	271,369	826,574	73,106	1,990,911	0.790	1,812,721
2019	796,792	263,733	803,316	75,521	1,939,362	0.790	1,868,364
2020	849,553	281,197	856,508	69,311	2,056,569	0.790	1,981,280
2021	853,114	282,376	860,097	85,886	2,081,473	0.810	2,077,941
2022	843,287	279,123	850,189	85,886	2,058,485	0.810	2,078,858

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (2) Per \$100 of value.
- (3) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (4) Property in Martin County is reassessed every eight years. The last reassessment was the basis for fiscal year 2017 taxes.

Martin County, North Carolina
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS
Rate per \$100 Assessed Value

	Year Taxes Are Payable									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Martin County	\$ 0.6700	\$ 0.7200	\$ 0.7200	\$ 0.7350	\$ 0.7350	\$ 0.7900	\$ 0.7900	\$ 0.8100	\$ 0.8100	\$ 0.8100
<u>Town Rates:</u>										
Bear Grass	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700	0.2700
Everetts	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.4000	0.6000
Hamilton	0.5200	0.5200	0.5200	0.5200	0.5200	0.5200	0.5700	0.5700	0.6100	0.6100
Hassell	0.2500	0.2500	0.2500	0.2500	0.2500	0.3000	0.3000	0.3000	0.3000	0.3000
Jamesville	0.7000	0.7000	0.7000	0.7000	0.7000	0.7000	0.7300	0.7300	0.7300	0.7300
Oak City	0.4000	0.4000	0.4000	0.4000	0.4000	0.4500	0.4500	0.4500	0.4500	0.4500
Parmele	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800	0.6800
Robersonville	0.5800	0.5800	0.5800	0.6000	0.6000	0.6500	0.6500	0.6500	0.7000	0.7000
Williamston	0.7500	0.7400	0.7400	0.7400	0.7400	0.7900	0.7900	0.7900	0.8900	0.8900
<u>Fire Districts:</u>										
Williamston	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800
Goose Nest	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600	0.0600
Griffins	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400
Bear Grass	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0450	0.0650	0.0650	0.0650
Hamilton	0.0600	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Jamesville	0.0500	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Roanoke	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400	0.0400

Martin County, North Carolina
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Type of Business	Fiscal Year 2022			Fiscal Year 2013		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Domtar Paper Co	Wood pulp manufacturer	\$ 358,779,269	1	17.43%	\$ 363,201,048	1	18.94%
Dominion NC Power	Utility	159,783,284	2	7.76%	63,584,198	2	3.32%
Piedmont Natural Gas	Utility	39,542,813	3	1.92%			
Weyerhaeuser Wood Products Co	Wood products manufacturer	33,472,543	4	1.63%	30,664,493	3	1.60%
Edgecombe-Martin EMC	Utility	30,413,945	5	1.48%			
Weyerhaeuser Co	Timberland	28,262,220	6	1.37%	23,496,325	4	1.23%
Ann's House of Nuts	Food processing	23,404,898	7	1.14%	21,892,909	5	1.14%
Flatiron Constructors	Construction	17,989,852	8	0.87%			
Community Health Systems	Health Care	14,410,685	9	0.70%	15,666,006	7	0.82%
Penco Products Inc.	Manufacturing	13,718,836	10	0.67%	11,149,310	10	0.58%
Martin Mills	Textiles				20,294,773	6	1.06%
Walmart	Retail				14,295,690	8	0.75%
Syfan Mfg. Inc.	Manufacturing				11,390,818	9	0.59%
Totals		\$ 719,778,345		34.97%	\$ 575,635,570		30.01%

Source: Martin County Tax Department

Martin County, North Carolina
PROPERTY TAX LEVIES AND COLLECTIONS
 Last Ten Fiscal Years

Fiscal Year	Taxes Levied for the		Adjustments	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
	Fiscal Year (Original Levy)	Amount			Percentage of Original Levy	Amount		Percentage of Adjusted Levy	
2013	\$ 12,869,626	\$ (19,039)	\$ 12,850,587	\$ 12,086,071	94.05%	\$ 703,540	\$ 12,789,611	99.53%	
2014	14,241,561	(49,282)	14,192,279	13,538,803	95.40%	578,218	14,117,021	99.47%	
2015	13,809,086	(10,512)	13,798,574	13,212,999	95.76%	503,396	13,716,395	99.40%	
2016	14,231,106	50,352	14,281,458	13,624,358	95.40%	543,575	14,167,933	99.21%	
2017	14,277,529	(39,800)	14,237,729	13,598,174	95.51%	489,431	14,087,605	98.95%	
2018	15,779,249	(47,498)	15,731,751	15,034,661	95.57%	508,203	15,542,864	98.80%	
2019	16,083,066	(709,048)	15,374,018	14,633,285	95.18%	486,642	15,119,927	98.35%	
2020	16,283,636	(34,184)	16,249,452	15,375,066	94.62%	463,469	15,838,535	97.47%	
2021	16,884,625	(24,692)	16,859,933	16,052,670	95.21%	247,308	16,299,978	96.68%	
2022	16,696,489	(22,758)	16,673,731	15,805,856	94.79%	-	15,805,856	94.79%	

Source: Martin County Tax Department

Martin County, North Carolina
RATIOS OF OUTSTANDING DEBT BY TYPE
 Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities				Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Revenue Bonds	Installment Loans	Capital Leases	General Obligation Bonds	Revenue Bonds	Limited Obligation Bonds	Installment Loans			
2013	-	-	15,049,688	-	14,936,600	-	-	-	29,986,288	1,218	4.13%
2014	-	-	14,084,690	-	14,702,700	-	-	-	28,787,390	1,180	3.61%
2015	-	-	14,059,521	-	-	-	14,180,000	-	28,239,521	1,167	3.48%
2016	-	-	14,059,521	-	-	-	13,885,000	-	27,944,521	1,155	3.57%
2017	-	-	14,059,521	-	-	-	13,580,025	-	27,639,546	1,165	3.34%
2018	-	-	14,059,521	-	-	-	13,260,075	-	27,319,596	1,162	3.48%
2019	-	-	14,059,521	-	-	-	12,930,075	-	26,989,596	1,162	3.44%
2020	-	-	14,059,521	-	-	-	12,580,075	-	26,639,596	1,156	3.34%
2021	-	-	14,059,521	-	-	-	12,220,075	-	26,279,596	1,150	3.09%
2022	-	-	14,059,521	-	-	-	11,845,075	-	25,904,596	1,134	-

* Information not yet available

Notes: Details regarding the county's outstanding debt can be found in the notes to the financial statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

Calendar year 2021 personal income not available to calculate fiscal year 2022.

Martin County, North Carolina
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
 Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding			Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Less: Amounts Restricted to Repaying Principal	Total			
2013	14,936,600	-	14,936,600	2.06%	778.76%	607
2014	14,702,700	-	14,702,700	1.84%	745.89%	603
2015	-	-	-	-	-	-
2016	-	-	-	-	-	-
2017	-	-	-	-	-	-
2018	-	-	-	-	-	-
2019	-	-	-	-	-	-
2020	-	-	-	-	-	-
2021	-	-	-	-	-	-
2022	-	-	-	-	-	-

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 13 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar year 2014 personal income not available to calculate fiscal year 2015.

(2) See schedule 5 for property value data.

Martin County, North Carolina
LEGAL DEBT MARGIN INFORMATION
 Last Ten Fiscal Years

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Assessed Value of Property	\$ 1,917,998	\$ 1,971,150	\$ 1,971,150	\$ 1,943,055	\$ 1,937,106	\$ 1,990,911	\$ 1,939,362	\$ 2,056,569	\$ 2,081,473	\$ 2,058,485
Debt Limit, 8% of Assessed Value (Statutory Limitation)	153,440	157,692	157,692	155,444	154,968	159,273	155,149	164,526	166,518	164,679
Amount of Debt Applicable to Limit										
Gross debt	29,986	28,787	28,240	27,945	27,640	27,320	26,990	26,640	26,280	25,905
Less: Amount available for repayment of general obligation bonds	-	-	-	-	-	-	-	-	-	-
Debt outstanding for water and sewer purposes	14,937	14,703	-	-	13,580	13,260	12,930	12,580	12,220	11,845
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Total net debt applicable to limit	15,050	14,085	28,240	27,945	14,060	14,060	14,060	14,060	14,060	14,060
Legal Debt Margin	<u>\$ 138,390</u>	<u>\$ 143,607</u>	<u>\$ 129,452</u>	<u>\$ 127,500</u>	<u>\$ 140,909</u>	<u>\$ 145,213</u>	<u>\$ 141,089</u>	<u>\$ 150,466</u>	<u>\$ 152,458</u>	<u>\$ 150,619</u>
Total net debt applicable to the limit as a percentage of debt limit	9.81%	8.93%	17.91%	17.98%	9.07%	8.83%	9.06%	8.55%	8.44%	8.54%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Martin County, North Carolina
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
June 30, 2022

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Cities:			
Williamston	\$ 2,042,595	100.00%	\$ 2,042,595
Hamilton	-	100.00%	-
Robersonville	-	100.00%	-
Subtotal, overlapping debt			2,042,595
Total direct debt			<u>14,059,021</u>
Total direct and overlapping debt			\$ <u><u>16,101,616</u></u>

Note: Overlapping rates are rates that apply sepcifically to special destricts and do not apply to the entire County. Overlapping rates only apply to property located within the special districts.

Martin County, North Carolina
DEMOGRAPHIC AND ECONOMIC STATISTICS
 Last Ten Fiscal Years

Year	Population (1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public School Enrollment (3)	Unemployment Rate (4)	Number of Building Permits Issued (5)
2013	24,625	\$ 726,662	\$ 32,414	3,968	9.10%	129
2014	24,392	797,123	33,635	3,662	8.00%	140
2015	24,199	810,742	34,567	3,370	8.70%	114
2016	24,199	783,202	33,532	3,370	7.00%	103
2017	23,729	826,463	35,666	3,349	5.60%	155
2018	23,510	784,274	34,415	3,428	4.90%	127
2019	23,227	785,492	34,647	3,307	4.90%	121
2020	23,054	797,545	35,541	3,157	8.40%	141
2021	22,849	849,444	38,301	3,398	5.10%	147
2022	22,849	*	*	2,928	4.30%	145

* Information not yet available.

Notes:

(1) N.C. State Data Center. Estimates are as of beginning of fiscal year.

(2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year

(3) Martin County Board of Education, First Month Average Daily Membership (includes charter school)

(4) N. C. Employment Security Commission, Annual Average for prior calendar year.

(5) Total number of permits issued by Martin County Inspections Department. Does not include inspections by municipalities.

Martin County, North Carolina
PRINCIPAL EMPLOYERS
 Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Martin County Board of Education	500 - 999	1	8.83%	500 - 999	1	6.79%
Domtar Paper Company	250 - 499	2	4.41%	250 - 499	2	3.40%
Ann's House of Nuts	250 - 499	3	4.41%	250 - 499	3	3.40%
Walmart	250 - 499	4	2.06%	100 - 249	4	3.40%
County of Martin	100 - 249	5	2.06%	100 - 249	7	3.40%
Martin General Hospital	100 - 249	6	2.06%	250 - 499	5	1.59%
Martin Community College	100 - 249	7	2.06%	100 - 249	8	1.59%
Industrial Manufacturing Company	100 - 249	8	2.06%	100 - 249	9	1.59%
Town of Williamston	100 - 249	9	2.06%			
Home Life Care	100 - 249	10	2.06%			
Piggy Wiggly				100 - 249	10	1.59%
Martin Mills				100 - 249	6	1.59%
Total Employment	8,494			11,039		

Source: NCESC

Note: Percentage of total county employment is based on the midpoints in the ranges given.

Martin County, North Carolina
FULL TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION
 Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	35	34	33	31	31	30	30	29	32	33
Public safety	58	54	52	55	57	57	59	60	66	61
Human services	84	80	79	79	79	76	75	73	62	63
Economic and physical development	2	2	2	2	2	2	2	2	3	3
Environmental protection	4	4	4	5	4	4	4	4	4	5
Transporation	13	13	12	9	11	11	11	10	10	8
Water/Sewer (Business activity)	5	5	5	5	5	5	6	6	6	6
Total	201	192	187	186	189	185	187	184	183	179

Source: County Finance Department

Note: This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full-time personnel work 2,080 hours per year (less vacation and sick leave). For purposes of this schedule the number of part-time employees has been divided by 2 to arrive at the full time equivalents.

* Cooperative extension personnel are employed by the State, effective January 2011

Martin County, North Carolina
OPERATING INDICATORS BY FUNCTION
 Last Nine Fiscal Years

Function/Program	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety									
Concealed Weapon Permits	275	216	296	299	453	385	345	737	375
Index Crime Rate	4694	3827	4120	3268	3003	3364	2688	2717	*
Violent Crime Rate	530	552	506	400	417	500	482	511	*
Property Crime Rate	4163	3276	3613	2868	2586	2864	2206	2207	*
Transportation									
Transit Miles	267,660	248,924	255,771	248,992	247,532	258,060	221,071	184,961	208292
Transit Trips	28,336	27,349	29,036	29,415	26,603	26,507	20,966	15,099	18204
Based Aircraft	8	7	10	9	9	11	10	10	10
Takeoffs & Landings	2,700	5,140	5,140	4,500	4,500	4,500	4,500	4,500	4500
Water/Sewer (Business activity)									
Taps	2,168	1,999	2,015	1,914	1,970	1,977	1,998	1,998	1977

Source: Individual County departments

*Current crime report not available at the time of this report.

Martin County, North Carolina
CAPITAL ASSET STATISTICS BY FUNCTION
 Last Nine Fiscal Years

Function/Program	Fiscal Year								
	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public safety									
# Stations	1	1	1	1	1	1	1	1	1
# Patrol Units	41	41	41	41	41	41	41	41	41
Transportation									
Standard Vans	2	2	2	2	2	2	1	1	1
Conversion Vans	3	3	3	3	3	3	3	-	-
Lift Vans	5	5	4	2	2	2	2	-	-
Buses	4	4	4	4	4	4	5	10	10
Minivans	1	1	2	2	2	2	2	2	2
Water/Sewer (Business activity)									
Miles of Distribution Line	285	285	285	285	285	285	285	285	285
Tank Storage Capacity	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000	525,000

Source: Individual County departments

COMPLIANCE SECTION





Carr, Riggs & Ingram, P.L.L.C.
3105 Trent Road
New Bern, NC 28562

Mailing Address:
PO Box 1547
New Bern, NC 28563

252.633.5821
252.633.0199 (fax)
CRLcpa.com

Report On Internal Control Over Financial Reporting and On Compliance and Other Matters Based On An Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Martin County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Martin County, North Carolina, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises Martin County's basic financial statements, and have issued our report thereon dated November 28, 2022. Our report includes a reference to other auditors who audited the financial statements of the Martin County ABC Board, as described in our report on Martin County's financial statements. This report does not include the results of the other auditor's testing of internal controls over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Martin County ABC Board were not audited in accordance with *Government Auditing Standards*.

Report On Internal Control Over Financial Reporting

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

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

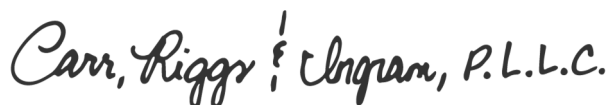
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Report On Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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 that reads "Carr, Riggs & Ingram, P.L.L.C." The signature is written in a cursive, flowing style.

CARR, RIGGS & INGRAM, P.L.L.C.

New Bern, North Carolina

November 28, 2022



Carr, Riggs & Ingram, P.L.L.C.
3105 Trent Road
New Bern, NC 28562

Mailing Address:
PO Box 1547
New Bern, NC 28563

252.633.5821
252.633.0199 (fax)
CRIncpa.com

Report On Compliance For Each Major Federal Program; Report on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Martin County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Martin County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Martin County's major federal programs for the year ended June 30, 2022. Martin County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Carr, Riggs & Ingram, P.L.L.C.

CARR, RIGGS & INGRAM, P.L.L.C.
New Bern, North Carolina
November 28, 2022



Carr, Riggs & Ingram, P.L.L.C.
3105 Trent Road
New Bern, NC 28562

Mailing Address:
PO Box 1547
New Bern, NC 28563

252.633.5821
252.633.0199 (fax)
CRlcpa.com

Report On Compliance For Each Major State Program; Report on Internal Control Over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Martin County, North Carolina

Report on Compliance for Each Major State Program

We have audited Martin County, North Carolina, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Martin County's major state programs for the year ended June 30, 2022. Martin County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

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

Basis for Opinion on Each Major State Program

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

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

Responsibilities of Management for Compliance

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

Auditors' Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

Carr, Riggs & Ingram, P.L.L.C.

CARR, RIGGS & INGRAM, P.L.L.C.

New Bern, North Carolina

November 28, 2022

Martin County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

SECTION I – SUMMARY OF AUDITORS’ RESULTS
Financial Statements:

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

Federal Awards:

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

Assistance Listing Number	Names of Federal Program or Cluster
93.778	Medical Assistance Program (Medicaid Cluster)
20.106	Airport Improvement Program

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

Martin County, North Carolina
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended June 30, 2022

State Awards:

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

State Program Name

Stream Debris Removal
Juvenile Crime Prevention Programs
Essential Single Family Rehabilitation Loan Pool - Disaster Recovery

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

Martin County, North Carolina
CORRECTIVE ACTION PLAN
For the Year Ended June 30, 2022



MARTIN COUNTY FINANCE OFFICE

Martin County Governmental Center
305 East Main Street - PO Box 668
Williamston, NC 27892

Phone: 252-789-4330 Fax: 252-789-4339

SECTION II – FINANCIAL STATEMENT FINDINGS

None noted

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None noted

SECTION IV – STATE AWARD FINDINGS AND QUESTIONED COSTS

None noted

Martin County, North Carolina
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2022

None noted

Martin County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Federal Awards:					
<u>U.S. Dept. of Agriculture</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
State Administrative Matching Grants for the					
Supplemental Nutrition Assistance Program (SNAP) Cluster	10.561	XXXX	\$ 335,448	\$ -	\$ -
Total U.S. Department of Agriculture			<u>335,448</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>					
Passed-through N.C. Department of Public Safety:					
Division of Emergency Management					
Emergency Management Performance Grants	97.042	XXXX	50,353	-	-
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	XXXX	<u>18,166</u>	<u>-</u>	<u>-</u>
Total U. S. Department of Homeland Security			<u>68,519</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Transportation</u>					
Passed through N.C. Department of Transportation:					
Airport Improvement Program	20.106	XXXX	1,550,476	-	-
Formula Grants for Rural Areas and Tribal Transit Program	20.509	XXXX	<u>705,077</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Transportation			<u>2,255,553</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Housing and Urban Development</u>					
COVID-19 Community Development Block Grant State's Program	14.228	XXXX	191,777	-	-
Community Development Block Grant State's Program	14.228	XXXX	<u>23,868</u>	<u>-</u>	<u>-</u>
Total U.S. Department of Housing and Urban Developemnt			<u>215,645</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Treasury</u>					
Passed-through the Office of State Budget and Management:					
NC Pandemic Recovery Office					
COVID-19 Coronavirus Relief Fund (Note 7)	21.019	XXXX	<u>8,922</u>	<u>-</u>	<u>744</u>
Total U.S. Department of Treasury			<u>8,922</u>	<u>-</u>	<u>744</u>

Martin County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>U.S. Dept. of Health & Human Services</u>					
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Aging and Adult Services					
<u>Aging Cluster:</u>					
Special Programs for the Aging - Title III Part B					
Grants for Supportive Services & Senior Centers	93.044	XXXX	4,744	279	-
Special Programs for the Aging - Title III Part C					
Nutrition Services	93.045	XXXX	191,055	11,239	-
Nutrition Services Incentive Program	93.053	XXXX	55,831	-	-
Total Aging Cluster			251,630	11,518	-
Division of Social Services					
<u>Temporary Assistance for Needy Families (Note 5)</u>					
Temporary Assistance for Needy Families (TANF) /					
Work First	93.558	XXXX	104,110	-	-
<u>Foster Care and Adoption Cluster (Notes 4 & 5)</u>					
Foster Care - Title IV-E	93.658	XXXX	130,715	19,207	-
Adoption Assistance	93.659	XXXX	246	-	-
Total Foster Care and Adoption Cluster (Notes 4&5)			130,961	19,207	-
MaryLee Allen Promoting Safe and Stable					
Families Program	93.556	XXXX	2,657	-	-
Child Support Enforcement	93.563	XXXX	419,616	-	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568	XXXX	577,429	-	-
John H. Chafee Foster Care Program for Successful					
Transition to Adulthood	93.674	XXXX	4,702	472	-
Stephanie Tubbs Jones Child Welfare Services Program	93.645	XXXX	7,498	-	-
Social Services Block Grant - Other Services and Training	93.667	XXXX	197,485	-	-

Martin County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Child Development:					
Subsidized Child Care					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care Mandatory and Matching Funds of the					
Child Care Development Fund - Administration	93.596	XXXX	79,465	-	-
Total Subsidized Child Care			79,465	-	-
Division of Health Benefits:					
Administration:					
Medical Assistance Program (Medicaid Cluster) (Note 5)	93.778	XXXX	1,076,077	1,667	-
Total Medical Assistance Program Cluster (Note 5)			1,076,077	1,667	-
Division of Social Services:					
Administration:					
Children's Health Insurance Program - N.C. Health					
Choice (Note 5)	93.767	XXXX	18,015	773	-
Total U.S. Department of Health and Human Services			2,869,645	33,637	-
Total Federal and State awards			5,753,732	33,637	744
State Awards:					
<u>N.C. Dept. of Agriculture</u>					
Stream Cleanup Funds		XXXX	-	104,013	-
Soil Conservation Funds		XXXX	-	27,399	-
Spay & Neuter Program		XXXX	-	15,694	-
Total N.C. Department of Agriculture			-	147,106	-

Martin County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing #	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients
<u>N.C. Housing Finance Agency</u>					
Essential Single Family Rehabilitation Loan Pool - Disaster Recovery		XXXX	-	163,176	-
<u>N.C. Dept. of Health and Human Services</u>					
Division of Social Services					
Smart Start		XXXX	-	8,564	-
Foster Care At Risk Child Welfare		XXXX	-	4,984	-
Division of Aging and Adult Services					
90% State Funds - In Home Services		XXXX	-	135,285	-
Total N. C. Department of Health and Human Services			-	148,833	-
<u>N.C. Dept. of Public Safety</u>					
Sheriffs Grant		XXXX	-	3,295	-
Juvenile Crime Prevention Programs		XXXX	-	121,642	-
Total N. C. Department of Public Safety			-	124,937	-
<u>N.C. Dept. of Transportation</u>					
DOT-11		XXXX	-	6,967	-
DOT-14		XXXX	-	38,043	-
DOT-16L		XXXX	-	130,291	-
DOT-8		XXXX	-	107,603	-
Total N.C. Department of Transportation			-	282,904	-
Total State awards			-	866,956	-
Total Federal and State awards			<u>\$ 5,753,732</u>	<u>\$ 900,593</u>	<u>\$ 744</u>

Martin County, North Carolina
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2022

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Martin County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards* and the State Single Audit Implementation Act. Because the schedule presents only a selected portion of the operations of Martin County, it is not intended to and does not present the financial position, changes in net position or cash flows of Martin County.

Note 2: Summary of Significant Accounting Policies

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

Note 3: Indirect Cost Rate

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

Note 4: Cluster of State Programs

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

Note 5: Noncash Assistance

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

Note 6: Benefit Payments Issued by the State

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

Program Title	Listing Number	Federal	State
Supplemental Nutrition Assistance Program	10.561	\$ 15,436,818	\$ -
Temporary Assistance for Needy Families	93.558	59,808	-
Adoption Assistance	93.659	226,670	42,402
Foster Care - Title IV-E	93.658	91,661	18,314
Medical Assistance Program	93.778	46,346,993	17,855,209
Children's Health Insurance Program	93.767	454,265	101,716
Child Welfare Services Adoption		-	38,831
State Foster Home		-	29,735
SFHF Maximization		-	224
SC/SA Domiciliary Care		-	168,826
Foster Care - Title IV-B		-	27,500