PERQUIMANS COUNTY, NORTH CAROLINA

ANNUAL FINANCIAL REPORT
Year Ended June 30, 2025

## BOARD OF COMMISSIONERS

## OFFICIALS

County Manager
Frank Heath

Clerk to the Board
Rebecca Corprew

Finance Officer
Tracy Mathews

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Wallace Nelson, Chairman
Charles Woodard, Vice Chair
Kathyrn Treiber, Member
Joseph W. Hoffer, Member
James Ward, Member
Tim Corprew, Member

**Perquimans County**
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**June 30, 2025**


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# FINANCIAL SECTION

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## Independent Auditor's Report

To the Board of County Commissioners
Perquimans County, North Carolina

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Perquimans County, North Carolina as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Perquimans County's basic financial statements as listed in the table of contents.

In our opinion, based upon our audit, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Perquimans County as of June 30, 2025, and the respective changes in financial position and cash flows, thereof and the respective budgetary comparison for the General Fund, Emergency Telephone System Fund, and Perquimans County TDA, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Financial Statements section of our report. We are required to be independent of Perquimans 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 Perquimans County TDA were not audited in accordance with *Governmental Auditing Standards.*

***Responsibilities of Management for the Audit of the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

- exercised professional judgement and maintained professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsible 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 Perquimans 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 Perquimans County's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment Benefits Schedules of Funding Progress and Employer Contributions, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset (Liability) and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset (Liability) and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance Schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Supplementary Information***

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2026, on our consideration of Perquimans County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Perquimans County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Perquimans County's internal control over financial reporting and compliance.

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

*Wilmington, North Carolina*
*January 28, 2026*

# MANAGEMENT'S DISCUSSION AND ANALYSIS

**Perquimans County**
**Management's Discussion and Analysis**
**For the Year Ended June 30, 2025**

As management of Perquimans County, we offer readers of Perquimans County's (the "County") financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2025. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

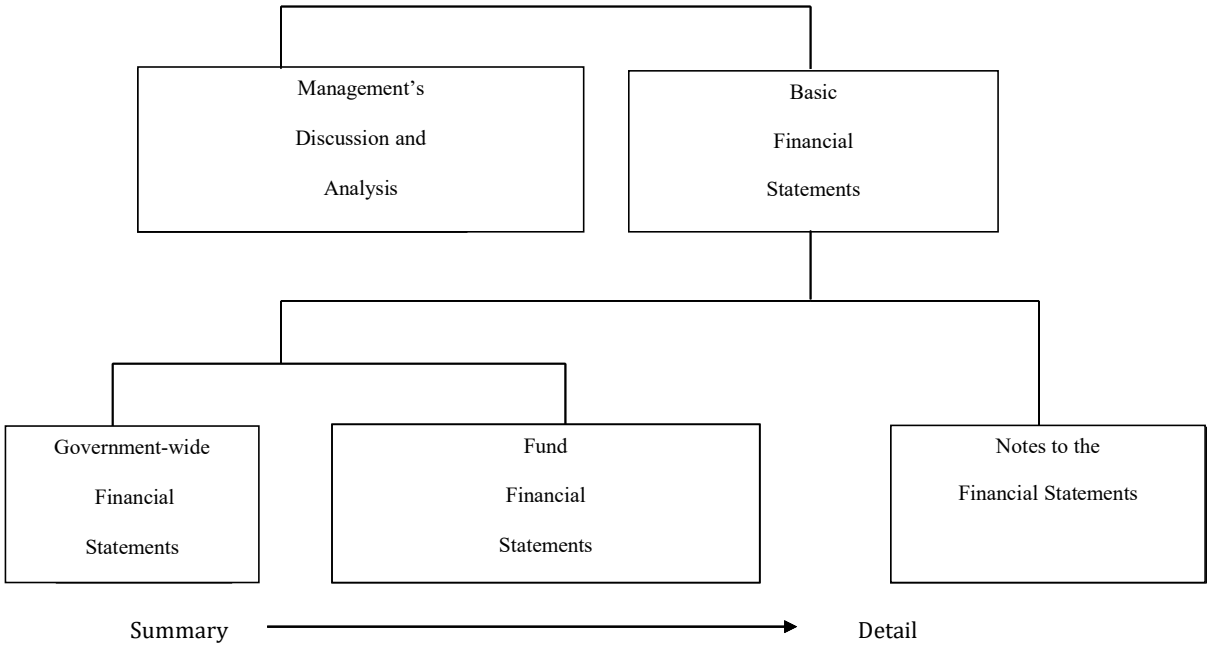
**Financial Highlights**

- The assets and deferred outflows of resources of Perquimans County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by $37,035,038 (*net position* ).
- The government's total net position increased by $1,089,509 before the prior year restatement, primarily due to an increase of revenues in governmental and business-type activities.
- As of the close of the current fiscal year, Perquimans County's governmental funds reported combined ending fund balances of $29,948,280, an increase of $7,357,945 in comparison with the prior year before the prior year restatement. Approximately 79 percent of this total amount, or $23,223,188, is restricted, committed or assigned.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was $7,429,009 or 32 percent of total general fund expenditures for the fiscal year.
- At the end of the current fiscal year, total fund balance for the General Fund was $9,875,199 or 42% of total general fund expenditures for the fiscal year.
- Perquimans County's installment debt increased by $9,813,742 during the past fiscal year.

**Overview of the Financial Statements**

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

**Required Components of Annual Financial Report**
**Figure 1**



**Basic Financial Statements**

The first two statements (Exhibits1&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 3-9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the government fund statements; 2) the budgetary comparison statements for major governmental funds; 3) the proprietary governmental funds statements; 4) the agency fund statements.

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

Following the Notes is the required supplemental information. This section contains funding information about the County's Other Post Employment Benefit Plan and Pension Plans.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide the reader with a broad overview of the County's finances, similar in a manner 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 statement of net position presents information on all of Perquimans County's assets, liabilities, anddeferred onflows/outflows of resources, with the difference reported as net position. Over time,increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The statement of activities presents information showing how Perquimans County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation and sick leave).

Both government-wide financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the County include general government, public safety, human services, culture and recreation, and education. The business-type activities of the County include water and sewer operation.

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

Component units include the following: The Perquimans County Tourism Development Authority component unit is a legally separate entity from the County.

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

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

**Fund Financial Statements**

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

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

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

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

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

**Other Information** - In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Perquimans County's progress in funding its obligation to provide pension and OPEB benefits to it's employees.

**Government-Wide Financial Analysis**

**Perquimans County's Net Position**
**Figure 2**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Current and other assets | $ 32,539,842 | $24,355,952 | $ 3,730,647 | $ 3,276,057 | $ 36,270,489 | $ 27,632,009 |
| Capital assets and leased assets | 15,016,412 | 10,926,737 | 6,945,224 | 7,375,200 | 21,961,636 | 18,301,937 |
| Deferred outflows of resources | 3,173,514 | 3,492,982 | 258,037 | 285,283 | 3,431,551 | 3,778,265 |
| Total assets and deferred outflows of resources | 50,729,768 | 38,775,671 | 10,933,908 | 10,936,540 | 61,663,676 | 49,712,211 |
| Long-term liabilities outstanding | 19,889,549 | 9,351,337 | 1,116,062 | 1,242,299 | 21,005,611 | 10,593,636 |
| Other liabilities | 2,021,528 | 1,473,375 | 425,854 | 416,677 | 2,447,382 | 1,890,052 |
| Deferred inflows of resources | 1,011,752 | 1,049,559 | 163,893 | 145,877 | 1,175,645 | 1,195,436 |
| Total liabilities and deferred inflows of resources | 22,922,829 | 11,874,271 | 1,705,809 | 1,804,853 | 24,628,638 | 13,679,124 |
| Net Position: | | | | | | |
| Net investment in capital assets | 1,238,781 | 7,131,778 | 6,211,324 | 6,471,993 | 7,450,105 | 13,603,771 |
| Restricted | 19,392,027 | 7,407,212 | - | - | 19,392,027 | 7,407,212 |
| Unrestricted | 7,176,131 | 12,362,410 | 3,016,775 | 2,659,694 | 10,192,906 | 15,022,104 |
| Total net position | $ 27,806,939 | $26,901,400 | $ 9,228,099 | $ 9,131,687 | $ 37,035,038 | $ 36,033,087 |

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of resources of Perquimans County exceeded liabilities and deferred inflows of resources by $37,035,038 as of June 30, 2025. Current and other assets increased by $8,638,480 from the prior year. A significant contributing factor to the increase was the increase in restricted cash. Other liabilities increased by $557,330 from the prior year.

A large portion, $7,450,105, reflects County's net investment in capital assets (e.g., land, buildings, infrastructure, machinery, and equipment). County of Perquimans uses these capital assets to provide services to citizens; conseuqently, these assets are not available for future spending. Although County of Perquimans' net investment in capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Perquimans County's net position, $19,392,027, represents resources that are subject to external restrictions on how they may be used. As of the end of the current year, Perquimans County's unrestricted net position was remaining balance of $10,192,906.

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

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 96.83%.
- Management's proactive stance on monitoring spending across County departments.
- Continued low cost of debt due to the County's low total indebtedness.

## Perquimans County
## Changes in Net Position
## Figure 3

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| **Revenues:** | | | | | | |
| Program Revenues | | | | | | |
| Charges for Services | $ 4,446,379 | $ 3,005,256 | $ 4,158,784 | $ 3,837,529 | $ 8,605,163 | $ 6,842,785 |
| Operating grants and contributions | 2,746,948 | 2,590,202 | - | - | 2,746,948 | 2,590,202 |
| Capital grants and contributions | 19,388,322 | 14,149,548 | - | - | 19,388,322 | 14,149,548 |
| General revenues | | | | | | |
| Property taxes | 11,640,850 | 10,819,190 | - | - | 11,640,850 | 10,819,190 |
| Other taxes | 4,465,634 | 4,172,540 | - | - | 4,465,634 | 4,172,540 |
| Other | 965,931 | 1,121,765 | 22,100 | 30,310 | 988,031 | 1,152,075 |
| **Total revenues** | 43,654,064 | 35,858,501 | 4,180,884 | 3,867,839 | 47,834,948 | 39,726,340 |
| **Expenses:** | | | | | | |
| General government | 3,961,285 | 3,087,861 | - | - | 3,961,285 | 3,087,861 |
| Public Safety | 10,670,127 | 9,105,950 | - | - | 10,670,127 | 9,105,950 |
| Economic and physical development | 64,737 | 11,532 | - | - | 64,737 | 11,532 |
| Environmental protection | 342,007 | 379,431 | - | - | | |
| Human services | 3,710,451 | 2,993,709 | - | - | 3,710,451 | 2,993,709 |
| Cultural and recreation | 1,038,089 | 5,196,149 | - | - | 1,038,089 | 5,196,149 |
| Education | 22,580,884 | 4,894,087 | - | - | 22,580,884 | 4,894,087 |
| Interest on long-term debt | 274,062 | 215,586 | - | - | 274,062 | 215,586 |
| Solid waste operations | - | - | 1,273,018 | 1,162,491 | 1,273,018 | 1,162,491 |
| Water operations | - | - | 2,804,950 | 2,664,786 | 2,804,950 | 2,664,786 |
| **Total expenses** | 42,641,642 | 25,884,305 | 4,077,968 | 3,827,277 | 46,377,603 | 29,332,151 |
| Increase (decrease) in net position before transfers and special items | 1,012,422 | 9,974,196 | 102,916 | 40,562 | 1,457,345 | 10,394,189 |
| Transfers | (25,829) | (284,214) | - | 250,000 | (25,829) | (34,214) |
| Increase (decrease) in net position | 986,593 | 9,689,982 | 102,916 | 290,562 | 1,089,509 | 9,980,544 |
| Net position, beginning, as previously reported | 26,901,400 | 15,368,553 | 9,131,687 | 8,841,125 | 36,033,087 | 24,209,678 |
| Prior year restatement | (81,054) | 1,842,865 | (6,504) | - | (87,558) | 1,842,865 |
| Net position, beginning, restated | 26,820,346 | 17,211,418 | 9,125,183 | 8,841,125 | 35,945,529 | 26,052,543 |
| Net position, ending | $ 27,806,939 | $ 26,901,400 | $ 9,228,099 | $ 9,131,687 | $ 37,035,038 | $ 36,033,087 |

County of Perquimans' overall net position increased $1,089,509 from the prior year before the prior year restatement. The reasons for this overall increase are discussed in the following sections for governmental activities and business-type activities.

**Governmental activities:** Governmental activities increased the County's net position by $986,593 before the prior year restatement . Key elements of this increase are as follows:

- Increase in revenues.

**Business-type activities:** Business-type activities increased the County's net position by $102,916 before the prior year restatement. Key elements of this increase are as follows:

- Increase in revenues.

## Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Perquimans County. At the end of the current fiscal year, Perquimans County's fund balance available in the General Fund was $7,429,009, while total fund balance reached $9,875,199. The County currently has an available fund balance of 32% of general fund expenditures, while total fund balance represents 42% of that same amount.

At June 30, 2025, the governmental funds of Perquimans County reported a combined fund balance of $29,948,280, a 33% 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.

**Proprietary Funds:** Perquimans County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Total net position of the Solid Waste Fund at the end of the fiscal year amounted to $660,539 and net position for the Water Fund equaled $8,567,560. The total increase in net position for the Solid Waste fund was $65,046. The total increase in the Water fund was $31,366 after restatement. Other factors concerning the finances of these funds have already been addressed in the discussion of Perquimans County's business-type activities.

### Capital Asset and Debt Administration

**Capital assets**. Perquimans County's capital assets for its governmental and business - type activities as of June 30, 2025, totals $21,961,636 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, recreational facilities, and vehicles.

Major capital assets transactions during the year include:

- Purchased several vehicles and equipments in governmental and business-type activities.
- Cell Tower construction in progress.

**Perquimans County's Capital Assets**
**(net of depreciation)**
**Figure 4**

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Land | $ 2,769,240 | $ 1,898,152 | $ 187,056 | $ 187,056 | $ 2,956,296 | $ 2,085,208 |
| Construction in progress | 4,059,431 | 1,002,558 | - | - | 4,059,431 | 1,002,558 |
| Buildings & systems | 6,312,136 | 6,177,927 | 6,612,063 | 6,998,650 | 12,924,199 | 13,176,577 |
| Machinery, equipment, and vehicles | 1,875,605 | 1,847,176 | 146,105 | 189,494 | 2,021,710 | 2,036,670 |
| Right to use leased assts, net of amortization | - | 924 | - | - | - | 924 |
| Total | $ 15,016,412 | $10,926,737 | $ 6,945,224 | $ 7,375,200 | $ 21,961,636 | $ 18,301,937 |

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

**Long-term Debt**: As of June 30, 2025, Perquimans County had no total bonded debt outstanding for the General Fund.

**Installment Obligation Debt**. As of June 30, 2025, Perquimans County had $13,777,631 in installment purchases outstanding for the governmental activities and $733,900 in installment purchases outstanding for the business-type activities.

**Perquimans County's Outstanding Debt**
**Figure 5**

| | Governmental Activities | | Business-type Activities | | Total | |
|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Capital leases | $ - | $ 377 | $ - | $ - | $ - | $ 377 |
| Installment agreement indebtedness | 13,777,631 | 3,794,582 | 733,900 | 903,207 | 14,511,531 | 4,697,789 |
| Compensated absences | 551,821 | 392,712 | 37,414 | 21,723 | 589,235 | 414,435 |
| Net pension liability (LGERS) | 4,471,319 | 4,203,483 | 388,810 | 365,520 | 4,860,129 | 4,569,003 |
| Total pension liability (LEOSSA) | 665,799 | 584,401 | - | - | 665,799 | 584,401 |
| Total OPEB liability | 1,614,831 | 1,643,110 | 140,420 | 142,879 | 1,755,251 | 1,785,989 |
| Total | $ 21,081,401 | $ 10,618,665 | $ 1,300,544 | $ 1,433,329 | $ 22,381,945 | $ 12,051,994 |

Perquimans County's total capital leases and installment agreement indebtedness decreased by $377 (100%) during the past fiscal year.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Perquimans County is $170,336,892.

Additional information regarding Perquimans County's long-term debt can be found beginning on page 40 of this audited financial report.

**Economic Factors and Next Year's Budgets and Rates**

- The County's unemployment rate of 3.7%. (N.C. Dept. of Commerce, Labor and economic Analysis Division)
- Inflation and supply chain issues.

**Budget Highlights for the Fiscal Year Ending June 30, 2026**

**Governmental Activities:** Perquimans County's Ad-valorem tax rate was set at $0.52/$100 value. Perquimans went through a property revaluation, effective 1/1/2025. Sales tax revenues have improved due to increased local shopping.

Budgeted expenditures in the General Fund are $24,694,108. Various capital projects were budgeted, focusing on the EMS and Sheriffs office. School spending was increased by $10,000.

This budget included a 3% adjustment to the salary schedule for employees and merit and step increases remain active.

**Business-type Activities**: Due to increased operational costs, Water rates remained at $17.50 minimum bill and $9 per thousand gallons after the first thousand gallons. Within FY 25-26, Perquimans will continue to pay for and receive 150,000 gallons of treated water per day from Pasquotank County.

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

Rates for solid waste services remain at $190 per year.

**Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the County Manager, Perquimans County, P.O. Box 45, Hertford, NC 27944.

# BASIC FINANCIAL STATEMENTS

**Perquimans County, North Carolina**
**Statement of Net Position**
**June 30, 2025**

| | Primary Government | | | |
|---|---|---|---|---|
| | Governmental Activities | Business-type Activities | Total | Perquimans County TDA |
| **ASSETS** | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | $ 8,556,271 | $ 3,096,439 | $ 11,652,710 | $ 72,231 |
| Taxes receivable, net | 609,439 | - | 609,439 | - |
| Account receivable, net | 1,648,838 | 460,665 | 2,109,503 | 851 |
| Accrued interest receivable on taxes | 12,631 | - | 12,631 | - |
| Due from other governments | 992,015 | 35,072 | 1,027,087 | - |
| Restricted Opioid receivables, net | 821,700 | - | 821,700 | - |
| Prepaid expenses | - | - | - | - |
| Inventories | - | 65,620 | 65,620 | - |
| Restricted cash and cash equivalents | 19,883,869 | 72,851 | 19,956,720 | - |
| Net pension asset | 15,079 | - | 15,079 | - |
| Total current assets | 32,539,842 | 3,730,647 | 36,270,489 | 73,082 |
| Capital assets: | | | | |
| Land and construction in progress | 6,828,671 | 187,056 | 7,015,727 | - |
| Other capital assets, net of depreciation | 8,187,741 | 6,758,168 | 14,945,909 | - |
| Total capital assets | 15,016,412 | 6,945,224 | 21,961,636 | - |
| Total assets | 47,556,254 | 10,675,871 | 58,232,125 | 73,082 |
| **DEFERRED OUTFLOWS OF RESOURCES** | | | | |
| Pension deferrals - LGERS | 2,484,043 | 216,004 | 2,700,047 | - |
| Pension deferrals - LEO | 197,774 | - | 197,774 | - |
| Pension deferrals - ROD | 8,322 | - | 8,322 | - |
| OPEB deferrals | 483,375 | 42,033 | 525,408 | - |
| Total deferred outfows of resources | 3,173,514 | 258,037 | 3,431,551 | - |
| **LIABILITIES** | | | | |
| Current liabilities | | | | |
| Accounts payable and accrued expenses | 711,595 | 165,700 | 877,295 | 1,357 |
| Accrued interest payable | 118,081 | 2,821 | 120,902 | - |
| Liabilities paid from restricted assets | - | 72,851 | 72,851 | - |
| Installment note payable - current | 1,036,852 | 171,982 | 1,208,834 | - |
| Vacation payable - current | 135,000 | 10,000 | 145,000 | - |
| Sick leave payable - current | 20,000 | 2,500 | 22,500 | - |
| Total current liabilities | 2,021,528 | 425,854 | 2,447,382 | 1,357 |
| Long-term liabilities | | | | |
| Installment notes payable | 12,740,779 | 561,918 | 13,302,697 | - |
| Vacation payable | 321,461 | 19,764 | 341,225 | - |
| Sick leave payable | 75,360 | 5,150 | 80,510 | - |
| Net pension liability | 4,471,319 | 388,810 | 4,860,129 | - |
| Total pension liability | 665,799 | - | 665,799 | - |
| OPEB liability | 1,614,831 | 140,420 | 1,755,251 | - |
| Total liabilities | 21,911,077 | 1,541,916 | 23,452,993 | 1,357 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | |
| Pension deferrals - LGERS | 47,353 | 4,118 | 51,471 | - |
| Pension deferrals - LEO | 120,113 | - | 120,113 | - |
| Pension deferrals - ROD | 1,011 | - | 1,011 | - |
| OPEB deferrals | 633,856 | 55,118 | 688,974 | - |
| Prepaid taxes | 209,419 | - | 209,419 | - |
| Prepaid solid waste fees | - | 104,657 | 104,657 | - |
| Total deferred inflows of resources | 1,011,752 | 163,893 | 1,175,645 | - |
| **NET POSITION** | | | | |
| Net investment in capital assets | 1,238,781 | 6,211,324 | 7,450,105 | - |
| Restricted for: | | | | |
| Public safety | 382,660 | - | 382,660 | - |
| Education | 15,470,856 | - | 15,470,856 | - |
| General government | 53,013 | - | 53,013 | - |
| Human Services | 175,523 | - | 175,523 | - |
| Register of Deeds | 39,457 | - | 39,457 | - |
| Stabilization by State Statute | 3,270,518 | - | 3,270,518 | 851 |
| Unrestricted | 7,176,131 | 3,016,775 | 10,192,906 | 70,874 |
| Total net position | $ 27,806,939 | $ 9,228,099 | $ 37,035,038 | $ 71,725 |

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

**Perquimans County, North Carolina**
**Statement of Activities**
**For the Year Ended June 30, 2025**

| Functions/Programs | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities | Primary Government: Business-type Activities | Primary Government: Total | Perquimans County TDA |
|---|---|---|---|---|---|---|---|---|
| **Primary government:** | | | | | | | | |
| Governmental Activities: | | | | | | | | |
| General government | $ 3,961,285 | $ 481,169 | $ 403,138 | $ 1,381,196 | $ (1,695,782) | $ - | $ (1,695,782) | $ - |
| Public safety | 10,670,127 | 2,808,533 | 31,478 | - | (7,830,116) | - | (7,830,116) | - |
| Economic and physical development | 64,737 | 17,849 | - | - | (46,888) | - | (46,888) | - |
| Environmental protection | 342,007 | - | - | - | (342,007) | - | (342,007) | - |
| Human services | 3,710,451 | - | 2,312,332 | - | (1,398,119) | - | (1,398,119) | - |
| Culture and recreation | 1,038,089 | 142,829 | - | 150,000 | (745,260) | - | (745,260) | - |
| Education | 22,580,884 | 995,999 | - | 17,857,126 | (3,727,759) | - | (3,727,759) | - |
| Interest on long-term debt | 274,062 | - | - | - | (274,062) | - | (274,062) | - |
| Total governmental activities | 42,641,642 | 4,446,379 | 2,746,948 | 19,388,322 | (16,059,993) | - | (16,059,993) | - |
| Business-type activities: | | | | | | | | |
| Solid waste | 1,273,018 | 1,338,064 | - | - | - | 65,046 | 65,046 | |
| Water | 2,804,950 | 2,820,720 | - | - | - | 15,770 | 15,770 | - |
| Total business-type activities | 4,077,968 | 4,158,784 | - | - | - | 80,816 | 80,816 | - |
| | $ 46,719,610 | $ 8,605,163 | $ 2,746,948 | $ 19,388,322 | (16,059,993) | 80,816 | (15,979,177) | - |
| Component units: | | | | | | | | |
| Tourism Development Authority | 103,829 | - | - | - | | | | (103,829) |
| Total component units | $ 103,829 | $ - | $ - | - | | | | (103,829) |
| General revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property taxes, levied for general purpose | | | | | 11,640,850 | - | 11,640,850 | - |
| Local option sales tax | | | | | 4,385,887 | - | 4,385,887 | - |
| Other taxes and licenses | | | | | 79,747 | - | 79,747 | 57,009 |
| Investment earnings, unrestricted | | | | | 459,691 | 22,100 | 481,791 | 2,727 |
| Miscellaneous, unrestricted | | | | | 506,240 | - | 506,240 | 2,200 |
| Total general revenues, excluding transfers | | | | | 17,072,415 | 22,100 | 17,094,515 | 61,936 |
| Transfers | | | | | (25,829) | - | (25,829) | 25,829 |
| Total general revenues and transfers | | | | | 17,046,586 | 22,100 | 17,068,686 | 87,765 |
| Change in net position | | | | | 986,593 | 102,916 | 1,089,509 | (16,064) |
| Net position, beginning, previously reported | | | | | 26,901,400 | 9,131,687 | 36,033,087 | 87,789 |
| Restatement | | | | | (81,054) | (6,504) | (87,558) | - |
| Net position, beginning, restated | | | | | 26,820,346 | 9,125,183 | 35,945,529 | 87,789 |
| Net position, ending | | | | | $ 27,806,939 | $ 9,228,099 | $ 37,035,038 | $ 71,725 |

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

**Perquimans County, North Carolina**
**Balance Sheet**
**Governmental Funds**
**June 30, 2025**

| | Major | | | | | Non-Major | |
|---|---|---|---|---|---|---|---|
| | General Fund | Emergency Telephone System | County Construction Capital Projects Fund | Capital Projects Reserve | School Construction Capital Projects | Other Governmental Funds | Total Governmental Funds |
| **ASSETS** | | | | | | | |
| Cash and cash equivalents | $ 8,520,797 | $ - | $ - | $ - | $ - | $ 35,474 | $ 8,556,271 |
| Taxes receivable | 609,439 | - | | | - | | 609,439 |
| Accounts receivable, net | 1,648,838 | - | - | - | - | - | 1,648,838 |
| Due from other funds | 629,665 | - | - | - | - | - | 629,665 |
| Due from other governments | 79,693 | 708,756 | - | - | 203,566 | | 992,015 |
| Restricted Opioid receivables, net | - | - | - | - | - | 821,700 | 821,700 |
| Restricted cash | 48,537 | - | 1,330,215 | 2,452,409 | 15,476,986 | 575,722 | 19,883,869 |
| Total assets | $ 11,536,969 | $ 708,756 | $ 1,330,215 | $ 2,452,409 | $ 15,680,552 | $ 1,432,896 | $ 33,141,797 |
| **LIABILITIES** | | | | | | | |
| Liabilities: | | | | | | | |
| Accounts payable and accrued liabilities | $ 631,213 | $ 74,252 | $ - | $ - | 6,130 | $ - | $ 711,595 |
| Due to other funds | - | 629,665 | - | - | - | - | 629,665 |
| Total liabilities | 631,213 | 703,917 | - | - | 6,130 | - | 1,341,260 |
| **DEFERRED INFLOWS OF RESOURCES** | | | | | | | |
| Property taxes receivable | 609,439 | - | - | - | - | - | 609,439 |
| Prepaid taxes | 209,419 | - | - | - | - | - | 209,419 |
| Deferred inflows - EMS | 211,699 | - | - | - | - | - | 211,699 |
| Deferred inflows - Opioid funds | - | - | - | - | - | 821,700 | 821,700 |
| Total deferred inflows of resources | 1,030,557 | - | - | - | - | 821,700 | 1,852,257 |
| **FUND BALANCES** | | | | | | | |
| Restricted for: | | | | | | | |
| Stabilization by State Statute | 2,358,196 | 708,756 | - | - | 203,566 | - | 3,270,518 |
| Register of Deeds | 39,457 | | - | - | - | - | 39,457 |
| Public Safety | - | - | - | - | - | 382,660 | 382,660 |
| General government | - | - | - | - | - | 53,013 | 53,013 |
| Human Services | - | - | - | - | - | 175,523 | 175,523 |
| School capital | - | - | - | - | 15,470,856 | - | 15,470,856 |
| Committed: | | | | - | - | | |
| Tax revaluation | 48,537 | - | - | - | - | - | 48,537 |
| Assigned: | | | | | | | |
| Future County capital outlay | - | - | 1,330,215 | 2,452,409 | - | - | 3,782,624 |
| Subsequent year's expenditures | - | | | - | | - | - |
| Unassigned | 7,429,009 | (703,917) | - | - | - | - | 6,725,092 |
| Total fund balances | 9,875,199 | 4,839 | 1,330,215 | 2,452,409 | 15,674,422 | 611,196 | 29,948,280 |
| Total liabilities, deferred inflows of resources, and fund balances | $ 11,536,969 | $ 708,756 | $ 1,330,215 | $ 2,452,409 | $ 15,680,552 | $ 1,432,896 | |

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

| | |
|---|---|
| Capital assets used in the governmental activities are not financial resources and therfore are not reported in the funds | 15,016,412 |
| Right to use assets used in the governmental activities are not financial resources and therfore are not reported in the funds | - |
| Net pension asset | 15,079 |
| Deferred outflows - pension related deferrals | |
| LGERS | 2,484,043 |
| LEO | 197,774 |
| ROD | 8,322 |
| OPEB | 483,375 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds | 12,631 |
| Deferred Inflows - Taxes | 609,439 |
| Deferred Inflows - EMS | 211,699 |
| Deferred Inflows - Opioid settlement | 821,700 |
| Net pension liability - LGERS. | (4,471,319) |
| Net OPEB liability | (1,614,831) |
| Total pension liability - LEOSSA | (665,799) |
| Deferred inflows - pension related deferrals | |
| LGERS | (47,353) |
| LEO | (120,113) |
| ROD | (1,011) |
| OPEB | (633,856) |
| Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds | (13,777,631) |
| Accrued interest liability | (118,081) |
| Accrued vacation payable | (456,461) |
| Sick leave payable | (95,360) |
| Net position of governmental activities | $ 27,806,939 |

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

**Perquimans County, North Carolina**
**Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Governmental Funds**
**For the Year Ended June 30, 2025**

| | Major | | | | | Non-Major | |
|---|---|---|---|---|---|---|---|
| | General Fund | Emergency Telephone System | County Construction Capital Projects Fund | Capital Projects Reserve | School Construction Capital Projects | Other Governmental Funds | Total Governmental Funds |
| **REVENUES** | | | | | | | |
| Ad valorem taxes | $ 11,466,024 | $ - | $ - | $ - | $ - | $ - | $ 11,466,024 |
| Local option sales tax | 4,385,887 | - | - | - | - | - | 4,385,887 |
| Other taxes and licenses | 37,014 | - | - | - | - | - | 37,014 |
| Unrestricted intergovernmental | 42,733 | - | - | - | - | - | 42,733 |
| Restricted intergovernmental | 2,746,948 | 842,026 | 150,000 | 1,264,051 | 17,857,126 | 117,145 | 22,977,296 |
| Permits and fees | 1,088,686 | - | - | - | - | - | 1,088,686 |
| Sales and services | 2,497,590 | - | - | - | - | - | 2,497,590 |
| Investment earnings | 156,417 | - | 256,778 | 17,153 | 29,343 | - | 459,691 |
| Miscellaneous | 42,033 | - | - | - | - | 464,207 | 506,240 |
| Total revenues | 22,463,332 | 842,026 | 406,778 | 1,281,204 | 17,886,469 | 581,352 | 43,461,161 |
| **EXPENDITURES** | | | | | | | |
| Current: | | | | | | | |
| General government | 3,322,787 | - | - | - | - | 413,619 | 3,736,406 |
| Public safety | 9,710,316 | 836,884 | - | - | - | 601 | 10,547,801 |
| Economic and physical development | 22,842 | - | - | - | - | - | 22,842 |
| Environmental protection | 332,381 | - | - | - | - | - | 332,381 |
| Human services | 3,596,675 | - | - | - | - | - | 3,596,675 |
| Culture and recreation | 980,988 | - | 4,059,131 | - | - | - | 5,040,119 |
| Intergovernmental: | | | | | | | |
| Education | 4,347,594 | - | - | - | 18,233,290 | - | 22,580,884 |
| Debt service: | | | | | | | |
| Principal | 1,017,328 | - | - | - | - | - | 1,017,328 |
| Interest | 202,951 | - | - | - | - | - | 202,951 |
| Total expenditures | 23,533,862 | 836,884 | 4,059,131 | - | 18,233,290 | 414,220 | 47,077,387 |
| Excess (deficiency) of revenues over expenditures | (1,070,530) | 5,142 | (3,652,353) | 1,281,204 | (346,821) | 167,132 | (3,616,226) |
| **OTHER FINANCING SOURCES** | | | | | | | |
| Issuance of debt | - | - | - | - | 11,000,000 | - | 11,000,000 |
| Transfers (to) from other funds | 955,429 | - | - | (960,000) | - | (21,258) | (25,829) |
| Total other financing sources and uses | 955,429 | - | - | (960,000) | 11,000,000 | (21,258) | 10,974,171 |
| Net change in fund balance | (115,101) | 5,142 | (3,652,353) | 321,204 | 10,653,179 | 145,874 | 7,357,945 |
| Fund balance - beginning | 9,990,300 | (303) | 4,982,568 | 2,131,205 | 5,021,243 | 465,322 | 22,590,335 |
| Fund balance - ending | $ 9,875,199 | $ 4,839 | $ 1,330,215 | $ 2,452,409 | $ 15,674,422 | $ 611,196 | $ 29,948,280 |

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

**Perquimans County, North Carolina**
**Statement of Revenues, Expenditures, and Changes in Fund Balance**
**Governmental Funds**
**For the Year Ended June 30, 2025**

| | | |
|---|---|---|
| Amounts reported for governmental activities in the statement of activities are different because: | | |
| Net changes in fund balance - total government funds | $ | 7,357,945 |
| Governmental funds report capital outlays are 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. | | |
| Capital Outlay | | 4,735,344 |
| Depreciation expense | | (644,745) |
| Amortization expense for intangible assets | | (924) |
| Contributions to the pension plan, LEOSSA and OPEB in the current fiscal year are not included on the Statement of Activities | | 1,059,720 |
| Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. | | |
| Change in unavailable revenue for tax revenues | | 120,010 |
| Change in accrued interest for tax revenues | | (54,195) |
| EMS | | 211,699 |
| Opioid settlement | | (84,600) |
| The issuance of long-term debt provides financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | | |
| Issuance of debt | | (11,000,000) |
| Principal payments | | 1,016,951 |
| Lease principal payments | | 377 |
| Accrued interest | | (71,111) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | | |
| Compensated absences | | |
| (Increase)decrease in accrued vacation payable | | (63,749) |
| (Increase)decrease in sick leave payable | | (14,306) |
| Pension and OPEB expense | | (1,581,823) |
| Total changes in net position of governmental activities | $ | 986,593 |

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

**Perquimans County, North Carolina**
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**
**Budget and Actual**
**For the Year Ended June 30, 2025**

| | General Fund | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance With Final Positive (Negative) |
| Revenues: | | | | |
| Ad valorem taxes | $ 11,390,627 | $ 11,438,627 | $ 11,466,024 | $ 27,397 |
| Local option sales tax | 3,700,000 | 3,944,300 | 4,385,887 | 441,587 |
| Other taxes and licenses | 23,000 | 35,000 | 37,014 | 2,014 |
| Unrestricted intergovernmental | 42,000 | 42,000 | 42,733 | 733 |
| Restricted intergovernmental | 2,733,152 | 3,091,807 | 2,746,948 | (344,859) |
| Permits and fees | 1,004,615 | 1,099,015 | 1,088,686 | (10,329) |
| Sales and services | 2,221,828 | 2,386,743 | 2,497,590 | 110,847 |
| Investment earnings | 135,100 | 135,100 | 156,417 | 21,317 |
| Miscellaneous | 25,600 | 31,814 | 42,033 | 10,219 |
| Total revenues | 21,275,922 | 22,204,406 | 22,463,332 | 258,926 |
| Expenditures | | | | |
| Current: | | | | |
| General government | 3,299,796 | 3,537,014 | 3,287,787 | 249,227 |
| Public safety | 9,763,701 | 10,454,209 | 9,710,316 | 743,893 |
| Economic and physical development | 110,432 | 324,286 | 22,842 | 301,444 |
| Environmental protection | 402,012 | 390,222 | 332,381 | 57,841 |
| Human services | 3,555,647 | 3,913,197 | 3,596,675 | 316,522 |
| Cultural and recreational | 1,049,898 | 1,079,265 | 980,988 | 98,277 |
| Intergovernmental: | | | | |
| Education | 4,251,000 | 4,351,000 | 4,347,594 | 3,406 |
| Debt service: | | | | |
| Principal retirement | 1,133,440 | 1,133,440 | 1,017,328 | 116,112 |
| Interest and other charges | 93,941 | 93,941 | 202,951 | (109,010) |
| Total expenditures | 23,659,867 | 25,276,574 | 23,498,862 | 1,777,712 |
| Revenues over (under) expenditures | (2,383,945) | (3,072,168) | (1,035,530) | 2,036,638 |
| Other financing sources (Uses) | | | | |
| Transfers (to)/from Other Funds | 910,429 | 920,429 | 920,429 | - |
| Gain from Sale of Capital Assets | - | - | - | - |
| Fund balance appropriated | 1,473,516 | 2,151,739 | - | (2,151,739) |
| Total other financing sources (uses) | 2,383,945 | 3,072,168 | 920,429 | (2,151,739) |
| Net change in fund balance | $ - | $ - | (115,101) | $ (115,101) |
| Beginning of year, July 1 | | | 9,941,763 | |
| End of year, June 30 | | | $ 9,826,662 | |
| A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes: | | | | |
| Total fund balance, General Fund | | | $ 9,826,662 | |
| Investment earnings | | | - | |
| Transfer-in from other funds | | | 35,000 | |
| General government expenditures | | | (35,000) | |
| Fund balance, beginning | | | 48,537 | |
| Fund balance, ending (Exhibit 4) | | | $ 9,875,199 | |

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

**Perquimans County, North Carolina**
**Emergency Telephone System**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | |
| Restricted intergovernmental | $ 331,131 | $ 5,400,618 | $ 842,026 | $ (4,558,592) |
| Total revenues | 331,131 | 5,400,618 | 842,026 | (4,558,592) |
| Expenditures: | | | | |
| Hardware maintenance | 241,131 | 369,594 | 199,845 | 169,749 |
| Implemental functions | 24,000 | 4,824,000 | 549,675 | 4,274,325 |
| Software maintenance | 32,000 | 151,796 | 70,146 | 81,650 |
| Telephone | 24,000 | 35,228 | 4,038 | 31,190 |
| Training | 10,000 | 20,000 | 13,180 | 6,820 |
| Total public safety | 331,131 | 5,400,618 | 836,884 | 4,563,734 |
| Revenues Over (Under) Expenditures | - | - | 5,142 | 5,142 |
| Other financing sources (uses): | | | | |
| Transfers from (to) other funds | | 11,000 | - | |
| Fund balance appropriated | - | (11,000) | - | |
| Total other financing sources (uses) | - | - | - | - |
| Net change in fund balance | $ - | $ - | 5,142 | $ 5,142 |
| Fund Balance: | | | | |
| Fund Balance, beginning, previously reported | | | (303) | |
| End of year, June 30 | | | $ 4,839 | |

**Perquimans County, North Carolina**
**Statement of Fund Net Position**
**Proprietary Fund**
**June 30, 2025**

| | Major | | |
|---|---|---|---|
| | Water | Solid Waste | Total |
| **Assets** | | | |
| Current assets: | | | |
| Cash and cash equivalents | $ 2,547,069 | $ 549,370 | $ 3,096,439 |
| Restricted cash and cash equivalents | 72,851 | - | 72,851 |
| Accounts receivable, net | 117,535 | 343,130 | 460,665 |
| Due from other governments | 32,376 | 2,696 | 35,072 |
| Inventories | 65,620 | - | 65,620 |
| Total current assets | 2,835,451 | 895,196 | 3,730,647 |
| Noncurrent assets: | | | |
| Capital assets: | | | |
| Land and construction in progress | 187,056 | - | 187,056 |
| Other capital assets, net of depreciation | 6,758,168 | - | 6,758,168 |
| Total noncurrent assets | 6,945,224 | - | 6,945,224 |
| Total assets | 9,780,675 | 895,196 | 10,675,871 |
| **Deferred outflows of resources** | | | |
| Pension deferrals - LGERS | 216,004 | - | 216,004 |
| OPEB deferrals | 42,033 | - | 42,033 |
| **Total deferred outfows of resources** | 258,037 | - | 258,037 |
| **Liabilities** | | | |
| Current liabilities: | | | |
| Accounts payable | 35,700 | 130,000 | 165,700 |
| Customer deposits | 72,851 | - | 72,851 |
| Accrued interest payable | 2,821 | - | 2,821 |
| Installment note payable - current | 171,982 | - | 171,982 |
| Vacation payable - current | 10,000 | - | 10,000 |
| Sick leave payable - current | 2,500 | - | 2,500 |
| Total current liabilities | 295,854 | 130,000 | 425,854 |
| Noncurrent liabilities: | | | |
| Installment notes payable | 561,918 | - | 561,918 |
| Vacation payable | 19,764 | - | 19,764 |
| Sick leave payable | 5,150 | - | 5,150 |
| Net pension liability | 388,810 | - | 388,810 |
| OPEB liability | 140,420 | - | 140,420 |
| Total noncurrent liabilities | 1,116,062 | - | 1,116,062 |
| Total liabilities | 1,411,916 | 130,000 | 1,541,916 |
| **Deferred inflows of resources** | | | |
| Pension deferrals - LGERS | 4,118 | - | 4,118 |
| OPEB deferrals | 55,118 | - | 55,118 |
| Prepaid solid waste fees | - | 104,657 | 104,657 |
| **Total deferred inflows of resources** | 59,236 | 104,657 | 163,893 |
| **Net Position** | | | |
| Net investment in capital assets | 6,211,324 | - | 6,211,324 |
| Unrestricted | 2,356,236 | 660,539 | 3,016,775 |
| Total Net Position | $ 8,567,560 | $ 660,539 | $ 9,228,099 |

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

**Perquimans County, North Carolina**
**Statement of Revenues and Expenditures and**
**Changes in Fund Net Position**
**Proprietary Fund**
**For the Year Ended June 30, 2025**

| | Major | | |
|---|---|---|---|
| | Water | Solid Waste | Total |
| **Operating revenues:** | | | |
| Charges for services | $ 2,520,045 | $ 1,326,774 | $ 3,846,819 |
| Tap and reconnection fees | 179,022 | - | 179,022 |
| Penalties | 60,910 | - | 60,910 |
| Other operating revenue | 60,743 | 11,290 | 72,033 |
| Total operating revenues | 2,820,720 | 1,338,064 | 4,158,784 |
| **Operating expenses:** | | | |
| Administration | 1,592,056 | - | 1,592,056 |
| Water purchase | 453,745 | - | 453,745 |
| Wastewater distribution and treatment | 321,151 | - | 321,151 |
| Solid waste operations | - | 1,273,018 | 1,273,018 |
| Depreciation | 429,976 | - | 429,976 |
| Total operating expenses | 2,796,928 | 1,273,018 | 4,069,946 |
| **Total operating income (loss)** | 23,792 | 65,046 | 88,838 |
| **Non-operating revenues (expenses):** | | | |
| Interest income | 22,100 | - | 22,100 |
| Interest on long-term debt | (8,022) | - | (8,022) |
| Total non-operating revenue (expenses) | 14,078 | - | 14,078 |
| Changes in net position | 37,870 | 65,046 | 102,916 |
| Net position, beginning, as previously reported | 8,536,194 | 595,493 | 9,131,687 |
| Restatement | (6,504) | - | (6,504) |
| Net position, beginning as restated | 8,529,690 | 595,493 | 9,125,183 |
| Net position, ending | $ 8,567,560 | $ 660,539 | $ 9,228,099 |

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

**Perquimans County, North Carolina**
**Statement of Cash Flows**
**Proprietary Fund**
**For the Year Ended June 30, 2025**

| | Major | | |
|---|---|---|---|
| | Water | Solid Waste | Total |
| **Cash flows from operating activities:** | | | |
| Cash received from customers | $ 2,833,367 | $ 1,318,295 | $ 4,151,662 |
| Cash paid for goods and services | (1,657,468) | (1,261,208) | (2,918,676) |
| Cash paid to employees for services | (627,652) | - | (627,652) |
| Net cash provided by (used for) operating activities | 548,247 | 57,087 | 605,334 |
| **Cash flows provided (used) by capital financing activities:** | | | |
| Principal paid on installment payables | (169,307) | - | (169,307) |
| Interest paid on installment payables | (8,022) | - | (8,022) |
| Net cash flows provided (used) by capital financing activities | (177,329) | - | (177,329) |
| **Cash flows from (used for) investing activities:** | | | |
| Interest on investments | 22,100 | - | 22,100 |
| Net cash flows provided (used) by noncapital financing activities | 22,100 | - | 22,100 |
| Net increase (decrease) in cash and cash equivalents | 393,018 | 57,087 | 450,105 |
| Cash and cash equivalents, beginning of year | 2,226,902 | 492,283 | 2,719,185 |
| Cash and cash equivalents, end of year | $ 2,619,920 | $ 549,370 | $ 3,169,290 |
| **Reconciliation of operating income (loss) to net cash provided (used) by operating activities:** | | | |
| Operating Income (Loss) | $ 23,792 | $ 65,046 | $ 88,838 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation expense | 429,976 | - | 429,976 |
| Changes in Assets and Liabilities: | | | |
| (Increase) decrease in accounts receivable | 12,647 | (19,769) | (7,122) |
| (Increase) decrease in deferred outflows of resources - LGERS | 15,183 | - | 15,183 |
| (Increase) decrease in deferred outflows of resources - OPEB | 12,064 | | |
| Increase (decrease) in accounts payable and accrued liabilities | 30,333 | (15,540) | 14,793 |
| Increase (decrease) in net pension liability | 23,290 | - | 23,290 |
| Increase (decrease) in OPEB liability | (2,459) | - | (2,459) |
| Increase (decrease) in deferred inflows of resources - LGERS | 1,344 | - | 1,344 |
| Increase (decrease) in deferred inflows - OPEB | (10,678) | 27,350 | 16,672 |
| Increase (decrease) in customer deposits | 3,568 | - | 3,568 |
| Increase (decrease) in accrued vacation pay | 9,187 | - | 9,187 |
| Net cash provided (used) by operating activities | $ 548,247 | $ 57,087 | $ 605,334 |

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

# NOTES TO THE FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

The County, which is governed by a six-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component unit, legally separate entities for which the County is financially accountable. The Perquimans County Tourism Development Authority (the Authority), which has a June 30 year end, is presented as if it were a separate proprietary fund of the County (discrete presentation), has elected not to issue separate financial statements, but to include all relevant information required by generally accepted accounting principals as supplementary information in the County's Annual Financial Report.

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

B. Basis of Presentation – Basis of Accounting

**Basis of Presentation, Measurement Focus - Basis of Accounting**

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

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

*Fund Financial Statements*: The fund financial statements provide information about the County's funds. Separate statements for each fund category – *governmental and proprietary* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as 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. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

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

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

*School Construction Capital Projects Fund* - This fund is used for the new school contruction project.

*Emergency Telephone System Fund* - This fund is used for maintaining the County's emergency telephone system.

*Capital Projects Reserve Fund* - This fund is used for capital projects reserve in County.

The County reports the following major enterprise fund:

*Water Fund* - This fund is used to account for the operations of the Water System within the County. The Water Capital Improvement Fund has been consolidated in the Water Fund per reporting purposes.

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

The County reports the following fund types:

*Non-major Funds* . The County maintains legally budgeted funds. The American Rescue Plan Fund, which accounts for Coronavirus relief funds; the Opiod Settlement Fund, This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities; the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Soil and Water Conservation Fund, which accounts for money held by the County for the use in soil and water conservation projects; the 4-H Fund, which accounts for money held by the County for the use in the 4-H program; the Sheriffs Fund, which accounts for money held by the Sheriff for community benevolent uses; the Babe Ruth Fund, which accounts for money held by the County for the Babe Ruth baseball leagues; the Farm Service Fund, which accounts for money held by the County for the Farm Service Agency;, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis are reported as non-major special revenue funds.

**Measurement Focus, Basis of Accounting**

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

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

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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, the ARP Fund, OPIOID Fund, the Emergency Telephone, Fire District and Tax Revaluation Special Revenue Funds, The Emergency Telephone System, Fund the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Soil and Water Conservation Fund, which accounts for money held by the County for the use in soil and water conservation projects; the 4-H Fund, which accounts for money held by the County for the use in the 4-H program; the Sheriffs Fund, which accounts for money held by the Sheriff for community benevolent uses; the Babe Ruth Fund, which accounts for money held by the County for the Babe Ruth baseball leagues; the Farm Service Fund, which accounts for money held by the County for the Farm Service Agency; and the Deed of Trust Fee Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis are reported as non-major special revenue funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the County Construction Capital Project Fund, and the Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds is consolidated with the enterprise operating funds for reporting purposes.

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

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

**1. Deposits and Investments**

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

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

**2. Cash and Cash Equivalents**

The County and the TDA pool moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents.

**3. Restricted Assets**

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

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of $821,700 related to the settlement are also reported as restricted assets.

**Perquimans County Restricted Cash**

| | | |
|---|---|---|
| Governmental Activities: | | |
| General Fund | Tax revaluation | $ 48,537 |
| County Construction Capital Projects Fund | Unexpended grant proceeds | 1,330,215 |
| Capital Projects Reserve | Unexpended proceeds | 2,452,409 |
| American Rescue Plan Act Fund | Unexpended proceeds | 30,631 |
| Opioid Settlement Fund | Unexpended proceeds | 376,688 |
| Social Services Fund | Restricted funding | 168,403 |
| School Capital Projects Fund | Unexpended public school building funds | 15,476,986 |
| Total Governmental Activities | | 19,883,869 |
| Business-Type Activities: | | |
| Water Fund | Customer deposits | 72,851 |
| Total Business-Type Activities | | 72,851 |
| Total restricted cash | | $ 19,956,720 |

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2024. 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.

**5. Allowance for Doubtful Accounts**

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

**6. Inventories and Prepaid Items**

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

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

**7. Capital Assets**

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

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

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

| Asset Class | Years |
|---|---|
| Buildings | 50 |
| Plant and distribution systems | 40 |
| Infrastructure | 20 |
| Other improvements | 25 |
| Equipment and furniture | 10 |
| Vehicles and motorized equipment | 6 |
| Computer equipment | 3 |
| Computer software | 5 |

**8. 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.

**9. Deferred outflows/inflows of resources**

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

**10. Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities 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 an other financing source.

**11. Compensated Absences**

The vacation policy of the County provides for two weeks' vacation leave per year. The vacation policy provides for a maximum of 240 hours to be carried from one year to the next. Any employee with more than 240 hours of accumulated leave during the last pay period of each calendar year shall have the excess accumulation removed so that only 240 hours are carried forward to the first pay period of the next calendar year. All excess vacation hours over 240 will be converted to the employee's sick leave account. The portion of that time that is estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The County's sick leave policy provides 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. In accordance with GASB Statement No. 101 for the County's government-wide funds, an expense and liability for sick leave is recognized using the "practical expedient approach" allowed by the Standard for the portion of sick leave expected to be used and paid by the County.

**12. Opioid Settlement Funds**

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See note XII Change in Accounting Principle for additional discussion about those adjustments.

In FY25 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of $117,145 was recognized in the Opioid Settlement Major Special Revenue Fund. Additional revenue was also recognized for Governmental Activities. This amount was calculated as follows:

**13. Accounting for Changes**

The County implemented GASB Statement No. 101, Compensated Absences in the current fiscal year. 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 implementation of this Statement required a prior period restatement to reduce government-wide net position by $87,558 to record the estimated liability for sick leave at June 30, 2024.

The County implemented GASB Statement No. 102, Certain Risk Disclosures. The disclosures provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition.

**14. Recent Accounting Pronouncements**

GASB Statement No. 103, Financial Reporting Model Improvements

In April 2024, the GASB issued GASB Statement No. 103, Financial Reporting Model Improvements. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.

This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year. This Statement requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed. This Statement emphasizes that the analysis provided in MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections and that "boilerplate" discussions should be avoided by presenting only the most relevant information, focused on the primary government. In addition, this Statement continues the requirement that information included in MD&A distinguish between that of the primary government and its discretely presented component units.

This Statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. This Statement requires that the proprietary fund statement of revenues, expenses, and changes in fund net position continue to distinguish between operating and nonoperating revenues and expenses. Operating revenues and expenses are defined as revenues and expenses other than nonoperating revenues and expenses. Nonoperating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

In addition to the subtotals currently required in a proprietary fund statement of revenues, expenses, and changes in fund net position, this Statement requires that a subtotal for operating income (loss) and noncapital subsidies be presented before reporting other nonoperating revenues and expenses. Subsidies are defined as (1) resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise, (2) resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies, and (3) all other transfers.

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

This Statement requires governments to present budgetary comparison information using a single method of communication—RSI. Governments also are required to present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. An explanation of significant variances is required to be presented in notes to RSI. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged. The County is currently reviewing this statement to determine the effect on the financial statements.

GASB Statement No. 104, Disclosure of Certain Capital Assets

In September 2024, the GASB issued GASB Statement No. 104, Disclosure of Certain Capital Assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, Leases, and intangible right-to-use assets recognized in accordance with Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, should be disclosed separately by major class of underlying asset in the capital as-sets note disclosures. Subscription assets recognized in accordance with Statement No. 96, Subscription-Based Information Technology Arrangements, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class.

This Statement also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if (a) the government has decided to pursue the sale of the capital asset and (b) it is probable that the sale will be finalized within one year of the financial statement date. Governments should consider relevant factors to evaluate the likelihood of the capital asset being sold within the established time frame. This Statement requires that capital assets held for sale be evaluated each reporting period. Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Earlier application is encouraged.

**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 represent constraints on resources that are either a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through state statute.

**Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

Restricted for Stabilization by State statute – North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is knows as "restricted by State statute". *Appropriated fund balance in any fund shall no exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget* . Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net Position and Restricted Fund Balance on the face of the balance sheet.

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

Restricted by General government - portion of fund balance that is restricted by to pay for specific items for general government department.

Restricted by Human services - portion of fund balance that is restricted by to pay for specific items for the human services department.

Restricted by Culture and recreation - portion of fund balance that is restricted by to pay for specific items for the culture and recreation department.

Restricted for Public Safety - portion of fund balance that is restricted by to pay for specific items for the sheriff department.

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

Committed Fund Balance – portion of fund balance that can only be used for specific purposes imposed by majority vote by quorum of Perquimans County's governing body (highest level of decision-making authority). The governing body can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

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

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Finance Officer may transfer amounts between objects of expenditures within a department except salary amounts without limitation. The Budget Officer may not transfer amounts between funds.

Future capital outlay - portion of fund balance that is appropriated for future capital outlay purchase of the County.

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

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

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

II. Reconciliation of Government-wide & Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The net adjustment of ($2,141,341) consists of the following:

| Description | Amount |
|---|---|
| Capital assets used in the governmental activities are not financial resources and therfore are not reported in the funds | $ 15,016,412 |
| Net pension asset | 15,079 |
| Deferred outflows - pension related deferrals | |
| LGERS | 2,484,043 |
| LEO | 197,774 |
| ROD | 8,322 |
| OPEB | 483,375 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds | 12,631 |
| Deferred Inflows - Taxes | 609,439 |
| Deferred Inflows - EMS | 211,699 |
| Deferred Inflows - Opioid settlement | 821,700 |
| Net pension liability - LGERS. | (4,471,319) |
| Net OPEB liability | (1,614,831) |
| Total pension liability - LEOSSA | (665,799) |
| Deferred inflows - pension related deferrals | |
| LGERS | (47,353) |
| LEO | (120,113) |
| ROD | (1,011) |
| OPEB | (633,856) |
| Some liabilities, including bonds payable are not due and payable in the current period and therefore are not reported in the funds | (13,777,631) |
| Accrued interest liability | (118,081) |
| Accrued vacation payables | (456,461) |
| Accrued sick leave payable | (95,360) |
| Total adjustment | $ (2,141,341) |

**B. 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 assets of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of ($6,371,352) as follows:

| Description | Amount |
|---|---|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the Statement of Activities | $ 4,735,344 |
| 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 | (644,745) |
| Amortization expense for intangible assets | (924) |
| Contributions to the pension plan, LEOSSA and OPEB in the current fiscal year are not included on the Statement of Activities | 1,059,720 |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements: | |
| Change in unavailable revenue for tax revenues | 120,010 |
| Change in accrued interest for tax revenues | (54,195) |
| EMS | 211,699 |
| Opioid settlement | (84,600) |
| The issuance of long-term debt provides financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. | |
| Issuance of debt | (11,000,000) |
| Principal payments | 1,016,951 |
| Lease principal payments | 377 |
| Accrued interest | (71,111) |
| Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. | |
| Compensated absences | (78,055) |
| Pension and OPEB expense | (1,581,823) |
| Total adjustment | $ (6,371,352) |

III. Stewardship, Compliance, and Accountability

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

Noncompliance with North Carolina General Statutes

Noncompliance with G.S. 159-29. Budgetary Violations.

B. Deficit Fund Balance or Net Position of Individual Funds

None.

C. Excess of Expenditures over Appropriations

For the fiscal year ended June 30, 2025, the expenditures made in the County's Funds exceeded the authorized appropriations made by the governing board for the following funds:

| Fund Name | Amount |
|---|---|
| County Construction Capital Project Fund | $ 3,093,682 |
| Social Services Fund | 380,540 |
| Soil and Water Conservation Fund | 6,889 |
| 4-H Fund | 9,942 |
| Sherriff's Fund | 601 |
| Babe Ruth Fund | 12,040 |
| Farm Service Fund | 4,208 |

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County and the Authority rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the Authority have no formal policy regarding custodial credit risk for deposits.

At June 30, 2025, the County's deposits had a carrying amount of $20,173,099 and a bank balance of $20,757,489. Of the bank balance, $500,000 was covered by federal depository insurance and the rest was covered by collateral held under the Pooling Method.

At June 30, 2025, Perquimans County had $950 of cash on hand.

At June 30, 2025, the carrying amount of deposits for the Authority was $72,231.

2. Investments

As of June 30, 2025, the County had the following investments and maturities:

| | | | Investment Maturities (in years) | | |
|---|---|---|---|---|---|
| **Investment Type** | **Valuation Method** | **Fair Value** | **<=1/2** | **>1/2 to 1** | **> 1 to 3** |
| NC Capital Management Trust | Fair Value - Level 1 | $ 11,435,381 | $ 11,435,381 | $ - | $ - |

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAm rating from S&P and an AAA-mf rating from Moody's Investors Service.

All investments of the County and TDA 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 Two: 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.

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

Credit Risk. The County and the TDA limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30, 2025, the County's investments in commercial paper were rated P1 by S&P, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's and the TDA's investments in the NCCMT Government Portfolio carried a credit rating of AAA-mf by S&P and a rating of AAA-mf from Moody's as of June 30, 2025. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by S&P and Aaa by Moody's Investors Service. The TDA has no policy on credit risk. These amounts are included within cash on the statement of net position.

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 property taxes that could become due if present use-value eligibility is lost at June 30, 2025 were not available. These amounts have not been recorded in the financial statements.

4. Receivables

Receivables at the government-wide level at June 30, 2025 were as follows:

| | Accounts | Taxes & Related Accrued Interest | Due from Governments | Total |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| General | $ 1,847,622 | $ 927,470 | $ 79,693 | $ 2,854,785 |
| Other Governmental | - | - | 912,322 | 912,322 |
| Total Receivables | 1,847,622 | 927,470 | 992,015 | 3,767,107 |
| Allowance for Doubtful | (198,784) | (305,400) | - | (504,184) |
| Total Governmental Activities | $ 1,648,838 | $ 622,070 | $ 992,015 | $ 3,262,923 |
| Business-Type Activities: | | | | |
| Water fund | $ 121,675 | $ - | $ 32,376 | $ 154,051 |
| Solid waste | 354,357 | - | 2,696 | 357,053 |
| Total receivable | 476,032 | - | 35,072 | 511,104 |
| Allowance for Doubtful Accounts | (15,367) | - | - | (15,367) |
| Total Business-Type Activities | $ 460,665 | $ - | $ 35,072 | $ 495,737 |

5. Capital Assets

**Primary Government**

Capital asset activity for the year ended June 30, 2025 was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Governmental Activities:** | | | | |
| **Capital assets not being depreciated:** | | | | |
| Land | $ 1,898,152 | $ 871,088 | $ - | $ 2,769,240 |
| Construction in Progress | 1,002,558 | 4,059,431 | 1,002,558 | 4,059,431 |
| Total capital assets not being depreciated | 2,900,710 | 4,930,519 | 1,002,558 | 6,828,671 |
| **Capital assets being depreciated:** | | | | |
| Buildings | 10,268,240 | - | - | 10,268,240 |
| Equipment | 3,185,147 | 83,766 | - | 3,268,913 |
| Land improvements | 545,790 | 131,470 | - | 677,260 |
| Vehicles and motor equipment | 2,970,239 | 592,147 | 186,358 | 3,376,028 |
| Software | 29,200 | - | - | 29,200 |
| Total capital assets being depreciated | 16,998,616 | 807,383 | 186,358 | 17,619,641 |
| **Less accumulated depreciation for:** | | | | |
| Buildings | 4,090,313 | 260,778 | - | 4,351,091 |
| Equipment | 2,418,954 | 134,538 | - | 2,553,492 |
| Land improvements | 344,732 | 33,005 | - | 377,737 |
| Vehicles and motor equipment | 2,095,373 | 212,344 | 186,358 | 2,121,359 |
| Software | 24,141 | 4,080 | - | 28,221 |
| Total accumulated depreciation | 8,973,513 | $ 644,745 | $ 186,358 | 9,431,900 |
| Total capital assets being depreciated, net | 8,025,103 | | | 8,187,741 |
| **Governmental activity capital assets, net** | $ 10,925,813 | | | $ 15,016,412 |

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

| | |
|---|---|
| General government | $ 248,799 |
| Public Safety | 296,320 |
| Public Assistance | 5,717 |
| Environmental protection | - |
| Cultural and recreational | 93,909 |
| Total Depreciation Expense | $ 644,745 |

| | Beginning Balances | Increases | Decreases | Ending Balances |
|---|---|---|---|---|
| **Business-type Activities** | | | | |
| **Water Fund:** | | | | |
| **Capital assets not being depreciated:** | | | | |
| Land | $ 187,056 | $ - | $ - | $ 187,056 |
| Total capital assets not being depreciated | 187,056 | - | - | 187,056 |
| **Capital assets being depreciated:** | | | | |
| Plant and distribution systems | 18,352,581 | | - | 18,352,581 |
| Furniture and maintenance equipment | 417,557 | - | - | 417,557 |
| Vehicles | 545,656 | - | - | 545,656 |
| Total capital assets being depreciated | 19,315,794 | - | - | 19,315,794 |
| **Less accumulated depreciation for:** | | | | |
| Plant and distribution systems | 11,353,932 | 386,586 | - | 11,740,518 |
| Furniture and maintenance equipment | 308,489 | 19,547 | - | 328,036 |
| Vehicles | 465,229 | 23,843 | - | 489,072 |
| Total accumulated depreciation | 12,127,650 | $ 429,976 | $ - | 12,557,626 |
| Total capital assets being depreciated, net | 7,188,144 | | | 6,758,168 |
| **Business-type activities capital assets, net** | $ 7,375,200 | | | $ 6,945,224 |
| **Discretely presented component unit** | | | | |
| TDA | | | | |
| Land | $ - | | | |
| Buildings | - | | | |
| Equipment | - | | | |
| Capital assets, net of depreciation | $ - | | | |

6. Right to Use Leased Assets

The County has recorded three right to use leased assets. The assets are right to use assets for leased printers and leased voting machines. The related leases are discussed in the Leases subsection of the Long-term obligations section of this note. The right to use lease assets are amortized on a straight-line basis over the terms of the related leases.

Right to use asset activity for the Primary Government for the year ended June 30, 2025, was as follows:

| | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| Right to use assets | | | | |
| Leased equipment | $ 36,323 | $ - | $ 36,323 | $ - |
| Total right to use assets | 36,323 | - | 36,323 | - |
| Less accumulated amortization: | | | | |
| Leased equipment | | | | |
| Total accumulated amortization | 35,399 | 924 | 36,323 | - |
| Right to use assets, net | $ 924 | $ (924) | $ - | $ - |

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2025, were as follows:

| | Vendors |
|---|---|
| **Governmental activities:** | |
| General | $ 711,595 |
| Other governmental | - |
| Total governmental activities | $ 711,595 |
| **Business-type activities** | |
| Water | $ 35,700 |
| Solid waste | 130,000 |
| Total business-type activities | $ 165,700 |

2. Pension Plan and Other Post Employment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

*Contributions.* Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. 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, 2024, was 15.04% of compensation for law enforcement officers and 13.65% for general employees, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were $1,033,920 for the year ended June 30, 2025.

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

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

At June 30, 2025, the County reported a liability of $4,860,129 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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, 2025, the County's proportion was 0.07209%, which was an increase of 0.00310% (measured as of June 30, 2024) from its proportion measured as of June 30, 2024. (measured as of June 30, 2023)

For the year ended June 30, 2025, the County recognized pension expense of $1,531,635. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 851,679 | $ 5,726 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 660,732 | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 153,716 | 45,745 |
| County contributions subsequent to the measurement date | 1,033,920 | - |
| Total | $ 2,700,047 | $ 51,471 |

$1,033,920 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| **Year Ended June 30** | |
|---|---|
| 2026 | $ 538,405 |
| 2027 | 977,460 |
| 2028 | 173,501 |
| 2029 | (74,710) |
| 2030 | - |
| Thereafter | - |
| Total | $ 1,614,656 |

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.0 percent |
| Salary Increases | 3.50 percent |
| Investment rate of return | 7.00 percent, net of pension plan investment expense, including inflation |

The plan actuary currently uses mortality rates based on the *RP-2019 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

| **Asset Class** | **Target Allocation** | **Long-Term Expected Real Rate of Return** |
|---|---|---|
| Fixed Income | 33.0% | 2.4% |
| Global Equity | 38.0% | 6.9% |
| Real Estate | 8.0% | 6.0% |
| Alternatives | 8.0% | 8.6% |
| Credit | 7.0% | 5.3% |
| Protection | 6.0% | 4.3% |
| Total | 100% | |

The information above is based on 30 year expectations developed with the consulting actuary for the 2025 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 2.38%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

| | 1 % Decrease (5.50%) | Discount Rate (6.50%) | 1% Increase (7.50%) |
|---|---|---|---|
| County's proportionate share of the net pension liability (asset) | $8,612,291 | $4,860,129 | $1,773,460 |

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

b. Law Enforcement Officers Special Separation Allowance

**1. Plan Description**

Perquimans County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to 0.85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The County has made no contributions to this plan. A separate report was not issued for the plan.

All full-time County law enforcement officers are covered by the Separation Allowance. At the December 31, 2023 valuation date, the Separation Allowance's membership consisted of:

| | |
|---|---|
| Retirees Receiving Benefits | 1 |
| Active Plan Members | 24 |
| Total | 25 |

**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 and refunds are recognized when due and payable in accordance with the terms of the plan.

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

**3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2023 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 2.5 percent per annum |
| Salary increases | 3.25-7.75 percent per annum |
| Discount rate | 4.28 percent per annum, compounded annually |

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2023.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate

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

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

Deaths Before Retirement: Mortality rates are based on the RP-2019 Total Data Set Employee Mortality Table.

Mortality Projection: All mortality rates are projected from 2019 using generational improvement with Scale MP-2020.

**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 benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid $18,138 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, 2025, the County reported a total pension liability of $665,799. The total pension liability was measured as of June 30, 20234 based on a December 31, 20223 actuarial valuation. The total pension liability was then rolled forward to the measurement date of June 30, 2024 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2025, the County recognized pension expense of $92,838.

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 139,793 | $ 21,650 |
| Changes of assumptions and other inputs | 57,981 | 98,463 |
| County benefit payments and administrative expenses subsequent to the measurement date. | | - |
| Total | $ 197,774 | $ 120,113 |

The County paid $0 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---|---|
| 2026 | 28,372 |
| 2027 | 26,719 |
| 2028 | 8,494 |
| 2029 | 5,304 |
| 2030 | 4,478 |
| Thereafter | 4,294 |
| | $ 77,661 |

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 4.28 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 (3.28 percent) or 1-percentage-point higher (5.28 percent) than the current rate:

| | 1% Decrease (3.28%) | Discount Rate (4.28%) | 1% Increase (5.28%) |
|---|---|---|---|
| Total pension liability | $ 734,246 | $ 665,799 | $ 604,026 |

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

| | 2025 |
|---|---|
| Beginning balance | $ 584,401 |
| Service Cost | 35,389 |
| Interest on the total pension liability | 23,013 |
| Differences between expected and actual experience in the measurement of the total pension liability | 59,607 |
| Changes of assumptions or other inputs | (18,473) |
| Benefit payments | (18,138) |
| Other changes | - |
| Ending balance of the total pension liability | $ 665,799 |

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 4.28 percent at June 30, 2025 to 4.00 percent at June 30, 2024.

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

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

The actuarial assumptions used in the December 31, 2023 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 the State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, 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, 2025 were $83,006, which consisted of $73,116 from the County and $9,900 from the law enforcement officers.

d. Supplemental Retirement Income Plan for General Employees

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

*Funding Policy*. Each month, the County offers up to a two percent contribution match for any general employee that wishes to make voluntary contributions. Contributions to for the year ended June 30, 2025 were $124,870 which consisted of $42,817 from the County and $82,053 from the general employees.

e. Register of Deeds' Supplemental Pension Fund

*Plan Description*. Perquimans County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Resisters 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 $1,308 for the year ended June 30, 2024.

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

At June 30, 2025, the County reported an asset of $15,079 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2024. The total pension asset used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2023. The total pension asset was then rolled forward to the measurement date of June 30, 2024 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, 2025, the County's proportion was 0.13086%, which was a decrease of 0.00733% from its proportion measured as of June 30, 2024.

For the year ended June 30, 2025, the County recognized pension expense of $3,039. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 331 | $ 270 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan investments | 5,823 | |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 860 | 741 |
| County contributions subsequent to the measurement date | 1,308 | |
| Total | $ 8,322 | $ 1,011 |

$1,308 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, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---|---|
| 2026 | $ 2,516 |
| 2027 | 2,939 |
| 2028 | 529 |
| 2029 | 19 |
| Total | $ 6,003 |

*Actuarial Assumptions.* The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|---|
| Inflation | 3.0 percent |
| Salary Increases | 3.25 to 7.75 percent, including inflation and productivity factor |
| Investment rate of return | 3.75 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study as of December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2025 is 0.9%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3%. 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 3.0 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

| | 1 % Decrease (2.00%) | Discount Rate (3.00%) | 1% Increase (4.00%) |
|---|---|---|---|
| County's proportionate share of the net pension liability (asset) | ($9,991) | ($15,079) | ($19,365) |

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

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

The net pension liability (asset) for LGERS and ROD was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023. The total pension liability for LEOSSA was measured as of June 30, 2024, with an actuarial valuation date of December 31, 2023. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entities. Following is information related to the proportionate share and pension expense:

| | LGERS | ROD | LEOSSA | Total |
|---|---|---|---|---|
| Proportionate share of net pension liability (asset) | $ 4,860,129 | $ (15,079) | n/a | $ 4,845,050 |
| Proportion of the Net Pension Liability (Asset) | 0.07209% | 0.13086% | n/a | |
| Total Pension Liability | $ - | $ - | $ 665,799 | $ 665,799 |
| Pension Expense | $ 1,531,635 | $ 3,039 | $ 92,838 | $ 1,627,512 |

As June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | ROD | LEOSSA | Total |
|---|---|---|---|---|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | $ 851,679 | $ 331 | $ 139,793 | $ 991,803 |
| Changes of assumptions | - | - | 57,981 | 57,981 |
| Net difference between projected and actual earnings on pension plan investments | 660,732 | 5,823 | - | 666,555 |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 153,716 | 860 | - | 154,576 |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 1,033,920 | 1,308 | - | 1,035,228 |
| Deferred Inflows of Resources | | | | |
| Difference between expected and actual experience | $ 5,726 | $ 270 | $ 21,650 | $ 27,646 |
| Changes of assumptions | - | - | 98,463 | 98,463 |
| Net difference between projected and actual earnings on pension plan investments | - | - | - | - |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 45,745 | 741 | - | 46,486 |

g. Other Post Employment Benefits

Health Care Benefits

Plan Description

*Plan Administration* - Under the terms of the County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of July 1, 2006, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County pays the full cost of coverage for these benefits through private insurers. The County Board may amend the benefit provisions. A separate report was not issued for the plan. If hired after January 8, 2013 no health benefits will be paid for retirees.

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

Membership of the HCB Plan consisted of the following at June 30, 2023, the date of latest actuarial valuation:

| | General Employees |
|---|---|
| Inactive plan members or beneficiaries currently receiving benefit payments | 7 |
| Inactive plan members entitled to but not yet receiving benefit payments | - |
| Active plan members | 30 |
| Total | 37 |

**Total OPEB Liability**

The County's total OPEB liability of $1,755,251 was measured as of June 30, 2024 and was determined by an actuarial valuation as of June 30, 2023.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|---|---|
| Inflation | 2.5 percent |
| Real wage growth | 0.75 percent |
| Wage inflation | 3.25 percent |
| Salary increases - General employees | 3.25 - 8.41 percent, average, including wage inflation |
| Salary increases - Law Enforcement Officers | 3.25 - 7.90 percent, average, including inflation and productivity factor |
| Discount rate - Municipal Bond Index | 3.65 percent |
| Healthcare cost trend - Pre-Medicare | 7.00% for 2023 decreasing to an ultimate rate of 4.50% by 2033 |

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.

| **Total OPEB Liability** | |
|---|---|
| **Balance at July 1, 2024** | $ 1,785,989 |
| Changes for the year: | |
| Service cost | 38,319 |
| Interest | 64,836 |
| Changes of benefit terms | - |
| Differences between expected and actual experience | 6,218 |
| Changes in assumptions or other inputs | (43,296) |
| Benefit Payments | (96,815) |
| Net changes | (30,738) |
| **Balance at June 30, 2025** | $ 1,755,251 |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.65% to 3.93%.

Mortality rates were based on the RP-2010 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2019.

The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 2015 through December 2019.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.93 percent) or 1-percentage-point higher (4.93 percent) than the current discount rate:

| | 1 % Decrease (2.93%) | Discount Rate (3.93%) | 1% Increase (4.93%) |
|---|---|---|---|
| Total OPEB Liability | $1,915,472 | $1,755,251 | $1,610,110 |

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

| | 1 % Decrease | Discount Rate | 1% Increase |
|---|---|---|---|
| Total OPEB Liability | $1,573,910 | $1,755,251 | $1,963,108 |

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

For the year ended June 30, 2025, the County recognized OPEB expense of $83,401. At June 30, 2025, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 99,796 | $ 371,675 |
| Changes of assumptions | 425,612 | 317,299 |
| County benefit payments and plan administrative expense made subsequent to the measurement date | - | - |
| Total | $ 525,408 | $ 688,974 |

$0 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30 | |
|---|---|
| 2026 | $ (3,057) |
| 2027 | 6,426 |
| 2028 | (31,372) |
| 2029 | (61,111) |
| 2030 | (56,022) |
| Thereafter | (18,430) |
| Total | $ (163,566) |

h. Other Employment Benefits

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

3. Deferred Outflows and Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| (Pensions, OPEB) - difference between expected and actual experience | $ 1,091,599 | $ 399,321 |
| (Pensions,OPEB) - Net difference between projected and actual investment earnings | 666,555 | - |
| (Pensions) - change in proportion and difference between employer contributions and proportionate share of contributions | 154,576 | 46,486 |
| (Pensions, OPEB) - change in assumptions | 483,593 | 415,762 |
| Contributions to pension plan subsequent to measurement date (LGERS, ROD) | 1,035,228 | - |
| Taxes receivable, net (General) | - | 609,439 |
| Prepaid taxes not yet earned (General) | - | 209,419 |
| EMS | - | 211,699 |
| Opioid funds, net (General) | - | 821,700 |
| Prepaid solid waste fees | - | 104,657 |
| | $ 3,431,551 | $ 2,818,483 |

4. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of $200 million for any one occurrence, general, auto, professional, and employment practices liability coverage of $2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of $250,000 per occurrence, and workers' compensation coverage up to the North Carolina statutory limits. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of a $500,000 retention up to a $2 million limit for liability coverage, and $1,750,000 of each loss in excess of a $250,000 per occurrence retention for property, and auto physical damage. For workers' compensation there is a per occurrence retention of $750,000. The County provides employee health and dental benefits through a self-insured plan provided by Dogwood Insurance Company (DIC). Claims are administered and paid directly from the plan by DIC. Specific stop-loss is set at $100,000 per individual health insurance claim with an unlimited lifetime maximum. Aggregate stop-loss is set at the level of 125% with a minimum aggregate attachment point of $6,516,502 and a contract period maximum of $1,000,000.

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

In accordance with G.S. 159-29, the County's employees that have access to $100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The finance officer, tax collector, and register of deeds are individually bonded for $1,000,000, $100,000, and $100,000 respectively. The finance officer of the Perquimans County Tourism Development Authority is individually bonded for $50,000.

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

5. Long-Term Obligations

a. Installment Purchase

The County entered into an agreement with RBC Centura, pursuant to N.C. General Statute 160 A-20, to finance the Perquimans High School Construction and Renovation Project. Total indebtedness under the agreement was $11,000,000, at an annual interest rate of 3.65%. This loan was refinanced on December 18, 2008 with USDA. This loan was refinanced on December 6, 2012 with BB&T. The outstanding balance as of June 30, 2025 was $11,000,000.

Six million ($6,000,000) with a term of fifteen (15) years at 2.64%, entered into on December 6, 2012. The County will make fifteen (15) payments of $489,429 each. Principal payments and interest at 2.64% resulted in the following obligation at June 30, 2025 in the amount of $1,394,039.

Four million, two hundred thirty thousand, nine hundred sixty-seven ($4,230,967) with a term of fifteen (15) years at 2.64%, entered into on January 8, 2013. The County will make the first payment of $311,492 and the subsequent fourteen (14) payments at $347,173 each. Principal payments and interest at 2.64% resulted in the following obligation at June 30, 2025 in the amount of $988,855.

On July 27, 2016, the County entered into an installment purchase agreement pursuant to N.C. General Statute 160A-20 for the construction of a new public library. Total indebtedness under the agreement was $2,500,000. The agreement has a ten-year term at an interest rate of 1.88%. Payments will be $263, 158 annually plus accrued interest. Principal payments and interest of 1.88% resulted in the following obligation at June 30, 2025 in the amount of $394,737.

Installment agreement indebtedness - business type activities

On January 27, 2011, the County entered into an agreement with the State of North Carolina, Department of Environment and Natural Resources, to receive a Federal Revolving Loan in the amount of $2,795,220, as part of the American Recovery and Reinvestment Act of 2009, for the purpose of making improvements to the County's water supply system. One half of the amount borrowed is immediately forgiven. The remaining principal is to be repaid over 20 years bearing no interest at an annual amount of $69,881 per year. Principal payments resulted in the following obligation at June 30, 2025 in the amount of $419,282.

As authorized by State law [G.S. 160A-20] the County is financing water supply from Pasquotank County R. 0. plant through an installment financing agreement with the PNC Bank. The total amount financed is $1,350,000 at a fixed rate of 2.69% for 15 years. The agreement was executed on August 23, 2012 and requires 15 annual payments of $110,564, with the first payment due August 23, 2013. Principal payments resulted in the following obligation at June 30, 2025 in the amount of $314,618.

For Perquimans County, the combined future minimum payments as of June 30, 2025 including interest are:

| Year Ending June 30, | Governmental Activities Principal | Interest | Business Type Activities Principal | Interest |
|---|---|---|---|---|
| 2026 | 1,036,852 | 69,092 | 171,982 | 8,463 |
| 2027 | 1,081,698 | 43,720 | 174,728 | 5,717 |
| 2028 | 1,110,081 | 21,518 | 177,551 | 3,027 |
| 2029 | 621,000 | - | 69,881 | - |
| Therafter | 9,928,000 | - | 139,758 | - |
| Total | $ 13,777,631 | $ 134,330 | $ 733,900 | $ 17,207 |

At June 30, 2025, Perquimans County had a legal debt margin of $170,336,892.

c. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2025:

| | Beginning Balance | Increases | Decreases | Ending Balance | Current Portion |
|---|---|---|---|---|---|
| Governmental Activities: | | | | | |
| Leases | $ 377 | $ - | $ 377 | $ - | $ - |
| Installment purchases | 3,794,582 | 11,000,000 | 1,016,951 | 13,777,631 | 1,036,852 |
| Net pension liability (LGERS) | 4,203,483 | 267,836 | - | 4,471,319 | - |
| Net pension liability (LEOSSA) | 584,401 | 81,398 | - | 665,799 | - |
| Total OPEB liability | 1,643,110 | - | 28,279 | 1,614,831 | - |
| Compensated absences | | | | | |
| Accrued Vacation | 392,712 | 198,829 | 135,080 | 456,461 | 135,000 |
| Accrued Sick Leave* | 81,054 | 14,306 | - | 95,360 | 20,000 |
| Total governmental activities | $ 10,699,719 | $ 11,562,369 | $ 1,180,687 | $ 21,081,401 | $ 1,191,852 |
| Business Type Activities: | | | | | |
| Installment purchases | $ 903,207 | $ - | $ 169,307 | $ 733,900 | $ 171,982 |
| Net pension liability (LGERS) | 365,520 | 23,290 | - | 388,810 | - |
| Total OPEB liability | 142,879 | - | 2,459 | 140,420 | - |
| Compensated Absences | | | | | |
| Accrued Vacation | 21,723 | 17,697 | 9,656 | 29,764 | 10,000 |
| Accrued Sick Leave* | 6,504 | 1,146 | - | 7,650 | 2,500 |
| Total business type activities | $ 1,439,833 | $ 42,133 | $ 181,422 | $ 1,300,544 | $ 184,482 |

*The change in the compensated absences liability is presented as a net change.

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

d. Interfund Balances and Transfer Activity

The composition of internal balances as of June 30, 2025 is as follows:

| Payable Fund | Receivable Fund General Fund | |
|---|---|---|
| Emergency Telephone System Fund | $ 629,665 | Expenditures. |
| Total | $ 629,665 | |

Transfers in (out) for the year ended June 30, 2025 are summarized below:

| | |
|---|---|
| From the General Fund to the Tourism Development Authority | $ 25,829 |
| From the Capital Projects Reserve Fund to the General Fund | $ (960,000) |
| From the American Rescue Plan Fund to the General Fund | $ (21,258) |
| From General Fund to Revaluation Fund | $ 35,000 |

All transfers were for expenditures.

D. Net Investment in Capital Assets

| | Governmental | Business-Type |
|---|---|---|
| Capital assets | $ 15,016,412 | $ 6,945,224 |
| Less: Long-term debt | (13,777,631) | (733,900) |
| Net investment in capital assets | $ 1,238,781 | $ 6,211,324 |

E. Fund Balance

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** | **$** | **9,875,199** |
| **Less:** | | |
| **Stabilization by State Statute** | | 2,358,196 |
| **Register of deeds** | | 39,457 |
| **Tax revaluation** | | 48,537 |
| **Remaining Fund Balance** | $ | 7,429,009 |

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

V. Joint Ventures

Pettigrew Regional Library

The County participates in a joint venture to operate the Pettigrew Library with three other counties: Chowan, Tyrrell, and Washington. Perquimans County does not appoint anyone to the Board, but may make recommendations for appointments. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on participating governments' continued funding. Perquimans County owns the library building and provides for the maintenance of that building. During the 2024-2025 fiscal year, the County contributed $215,000 towards the operating expenses of the Library. Complete financial statements can be obtained from the Library's office at 514 S. Church Street, Hertford, North Carolina 27944.

Albemarle District Jail Commission

The County in conjunction with Camden and Pasquotank Counties, participates in the Albemarle District Jail Commission. Each participating government appoints one member to the four-member board. The Jail Commission is a joint venture established to provide incarceration facilities for the participating counties. The intergovernmental agreement between the participating counties stipulates that each county make an annual contribution towards the operating expenses of the Commission. The contribution amount is based on a per capita assessment based on the most recent census figures available. During the fiscal year ended June 30, 2025, the County contributed $592,519 to the Commission. None of the participating governments have an equity interest in the Commission. Complete financial statements for the Jail can be obtained from the Albemarle District Jail Commission, 320 South Hughes Blvd., Elizabeth City, North Carolina 27909.

VI. Jointly Governed Organization

Perquimans. Chowan, Gates Solid Waste Commission

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

Perquimans, Pasquotank, Camden, Chowan. Currituck Health Department

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

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

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

VIII. Significant Effects of Subsequent Events

There are no subsequent events that would have a material affect on the financial statements. Subsequent events have been analyzed through the date that the financial statements were available to be issued.

VII. Change in Accounting Principle

The County implemented Government Accounting Standards Board (GASB) Statement No. 101, Compensated Absences, July 1, 2024. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. As a result, the County recognized an additional $87,558 in compensated absences for sick leave as of June 30, 2024, resulting in a decrease in beginning net position of the same amount.

# REQUIRED
# SUPPLEMENTAL FINANCIAL DATA

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This section contains additional information required by generally accounting principals.

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Schedule of the Proportionate Share of the Net Pension Liability – Local Government Employees' Retirement System

Schedule of Contributions – Local Government Employees' Retirement System

Schedule of the Proportionate Share of the Net Pension Liability – Register of Deeds Supplemental Pension Fund

Schedule of Contributions – Register of Deeds' Supplemental Pension Fund

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

Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance

Schedule of Changes in the Total OPEB Liability and Related Ratios

**Perquimans County, North Carolina**
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**
**Required Supplementary Information**
**Last Ten Fiscal Years***

**Local Government Employees' Retirement System**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| County's proportion of the net pension liability (asset) (%) | 0.07209% | 0.06899% | 0.06619% | 0.0576% | 0.0550% | 0.0590% | 0.0510% | 0.0530% | 0.0490% | 0.0470% |
| County's proportion of the net pension liability (asset) ($) | $ 4,860,129 | $ 4,569,003 | $ 3,734,061 | $ 848,079 | $ 1,974,318 | $ 1,598,409 | $ 1,215,114 | $ 804,957 | $ 1,049,282 | $ 212,055 |
| County's covered-employee payroll | $ 6,294,564 | $ 5,360,042 | $ 4,645,234 | $ 3,254,111 | $ 3,138,511 | $ 3,127,040 | $ 3,455,957 | $ 3,342,557 | $ 3,146,224 | $ 2,955,382 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll | 77.21% | 85.24% | 80.38% | 26.06% | 62.91% | 51.12% | 35.16% | 24.08% | 33.35% | 7.18% |
| Plan fiduciary net position as a percentage of the total pension liability** | 83.30% | 82.49% | 84.14% | 95.51% | 88.61% | 90.86% | 91.63% | 94.18% | 91.47% | 98.09% |

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

** This will be the same percentage for all participant employers in the LGERS plan.

**Perquimans County, North Carolina**
**Schedule of County Contributions**
**Required Supplementary Information**
**Last Ten Fiscal Years**

**Local Government Employees' Retirement System**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 1,033,920 | $ 825,793 | $ 660,885 | $ 536,783 | $ 332,895 | $ 284,035 | $ 245,160 | $ 262,713 | $ 249,946 | $ 215,957 |
| Contributions in relation to the contractually required contribution | 1,033,920 | 825,793 | 660,885 | 536,783 | 332,895 | 284,035 | 245,160 | 262,713 | 249,946 | 215,957 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| County's covered-employee payroll | $ 7,424,407 | $ 6,294,564 | $ 5,360,042 | $ 4,645,234 | $ 3,254,111 | $ 3,138,511 | $ 3,127,040 | $ 3,455,957 | $ 3,342,557 | $ 3,146,224 |
| Contributions as a percentage of covered-employee payroll | 13.93% | 13.12% | 12.33% | 11.56% | 10.23% | 9.05% | 7.84% | 7.60% | 7.48% | 6.86% |

**Perquimans County, North Carolina**
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**
**Required Supplementary Information**
**Last Ten Fiscal Years***

**Registers of Deeds' Supplemental Pension Fund**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| County's proportion of the net pension liability (asset) (%) | 0.131% | 0.138% | 0.127% | 0.129% | 0.130% | 0.118% | 0.137% | 0.128% | 0.142% | 0.134% |
| County's proportion of the net pension liability (asset) ($) | $ (15,079) | $ (16,606) | $ (16,772) | $ (24,819) | $ (29,776) | $ (23,311) | $ (22,759) | $ (21,881) | $ (26,629) | $ (31,115) |
| Plan fiduciary net position as a percentage of the total pension liability** | 133.61% | 135.74% | 139.04% | 156.53% | 173.62% | 164.11% | 153.31% | 153.77% | 160.17% | 197.29% |

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

** This will be the same percentage for all participant employers in the ROD plan.

**Perquimans County, North Carolina**
**Schedule of County Contributions**
**Required Supplementary Information**
**Last Ten Fiscal Years**

**Registers of Deeds' Supplemental Pension Fund**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contribution | $ 1,308 | $ 1,231 | $ 1,233 | $ 1,452 | $ 5,108 | $ 4,452 | $ 3,766 | $ 1,176 | $ 1,114 | $ 1,164 |
| Contributions in relation to the contractually required contribution | 1,308 | 1,231 | 1,233 | 1,452 | 5,108 | 4,452 | 3,766 | 1,176 | 1,114 | 1,164 |
| Contribution deficiency (excess) | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |

**Perquimans County, North Carolina**
**Schedule of Changes in Total Pension Liability**
**Law Enforcement Officers' Special Separation Allowance**
**June 30, 2025**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Beginning balance | 584,401 | 560,734 | 509,868 | 494,627 | 320,928 | 281,466 | 231,899 | 227,483 |
| Service Cost | 35,389 | 31,840 | 49,089 | 31,380 | 20,557 | 19,908 | 15,265 | 12,806 |
| Interest on the total pension liability | 23,013 | 23,777 | 11,268 | 9,371 | 10,167 | 9,915 | 7,041 | 8,460 |
| Changes of benefit terms | - | - | - | - | - | - | - | - |
| Differences between expected and actual experience in the measurement of the total pension liability | 59,607 | (30,634) | 142,163 | 8,960 | 11,630 | 15,918 | 58,232 | (18,118) |
| Changes of assumptions or other inputs | (18,473) | 16,822 | (133,516) | (16,332) | 149,483 | 11,859 | (12,833) | 17,894 |
| Benefit payments | (18,138) | (18,138) | (18,138) | (18,138) | (18,138) | (18,138) | (18,138) | (16,626) |
| Other changes | - | - | - | - | - | - | - | - |
| Ending balance of the total pension liability | $ 665,799 | $ 584,401 | $ 560,734 | $ 509,868 | $ 494,627 | $ 320,928 | $ 281,466 | $ 231,899 |

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

**Perquimans County, North Carolina**
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**
**Law Enforcement Officers' Special Separation Allowance**
**June 30, 2025**

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|---|---|---|---|---|---|---|---|
| Total pension liability | $ 665,799 | $ 584,401 | $ 560,734 | $ 509,868 | $ 494,627 | $ 320,928 | $ 281,466 | $ 231,899 |
| Covered employee payroll | 1,224,724 | 1,210,034 | 1,204,424 | 735,885 | 758,926 | 749,249 | 501,949 | 506,140 |
| Total pension liability as a percentage of covered employee payroll | 54.36% | 48.30% | 46.56% | 69.29% | 65.17% | 42.83% | 56.07% | 45.82% |

Notes to the schedules:

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

**Perquimans County, North Carolina**
**Schedule of Changes in the Total OPEB Liability and Related Ratios**
**Healthcare Benefits Plan**
**For the Year Ended June 30, 2025***

| | 2025 | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 |
|---|---|---|---|---|---|---|---|
| **Total OPEB Liability** | | | | | | | |
| Service cost | $ 38,319 | $ 106,310 | $ 141,605 | $ 141,558 | $ 101,658 | $ 118,454 | $ 122,588 |
| Interest | 64,836 | 88,075 | 61,412 | 60,860 | 83,337 | 88,650 | 83,199 |
| Changes of benefit terms | - | (639,777) | - | - | - | (405,090) | - |
| Differences between expected and actual experience | 6,218 | (146,808) | (15,545) | (488,402) | (35,331) | 351,855 | (813) |
| Changes of assumptions | (43,296) | 41,737 | (424,133) | 485,564 | 342,327 | 45,684 | (72,087) |
| Benefit payments | (96,815) | (89,689) | (77,114) | (143,114) | (174,379) | (223,135) | (159,638) |
| **Net change in total OPEB liability** | (30,738) | (640,152) | (313,775) | 56,466 | 317,612 | (23,582) | (26,751) |
| **Total OPEB liability - beginning** | 1,785,989 | 2,426,141 | 2,739,916 | 2,683,450 | 2,365,838 | 2,389,420 | 2,416,171 |
| **Total OPEB liability - ending** | $ 1,755,251 | $ 1,785,989 | $ 2,426,141 | $ 2,739,916 | $ 2,683,450 | $ 2,365,838 | $ 2,389,420 |
| County's covered-employee payroll | $ 1,587,747 | $ 1,587,747 | $ 4,031,965 | $ 4,031,965 | $ 3,748,995 | $ 3,748,995 | $ 3,576,950 |
| County's OPEB liability as a percentage of its covered-employee payroll | 110.55% | 112.49% | 60.17% | 67.95% | 71.58% | 63.11% | 66.80% |

* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

**Notes to Schedule**

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

| Fiscal year | Rate |
|---|---|
| 2025 | 3.93% |
| 2024 | 3.65% |
| 2023 | 3.54% |
| 2022 | 2.16% |
| 2021 | 2.21% |
| 2020 | 3.50% |
| 2019 | 3.89% |

# 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.

Special Capital Fund is presented separately for budget compliance reporting but is combined with the General Fund in Exhibit 4.

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| **Revenues:** | | | |
| Ad Valorem Taxes: | | | |
| Taxes | $ 11,313,627 | $ 11,349,706 | |
| Penalties and Interest | 125,000 | 116,318 | |
| Total | 11,438,627 | 11,466,024 | $ 27,397 |
| Local Option Sales Taxes: | | | |
| Article 39 and 44 | 1,613,700 | 1,819,105 | |
| Article 40 one-half of one percent | 1,320,000 | 1,367,875 | |
| Article 42 one-half of one percent | 620,600 | 759,445 | |
| Utilities franchise distribution | 10,000 | 15,056 | |
| Medicaid hold harmless | 380,000 | 424,406 | |
| Total | 3,944,300 | 4,385,887 | 441,587 |
| Other Taxes and Licenses: | | | |
| Scrap tire disposal tax | 27,500 | 29,552 | |
| Beer and wine licenses | 500 | 615 | |
| White goods | 7,000 | 6,847 | |
| Total | 35,000 | 37,014 | 2,014 |
| Unrestricted Intergovernmental revenues: | | | |
| Beer and wine tax | 42,000 | 42,733 | |
| Total | 42,000 | 42,733 | 733 |
| Restricted Intergovernmental: | | | |
| State grants | 2,639,978 | 2,312,332 | |
| Federal grants | 44,675 | - | |
| Court facility fees | 30,000 | 26,296 | |
| ABC bottle tax (rehab) | 5,600 | 5,182 | |
| Other grants | 371,554 | 403,138 | |
| Total | 3,091,807 | 2,746,948 | (344,859) |
| Permits and Fees: | | | |
| Officer and sheriff fees | 537,500 | 502,882 | |
| Building permits and inspections fees | 200,000 | 223,683 | |
| Register of Deeds | 330,765 | 344,145 | |
| DMV license revocation fees | 750 | 127 | |
| Subdivision and zoning fees | 30,000 | 17,849 | |
| Total | 1,099,015 | 1,088,686 | (10,329) |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Sales and Services: | | | |
| Ambulance fees | 1,291,915 | 1,179,510 | |
| Administrative services | 101,000 | 103,000 | |
| Dispatch services | 23,000 | 31,551 | |
| Jail fees | 14,000 | 10,677 | |
| Municipal tax collection fees | 27,500 | 34,024 | |
| Recreation fees | 28,500 | 22,947 | |
| Rents | 125,088 | 119,882 | |
| Perquimans and Gates county agreement | 775,740 | 995,999 | |
| Total | 2,386,743 | 2,497,590 | 110,847 |
| Investment Earnings | 135,100 | 156,417 | 21,317 |
| Miscellaneous: | | | |
| Other | 31,814 | 42,033 | |
| Total | 31,814 | 42,033 | 10,219 |
| TOTAL REVENUES | 22,204,406 | 22,463,332 | 258,926 |
| **Expenditures:** | | | |
| General Government: | | | |
| Governing body: | | | |
| Salaries and employee benefits | 60,410 | 60,308 | |
| Other operating expenses | 26,900 | 21,696 | |
| Total | 87,310 | 82,004 | 5,306 |
| Administrative and finance: | | | |
| Salaries and employee benefits | 735,985 | 727,590 | |
| Other operating expenses | 52,420 | 50,900 | |
| Professional services | 232,912 | 226,353 | |
| Capital outlay | 10,000 | 7,427 | |
| Total | 1,031,317 | 1,012,270 | 19,047 |
| Elections: | | | |
| Salaries and employee benefits | 170,740 | 150,914 | |
| Other operating expenses | 64,574 | 59,496 | |
| Capital outlay | 16,325 | 16,222 | |
| Total | 251,639 | 226,632 | 25,007 |
| Tax administration: | | | |
| Salaries and employee benefits | 417,016 | 395,130 | |
| Other operating expenses | 151,414 | 118,852 | |
| Professional services | 51,307 | 51,306 | |
| Capital outlay | 10,000 | - | |
| Total | 629,737 | 565,288 | 64,449 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Legal: | | | |
| Contracted services | 50,000 | 41,098 | |
| Total | 50,000 | 41,098 | 8,902 |
| Register of Deeds: | | | |
| Salaries and employee benefits | 200,571 | 195,404 | |
| Other operating expenses | 268,920 | 215,686 | |
| Capital outlay | 5,200 | 5,200 | |
| Total | 459,691 | 416,290 | 43,401 |
| Public buildings: | | | |
| Salaries and employee benefits | 65,925 | 61,476 | |
| Other operating expenses | 808,520 | 781,935 | |
| Total | 889,445 | 843,411 | 46,034 |
| Court facilities: | | | |
| Other operating expenses | 135,000 | 98,295 | |
| Total | 135,000 | 98,295 | 36,705 |
| Jury commission | | | |
| Other operating expenses | 2,875 | 2,499 | |
| Total | 2,875 | 2,499 | 376 |
| Total general government | 3,537,014 | 3,287,787 | 249,227 |
| Public Safety: | | | |
| Sheriff: | | | |
| Salaries and employee benefits | 2,430,934 | 2,493,255 | |
| Other operating expenses | 385,871 | 202,198 | |
| Capital outlay | 257,065 | 250,809 | |
| Total | 3,073,870 | 2,946,262 | 127,608 |
| Jail: | | | |
| Contracted services | 710,000 | 652,090 | |
| Contracted services - debt service | 203,267 | 203,162 | |
| Total | 913,267 | 855,252 | 58,015 |
| Emergency Medical Services: | | | |
| Salaries and employee benefits | 2,247,388 | 2,185,113 | |
| Other operating expenses | 662,341 | 425,966 | |
| Capital outlay | 390,000 | 334,479 | |
| Total | 3,299,729 | 2,945,558 | 354,171 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Dispatch: | | | |
| Salaries and employee benefits | 1,433,718 | 1,382,508 | |
| Other operating expenses | 272,920 | 222,427 | |
| Capital outlay | - | - | |
| Total | 1,706,638 | 1,604,935 | 101,703 |
| Fire/emergency management: | | | |
| Salaries and employee benefits | 62,762 | 60,777 | |
| Other operating expenses | 240,621 | 149,186 | |
| Capital outlay | 40,000 | 36,534 | |
| Assistance to local fire departments | 660,000 | 660,000 | |
| Total | 1,003,383 | 906,497 | 96,886 |
| Inspections: | | | |
| Salaries and employee benefits | 218,692 | 216,682 | |
| Other operating expenses | 50,869 | 50,594 | |
| Capital Outlay | 27,000 | 27,000 | |
| Total | 296,561 | 294,276 | 2,285 |
| Animal control: | | | |
| Contribution to regional animal shelter | 148,761 | 148,761 | |
| Total | 148,761 | 148,761 | - |
| Medical examiner: | | | |
| Professional services | 12,000 | 8,775 | |
| Total | 12,000 | 8,775 | 3,225 |
| Total public safety | 10,454,209 | 9,710,316 | 743,893 |
| Economic and physical development: | | | |
| Economic Development Commission: | | | |
| Other operating expenses | 108,354 | 20,910 | |
| Total | 108,354 | 20,910 | 87,444 |
| Other: | | | |
| Albemarle Regional Planning Organization | 682 | 682 | |
| Sklls, Inc. | 500 | 500 | |
| R C and D | 214,750 | 750 | |
| Total | 215,932 | 1,932 | 214,000 |
| Total economic and physical development | 324,286 | 22,842 | 301,444 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Environmental Protection: | | | |
| Conservation - soil and forest service: | | | |
| Salaries and employee benefits | 52,939 | 52,465 | |
| Other operating expenses | 12,460 | 9,871 | |
| Cost share programs | 23,800 | 17,628 | |
| Foresty service | 66,816 | 66,452 | |
| Total | 156,015 | 146,416 | 9,599 |
| Beaver management | 6,375 | 6,375 | - |
| Agricultural extension: | | | |
| Salaries and employee benefits | 192,975 | 150,356 | |
| Other operating expenses | 29,448 | 24,499 | |
| Capital outlay | 2,589 | 2,435 | |
| Total | 225,012 | 177,290 | 47,722 |
| Drainage Study | 2,820 | 2,300 | 520 |
| Total environmental protection | 390,222 | 332,381 | 57,841 |
| Human services: | | | |
| Health: | | | |
| Administration - contracted services | 396,544 | 360,027 | |
| Transportation | 46,314 | 47,516 | |
| Total | 442,858 | 407,543 | 35,315 |
| Mental Health: | | | |
| Administration - contracted services | 26,906 | 26,906 | |
| Total | 26,906 | 26,906 | - |
| Alcoholism: | | | |
| Operating - rehabilitation | 5,182 | 5,182 | |
| Total | 5,182 | 5,182 | - |
| Social services: | | | |
| Administration: | | | |
| Salaries and employee benefits | 2,036,844 | 1,983,967 | |
| Other operating expenses | 708,317 | 651,471 | |
| Professional services | 76,770 | 76,770 | |
| Capital outlay | 44,328 | 44,328 | |
| Total | 2,866,259 | 2,756,536 | 109,723 |
| Special assistance for adults: | | | |
| Aid for the aged | 60,000 | 55,693 | |
| Aid for the permanently and totally disabled | 60,000 | 46,586 | |
| Total | 120,000 | 102,279 | 17,721 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Medical assistance programs: | | | |
| Assistance payments | 5,000 | 91 | |
| Total | 5,000 | 91 | 4,909 |
| OJJ program: | | | |
| Social Thinking Program | 77,485 | 77,485 | |
| Total | 77,485 | 77,485 | - |
| Other assistance: | | | |
| Links | 4,750 | 269 | |
| Adoption subsidy/enhancement | 21,042 | 11,244 | |
| Nutrition program for the aged | 47,305 | 47,305 | |
| IV E foster care clothing | 10,000 | 8,250 | |
| Crisis intervention | 49,961 | 18,213 | |
| Day care Porgram | 5,000 | 1,508 | |
| Emergency assistance | 38,000 | 37,998 | |
| Humanitarian needs | 12,000 | 12,000 | |
| Title III funds | 9,467 | 8,652 | |
| Food stamp issuance | 6,000 | 2,970 | |
| LIEAP | 79,430 | 35,128 | |
| Contracted transportation | 25,000 | 1,235 | |
| Contracted transportation | 10,000 | 6,400 | |
| Total | 317,955 | 191,172 | 126,783 |
| Total social services | 3,386,699 | 3,127,563 | 259,136 |
| Other: | | | |
| Food Bank of Albermarle | 5,000 | 5,000 | |
| Kids First, Inc. | 6,000 | 6,000 | |
| Albemarle Hopeline | 4,000 | 4,000 | |
| Total | 15,000 | 15,000 | - |
| Veterans service officer: | | | |
| Salaries and employee benefits | 9,107 | 8,540 | |
| Other operating expenses | 21,680 | 1,185 | |
| Total | 30,787 | 9,725 | 21,062 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Restitution Program: | | | |
| Professional services | 5,765 | 4,756 | |
| Total | 5,765 | 4,756 | 1,009 |
| Total human services | 3,913,197 | 3,596,675 | 316,522 |
| Cultural and Recreational: | | | |
| Recreation: | | | |
| Salaries and employee benefits | 249,761 | 217,574 | |
| Other operating expenses | 150,070 | 133,970 | |
| Capital outlay | 19,000 | 18,450 | |
| Total | 418,831 | 369,994 | 48,837 |
| Senior Citzens: | | | |
| Salaries and employee benefits | 201,638 | 189,437 | |
| Other operating expenses | 78,425 | 43,114 | |
| Capital outlay | 20,155 | 19,208 | |
| Total | 300,218 | 251,759 | 48,459 |
| Library: | | | |
| Salaries and employee benefits | 13,605 | 13,604 | |
| Contribution to regional library | 215,001 | 215,000 | |
| Total | 228,606 | 228,604 | 2 |
| Other: | | | |
| Chamber of Commerce | 6,000 | 6,000 | |
| Newbold White House | 15,000 | 15,000 | |
| Highway 17-64 Association | 2,500 | 2,500 | |
| Professional Services | 81,610 | 81,610 | |
| Perquimans Art League | 8,000 | 8,000 | |
| Perquimans County Fireworks | 1,500 | 1,500 | |
| Perquimans County Trail Blazers | 1,000 | 1,000 | |
| Museum | 11,000 | 10,021 | |
| Open Door Food Pantry | 5,000 | 5,000 | |
| Total | 131,610 | 130,631 | 979 |
| Total cultural and recreational | 1,079,265 | 980,988 | 98,277 |
| Debt service: | | | |
| Principal retirement | 1,133,440 | 1,017,328 | 116,112 |
| Interest and other charges | 93,941 | 202,951 | (109,010) |
| Total debt service | 1,227,381 | 1,220,279 | 7,102 |
| Education: | | | |
| Public Schools - current expense | 3,600,000 | 3,600,000 | - |
| Public Schools - capital outlay | 715,000 | 711,594 | 3,406 |
| College of the Albermarle | 36,000 | 36,000 | - |
| Total education | 4,351,000 | 4,347,594 | 3,406 |
| TOTAL EXPENDITURES | 25,276,574 | 23,498,862 | 1,777,712 |

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | Final Budget | Actual | Variance Positive (Negative) |
|---|---|---|---|
| Revenues over Expenditures | (3,072,168) | (1,035,530) | 2,036,638 |
| Other financing sources (uses): | | | |
| Fund Balance Appropriated | 2,151,739 | - | |
| Transfers (to)/from Other Funds | 920,429 | 920,429 | |
| Gain from Sale of Capital Assets | - | - | |
| Total Other Financing Sources (Uses) | 3,072,168 | 920,429 | (2,151,739) |
| Net change in fund balance | $ - | (115,101) | $ (115,101) |
| Fund balances: | | | |
| Beginning of year | | 9,941,763 | |
| End of year, June 30 | | $ 9,826,662 | |

**Perquimans County, North Carolina**
**Revaluation Reserve Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues | | | |
| Investment earnings | $ 250 | $ - | $ (250) |
| Expenditures | | | |
| General government | 35,250 | 35,000 | 250 |
| Revenues Over (Under) Expenditures | (35,000) | (35,000) | - |
| Other Financing Sources (Uses): | | | |
| Fund balance appropriated | - | - | - |
| Transfers from other funds | 35,000 | 35,000 | - |
| Total other financing sources (uses) | 35,000 | 35,000 | - |
| Net change in fund balance | $ - | - | $ - |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 48,537 | |
| End of Year, June 30 | | $ 48,537 | |

**Perquimans County, North Carolina**
**Emergency Telephone System**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | $ 5,400,618 | $ 842,026 | |
| Miscellaneous revenue | - | - | |
| Total revenues | 5,400,618 | 842,026 | $ (4,558,592) |
| Expenditures: | | | |
| Hardware maintenance | 369,594 | 199,845 | |
| Implemental functions | 4,824,000 | 549,675 | |
| Software maintenance | 151,796 | 70,146 | |
| Telephone | 35,228 | 4,038 | |
| Training | 20,000 | 13,180 | |
| Total public safety | 5,400,618 | 836,884 | 4,563,734 |
| Revenues Over (Under) Expenditures | - | 5,142 | 5,142 |
| Other financing sources (uses): | | | |
| Transfers from (to) other funds | | - | |
| Fund balance appropriated | | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 5,142 | $ 5,142 |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | (303) | |
| End of Year, June 30 | | $ 4,839 | |

# CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds

**Perquimans County, North Carolina**
**County Construction Capital Projects Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Fiscal Year Ended June 30, 2025**

| | | 2025 | | | |
|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Favorable (Unfavorable) |
| Revenues: | | | | | |
| Restricted intergovernmental: | | | | | |
| Grants | $ 8,800,000 | $ 12,588,265 | $ 150,000 | $ 12,738,265 | |
| Investment earnings | 20,000 | 248,854 | 256,778 | 505,632 | |
| Total Revenues | 8,820,000 | 12,837,119 | 406,778 | 13,243,897 | $ 4,423,897 |
| Expenditures: | | | | | |
| Cultural and recreational | 8,820,000 | 7,854,551 | 4,059,131 | 11,913,682 | |
| Total Expenditures | 8,820,000 | 7,854,551 | 4,059,131 | 11,913,682 | (3,093,682) |
| Revenues Over (Under) Expenditures | - | 4,982,568 | (3,652,353) | 1,330,215 | 1,330,215 |
| Other Financing Sources (Uses): | | | | | |
| Fund balance appropriated | - | - | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - | - | - |
| Net change in fund balance | $ - | $ 4,982,568 | (3,652,353) | $ 1,330,215 | $ 1,330,215 |
| Fund Balance: | | | | | |
| Beginning of Year, July 1 | | | 4,982,568 | | |
| End of Year, June 30 | | | $ 1,330,215 | | |

**Perquimans County, North Carolina**
**Capital Projects Reserve Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Fiscal Year Ended June 30, 2025**

| | Project Authorization | Actual Prior Years | Actual Current Year | Actual Total to Date | Variance Favorable (Unfavorable) |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Grants | $ 1,980,000 | $ 3,840,298 | $ 1,264,051 | $ 5,104,349 | $ 3,124,349 |
| Investment earnings | 12,500 | 40,907 | 17,153 | 58,060 | 45,560 |
| Total Revenues | 1,992,500 | 3,881,205 | 1,281,204 | 5,162,409 | 3,169,909 |
| Expenditures: | | | | | |
| Capital outlay | - | - | - | - | - |
| Total | - | - | - | - | - |
| Revenues over expenditures | 1,992,500 | 3,881,205 | 1,281,204 | 5,162,409 | 3,169,909 |
| Other Financing Sources (Uses): | | | | | |
| Transfer to other fund | (2,212,500) | (1,750,000) | (960,000) | (2,710,000) | (497,500) |
| Appropriated fund balance | 220,000 | - | - | - | (220,000) |
| Total Other Financing Sources (Uses) | (1,992,500) | (1,750,000) | (960,000) | (2,710,000) | (717,500) |
| Revenues, Other Sources Over (Under) Expenditures and Other Uses | $ - | $ 2,131,205 | 321,204 | $ 2,452,409 | $ 2,452,409 |
| Fund Balance: | | | | | |
| Beginning of Year, July 1 | | | 2,131,205 | | |
| End of Year, June 30 | | | $ 2,452,409 | | |

**Perquimans County, North Carolina**
**School Construction Capital Projects**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**From Inception an For the Fiscal Year Ended June 30, 2025**

| | 2025 | | | | |
|---|---|---|---|---|---|
| | Project Authorization | Prior Years | Current Year | Total to Date | Variance Favorable (Unfavorable) |
| Revenues: | | | | | |
| Restricted intergovernmental | | | | | |
| Public School Building Capital Fund - Lottery | $ 37,681,765 | $ 5,915,881 | $ 17,857,126 | $ 23,773,007 | $ (13,908,758) |
| Investment earnings | - | - | 29,343 | 29,343 | 29,343 |
| Total Revenues | 37,681,765 | 5,915,881 | 17,886,469 | 23,802,350 | (13,879,415) |
| Expenditures: | | | | | |
| Education | | | | | |
| Perquimans County High & Centeral School HVAC Upgrades | 48,616,465 | 894,638 | 18,233,290 | 19,127,928 | 29,488,537 |
| Total Expenditures | 48,616,465 | 894,638 | 18,233,290 | 19,127,928 | 29,488,537 |
| Revenues Over (Under) Expenditures | (10,934,700) | 5,021,243 | (346,821) | 4,674,422 | 15,609,122 |
| Other financing sources (uses): | | | | | |
| Issuance of debt | 10,934,700 | - | 11,000,000 | 11,000,000 | 65,300 |
| Fund balance appropriated | - | - | - | - | - |
| Total other financing sources (uses) | 10,934,700 | - | 11,000,000 | 11,000,000 | 65,300 |
| Net change in fund balance | $ - | $ 5,021,243 | 10,653,179 | $ 15,674,422 | $ 15,674,422 |
| Fund Balance: | | | | | |
| Beginning of Year, July 1 | | | 5,021,243 | | |
| End of Year, June 30 | | | $ 15,674,422 | | |

# SPECIAL REVENUE FUNDS

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

**Perquimans County, North Carolina**
**Nonmajor Governmental Funds**
**Combining Balance Sheet**
**June 30, 2025**

| | Nonmajor Funds | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Opioid Settlement Fund | Social Services Fund | Soil and Water Conservation Fund | 4 - H Fund | Sherriff's Fund | Babe Ruth Fund | Farm Service Fund | American Rescue Plan Act Fund | Total Nonmajor Governmental Funds |
| **Assets:** | | | | | | | | | |
| Cash and investments | $ - | $ - | $ 9,462 | $ 7,120 | $ 5,972 | $ 4,952 | $ 7,968 | $ - | $ 35,474 |
| Restricted Cash | 376,688 | 168,403 | - | - | - | - | - | 30,631 | 575,722 |
| Accounts receivable | 821,700 | - | - | - | - | - | - | - | 821,700 |
| Total Assets | $ 1,198,388 | $ 168,403 | $ 9,462 | $ 7,120 | $ 5,972 | $ 4,952 | $ 7,968 | $ 30,631 | $ 1,432,896 |
| **Liabilities and Fund Balances:** | | | | | | | | | |
| **Current liabilities:** | | | | | | | | | - |
| Due to other funds | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ - |
| Accounts payable | - | - | - | - | - | - | - | - | - |
| Total liabilities | - | - | - | - | - | - | - | - | - |
| **Deferred Inflows of Resources** | | | | | | - | | | |
| Deferred opioid revenues | 821,700 | - | - | - | - | - | - | - | 821,700 |
| Total deferred inflows of resources | 821,700 | - | - | - | - | - | - | - | 821,700 |
| **Fund Balances:** | | | | | | | | | |
| Restricted for: | | | | | | | | | |
| Stabilization by State Statute | - | - | - | - | - | - | - | - | - |
| School Capital | - | - | - | - | - | - | - | - | - |
| Public safety | 376,688 | - | - | - | 5,972 | - | - | - | 382,660 |
| General government | - | - | 9,462 | - | - | 4,952 | 7,968 | 30,631 | 53,013 |
| Human services | - | 168,403 | - | 7,120 | - | - | - | - | 175,523 |
| Assigned: | | | | | | | | | |
| Future County Capital Outlay | - | - | - | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - | - | - | - |
| Total fund balances | 376,688 | 168,403 | 9,462 | 7,120 | 5,972 | 4,952 | 7,968 | 30,631 | 611,196 |
| **Total liabilities, deferred inflows of resources, and fund balances** | $ 1,198,388 | $ 168,403 | $ 9,462 | $ 7,120 | $ 5,972 | $ 4,952 | $ 7,968 | $ 30,631 | $ 1,432,896 |

**Perquimans County, North Carolina**
**Nonmajor Governmental Funds**
**Combining Statement of Revenues, Expenditures, and**
**Changes in Fund Balances**
**For the Year Ended June 30, 2025**

| | Special Revenue Funds | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Opioid Settlement Fund | Social Services Fund | Soil and Water Conservation Fund | 4 - H Fund | Sherriff's Fund | Babe Ruth Fund | Farm Service Fund | American Rescue Plan Act Fund | Total Nonmajor Governmental Funds |
| Revenues: | | | | | | | | | |
| Restricted intergovernmental | $ 117,145 | $ - | $ - | $ - | $ - | $ - | $ - | $ - | $ 117,145 |
| Investment earnings | - | - | - | - | - | - | - | - | - |
| Misellaneous revenue | - | 426,633 | 6,074 | 12,039 | 200 | 13,469 | 5,792 | - | 464,207 |
| Total revenues | 117,145 | 426,633 | 6,074 | 12,039 | 200 | 13,469 | 5,792 | - | 581,352 |
| Expenditures: | | | | | | | | | |
| General government | - | 380,540 | 6,889 | 9,942 | - | 12,040 | 4,208 | - | 413,619 |
| Public safety | - | - | - | - | 601 | - | - | - | 601 |
| Total Expenditures | - | 380,540 | 6,889 | 9,942 | 601 | 12,040 | 4,208 | - | 414,220 |
| Revenues Over (Under) Expenditures | 117,145 | 46,093 | (815) | 2,097 | (401) | 1,429 | 1,584 | - | 167,132 |
| Other Financing Sources (Uses): | | | | | | | | | |
| Transfers from (to) other funds | - | - | - | - | - | - | - | (21,258) | (21,258) |
| Total other financing sources (uses) | - | - | - | - | - | - | - | (21,258) | (21,258) |
| Net change in Fund Balance | 117,145 | 46,093 | (815) | 2,097 | (401) | 1,429 | 1,584 | (21,258) | 145,874 |
| Fund balances: | | | | | | | | | |
| Fund Balance, beginning, previously reported | 259,543 | 122,310 | 10,277 | 5,023 | 6,373 | 3,523 | 6,384 | 51,889 | 465,322 |
| End of year, June 30 | $ 376,688 | $ 168,403 | $ 9,462 | $ 7,120 | $ 5,972 | $ 4,952 | $ 7,968 | $ 30,631 | $ 611,196 |

**Perquimans County, North Carolina**
**Opioid Settlement Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ 117,145 | |
| Total revenues | 89,339 | 117,145 | $ 27,806 |
| Expenditures: | | | |
| General government | | - | |
| Total public safety | 89,339 | - | 89,339 |
| Revenues Over (Under) Expenditures | - | 117,145 | 117,145 |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 117,145 | $ 117,145 |
| Fund Balance: | | | |
| Fund Balance, beginning | | 259,543 | |
| Fund Balance, ending | | $ 376,688 | |

**Perquimans County, North Carolina**
**Social Services Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Miscellaneous revenue | | $ 426,633 | |
| Total revenues | $ - | 426,633 | $ 426,633 |
| Expenditures: | | | |
| General government | | 380,540 | |
| Total public safety | - | 380,540 | (380,540) |
| Revenues Over (Under) Expenditures | - | 46,093 | 46,093 |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 46,093 | $ 46,093 |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 122,310 | |
| End of Year, June 30 | | $ 168,403 | |

**Perquimans County, North Carolina**
**Soil and Water Conservation Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ - | |
| Miscellaneous revenue | | 6,074 | |
| Total revenues | $ - | 6,074 | $ 6,074 |
| Expenditures: | | | |
| General government | | 6,889 | |
| Public safety | | - | |
| Total public safety | - | 6,889 | (6,889) |
| Revenues Over (Under) Expenditures | - | (815) | (815) |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | (815) | $ (815) |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 10,277 | |
| End of Year, June 30 | | $ 9,462 | |

**Perquimans County, North Carolina**
**4-H Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ - | |
| Miscellaneous revenue | | 12,039 | |
| Total revenues | $ - | 12,039 | $ 12,039 |
| Expenditures: | | | |
| General government | | 9,942 | |
| Public safety | | - | |
| Total public safety | - | 9,942 | (9,942) |
| Revenues Over (Under) Expenditures | - | 2,097 | 2,097 |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 2,097 | $ 2,097 |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 5,023 | |
| End of Year, June 30 | | $ 7,120 | |

**Perquimans County, North Carolina**
**Sherriff's Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ - | |
| Miscellaneous revenue | | 200 | |
| Total revenues | $ - | 200 | $ 200 |
| Expenditures: | | | |
| General government | | - | |
| Public safety | | 601 | |
| Total public safety | - | 601 | (601) |
| Revenues Over (Under) Expenditures | - | (401) | (401) |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | (401) | $ (401) |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 6,373 | |
| End of Year, June 30 | | $ 5,972 | |

**Perquimans County, North Carolina**
**Babe Ruth Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ - | |
| Miscellaneous revenue | | 13,469 | |
| Total revenues | $ - | 13,469 | $ 13,469 |
| Expenditures: | | | |
| General government | | 12,040 | |
| Public safety | | - | |
| Total public safety | - | 12,040 | (12,040) |
| Revenues Over (Under) Expenditures | - | 1,429 | 1,429 |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 1,429 | $ 1,429 |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 3,523 | |
| End of Year, June 30 | | $ 4,952 | |

**Perquimans County, North Carolina**
**Farm Service Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | |
| Restricted intergovernmental | | $ - | |
| Miscellaneous revenue | | 5,792 | |
| Total revenues | $ - | 5,792 | $ 5,792 |
| Expenditures: | | | |
| General government | | 4,208 | |
| Public safety | | - | |
| Total public safety | - | 4,208 | (4,208) |
| Revenues Over (Under) Expenditures | - | 1,584 | 1,584 |
| Other financing sources (uses): | | | |
| Fund balance appropriated | - | - | |
| Total other financing sources (uses) | - | - | - |
| Net change in fund balance | $ - | 1,584 | $ 1,584 |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 6,384 | |
| End of Year, June 30 | | $ 7,968 | |

**Perquimans County, North Carolina**
**American Rescue Plan Act Fund**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**From Inception and for the Fiscal Year Ended June 30, 2025**

| | Final Budget | Current Actual | Variance Favorable (Unfavorable) |
|---|---|---|---|
| Revenues: | | | |
| Restricted intergovernmental: | | | |
| Grants | $ - | $ - | |
| Investment earnings | 21,258 | - | |
| Total Revenues | 21,258 | - | $ (21,258) |
| Expenditures: | | | |
| General government | - | - | |
| Total Expenditures | - | - | - |
| Revenues Over (Under) Expenditures | 21,258 | - | (21,258) |
| Other Financing Sources (Uses): | | | |
| Fund balance appropriated | - | - | - |
| Transfers to other funds | (21,258) | (21,258) | - |
| Total Other Financing Sources (Uses) | (21,258) | (21,258) | - |
| Net change in fund balance | $ - | (21,258) | $ (21,258) |
| Fund Balance: | | | |
| Beginning of Year, July 1 | | 51,889 | |
| End of Year, June 30 | | $ 30,631 | |

# PROPRIETARY FUNDS

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

**Perquimans County, North Carolina**
**Solid Waste Fund**
**Schedule of Revenues and Expenditures**
**Budget and Actual - (Non-GAAP)**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | |
| Operating revenues | | | |
| Charges for Services | | | |
| Solid waste fees | $ 1,337,500 | $ 1,326,774 | $ (10,726) |
| Other revenue | 7,000 | 11,290 | 4,290 |
| Non-operating revenues | | | |
| Interest on Investments | 750 | - | (750) |
| Total Revenues | 1,345,250 | 1,338,064 | (7,186) |
| Expenditures: | | | |
| Landfill operations | | | |
| Solid waste operations | 1,345,250 | 1,273,018 | 72,232 |
| Total Expenditures | 1,345,250 | 1,273,018 | 72,232 |
| Revenues Over (Under) Expenditures | - | 65,046 | 65,046 |
| Other Financing Sources and (Uses): | | | |
| Transfers from (to) other funds | - | - | - |
| Fund balance appropriated | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Revenues and Other Sources Over (Under) Expenses and Other Uses | $ - | 65,046 | $ 65,046 |

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

| | |
|---|---|
| Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses | 65,046 |
| Reconciling items: | |
| Capital Outlay | - |
| Total reconciling items | - |
| Change in net position | $ 65,046 |

**Perquimans County, North Carolina**
**Water Fund**
**Schedule of Revenues and Expenditures**
**Budget and Actual - (Non-GAAP)**
**For the Fiscal Year Ended June 30, 2025**

| | 2025 | | |
|---|---|---|---|
| | Final Budget | Actual | Variance Positive (Negative) |
| Revenues: | | | |
| Operating revenues | | | |
| Charges for Services | | | |
| Water Sales | $ 2,450,000 | $ 2,520,045 | $ 70,045 |
| Tap and reconnection fees | 121,000 | 179,022 | 58,022 |
| Penalties | 60,000 | 60,910 | 910 |
| Other operating revenue | 9,500 | 60,743 | 51,243 |
| Total operating revenues | 2,640,500 | 2,820,720 | 180,220 |
| Non-operating revenues | | | |
| Rent | 5,400 | - | (5,400) |
| Investment earnings | 20,000 | 22,100 | 2,100 |
| Total non-operating revenues | 25,400 | 22,100 | (3,300) |
| Total revenues | 2,665,900 | 2,842,820 | 176,920 |
| Expenditures: | | | |
| Administration: | | | |
| Salaries and employee benefits | 683,759 | 679,151 | |
| Professional services | 141,026 | 141,024 | |
| Indirect costs | 100,000 | 100,000 | |
| Other department expenses | 721,902 | 618,999 | |
| Total administration | 1,646,687 | 1,539,174 | 107,513 |
| Water purchase | 453,745 | 453,745 | - |
| Water distribution and treatment: | | | |
| Salt and chemical supplies | 0 | - | |
| Insurance and bonds | 61,246 | 61,245 | |
| Utilities | 112,270 | 112,270 | |
| Water sample tests | 32,000 | 24,940 | |
| Sedimentation control | 0 | - | |
| Repairs and maintenance | 126,000 | 125,828 | |
| Other department expenses | 1,819 | 1,819 | |
| Total water distribution and treatment | 333,335 | 326,102 | 7,233 |
| Debt service: | | | |
| Debt principal | 169,055 | 169,307 | |
| Interest and fees | 13,078 | 8,022 | |
| Total debt service | 182,133 | 177,329 | 4,804 |
| Capital outlay: | 50,000 | - | 50,000 |
| Total Expenditures | 2,665,900 | 2,496,350 | 169,550 |
| Revenues Over (Under) Expenditures | - | 346,470 | 346,470 |
| Other Financing Sources and (Uses): | | | |
| Fund balance appropriated | - | - | - |
| Total Other Financing Sources (Uses) | - | - | - |
| Revenues and Other Sources Over (Under) Expenses and Other Uses | $ - | 346,470 | $ 346,470 |

**Perquimans County, North Carolina**
**Water Fund**
**Schedule of Revenues and Expenditures**
**Budget and Actual - (Non-GAAP)**
**For the Fiscal Year Ended June 30, 2025**

**Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:**

| | |
|---|---|
| Revenues, Other Sources and Appropriated Fund Balance Over (Under) Expenditures and Other Uses | 346,470 |
| Reconciling items: | |
| Capital Outlay | - |
| Principal Payments | 169,307 |
| Depreciation and amortization | (429,976) |
| (Increase) decrease in accrued vacation pay | (8,041) |
| (Increase) decrease in sick leave pay | (1,146) |
| (Increase) decrease in net pension liability | (23,290) |
| Increase (decrease) in deferred outflows - LGERS | (15,183) |
| (Increase) decrease in deferred inflows - LGERS | (1,344) |
| (Increase) decrease in OPEB | 2,459 |
| Increase (decrease) in deferred outflows - OPEB | (12,064) |
| (Increase) decrease in deferred inflows - OPEB | 10,678 |
| Total reconciling items | (308,600) |
| Change in net position | $ 37,870 |

# COMPONENT UNIT

Perquimans County Tourism Development Authority

**Perquimans County, North Carolina**
**Tourism Development Authority**
**Discretely Presented Component Unit**
**Supplemental Balance Sheet**
**June 30, 2025**

| | | |
|---|---|---|
| **Assets:** | | |
| Cash and cash equivalents | $ | 72,231 |
| Accounts receivable | | 851 |
| Total assets | $ | 73,082 |
| | | |
| **Liabilities and Fund Balance:** | | |
| **Liabilities:** | | |
| Accounts payable and accrued liabilities | $ | 1,357 |
| | | |
| **Fund Balance:** | | |
| Restricted: | | |
| Stabilization by State Statute | | 851 |
| Unassigned | | 70,874 |
| Total fund balances | | 71,725 |
| | | |
| Total liabilities and fund balance | $ | 73,082 |

**Perquimans County, North Carolina**
**Perquimans County Tourism Development Authority**
**Discretely Presented Component Unit**
**Supplemental Statement of Revenues, Expenditures, and Changes in Fund Balance**
**For the Fiscal Year Ended June 30, 2025**

| | |
|---|---|
| Revenues: | |
| Occupancy tax | $ 57,009 |
| Investment earnings | 2,727 |
| Other | 2,200 |
| Total revenues | 61,936 |
| Expenditures: | |
| Economic and physical development | 103,829 |
| Total expenditures | 103,829 |
| Revenues over expenditures | (41,893) |
| Other Financing Sources (Uses): | |
| Transfer from General Fund | 25,829 |
| Fund balance appropriated | - |
| Total Other Financing Sources (Uses) | 25,829 |
| Net change in fund balance | (16,064) |
| Fund Balance: | |
| Beginning of Year, July 1 | 87,789 |
| End of Year, June 30 | $ 71,725 |

**Perquimans County, North Carolina**
**Perquimans County Tourism Development Authority**
**Schedule of Revenues, Expenditures, and**
**Changes in Fund Balances - Budget and Actual**
**From Inception an For the Fiscal Year Ended June 30, 2025**

| | 2025 | | | |
|---|---|---|---|---|
| | Original Budget | Final Budget | Actual | Variance Favorable (Unfavorable) |
| Revenues: | | | | |
| Occupancy tax | | | $ 57,009 | |
| Investment earnings | | | 2,727 | |
| Other | | | 2,200 | |
| Total revenues | $ 61,420 | $ 61,420 | 61,936 | $ 516 |
| Expenditures: | | | | |
| Economic and physical development | 107,248 | 107,248 | 103,829 | |
| Total expenditures | 107,248 | 107,248 | 103,829 | 3,419 |
| Revenues over expenditures | (45,828) | (45,828) | (41,893) | 3,935 |
| Other Financing Sources (Uses): | | | | |
| Transfer from General Fund | 25,828 | 25,828 | 25,829 | (1) |
| Fund balance appropriated | 20,000 | 20,000 | - | 20,000 |
| Total Other Financing Sources (Uses) | 45,828 | 45,828 | 25,829 | 19,999 |
| Net change in fund balance | $ - | $ - | (16,064) | $ (16,064) |
| Fund Balance: | | | | |
| Beginning of Year, July 1 | | | 87,789 | |
| End of Year, June 30 | | | $ 71,725 | |

# OTHER SCHEDULES

This section includes additional information on property taxes.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures
- Ten Largest Taxpayers

**Perquimans County, North Carolina**
**General Fund**
**Schedule of Ad Valorem Taxes Receivable**
**June 30, 2025**

| Fiscal Year | Uncollected Balance July 1, 2024 | Additions | Collections And Credits | Uncollected Balance June 30, 2025 |
|---|---|---|---|---|
| 2024-2025 | $ - | $ 11,967,444 | $ 11,588,251 | $ 379,193 |
| 2023-2024 | 294,892 | - | 145,789 | 149,103 |
| 2022-2023 | 133,436 | - | 37,712 | 95,724 |
| 2021-2022 | 93,076 | - | 17,247 | 75,829 |
| 2020-2021 | 68,543 | - | 14,703 | 53,840 |
| 2019-2020 | 49,399 | - | 10,409 | 38,990 |
| 2018-2019 | 39,895 | - | 5,578 | 34,317 |
| 2017-2018 | 33,923 | - | 4,201 | 29,722 |
| 2016-2017 | 30,162 | - | 3,651 | 26,511 |
| 2015-2016 | 34,061 | - | 2,451 | 31,610 |
| 2014-2015 | 28,395 | - | 28,395 | - |
| TOTALS | $ 805,782 | $ 11,967,444 | $ 11,858,387 | 914,839 |

| | |
|---|---|
| Less: Allowance for uncollectable taxes | (305,400) |
| Ad valorem taxes - General Fund | $ 609,439 |

Reconcilement with revenues:

| | |
|---|---|
| Ad valorem taxes - General Fund | $ 11,466,024 |
| Reconciling items: | |
| Penalties and Interest | (116,318) |
| Release, Discounts, & Written off | 508,681 |
| Total Reconciling Items | 392,363 |
| Total Collections and Credits | $ 11,858,387 |

**Perquimans County, North Carolina**
**Analysis of Current Tax Levy**
**County - Wide Levy**
**For the Fiscal Year Ended June 30, 2025**

| | County - wide | | | Total Levy | |
|---|---|---|---|---|---|
| | Property Valuation | Rate | Amount of Levy | Property excluding Registered Motor Vehicles | Registered Motor Vehicles |
| Original levy: | | | | | |
| Property Taxes at Current Year Rate | $ 2,301,431,538 | 0.5200% | $ 11,967,444 | $ 10,863,899 | $ 1,103,545 |
| Total Original Levy | 2,301,431,538 | | 11,967,444 | 10,863,899 | 1,103,545 |
| Total for Year | $ 2,301,431,538 | | 11,967,444 | 10,863,899 | 1,103,545 |
| Uncollected taxes at June 30, 2025 | | | 379,193 | 379,193 | - |
| Current year's taxes collected | | | $ 11,588,251 | $ 10,484,706 | $ 1,103,545 |
| Current levy collection percentage | | | 96.83% | 96.51% | 100.00% |

**Perquimans County, North Carolina**
**Schedule of Ten Largest Taxpayers**
**For the Fiscal Year Ended June 30, 2025**

| Taxpayer | Type of Business | 2024 Assessed Valuation | Percentage of Total Assessed Valuation |
|---|---|---|---|
| Desert Wind Farm, LLC | Utility | $ 149,503,707 | 6.50% |
| Dominion North Carolina Power | Utility | 29,670,763 | 1.29% |
| Albemarle Elec Membership Corp | Utility | 24,873,630 | 1.08% |
| Weyerhaeuser | Lumber | 12,996,700 | 0.56% |
| Perquimans Holdings | Real Estate | 6,668,900 | 0.29% |
| Albemarle Plantation Holdings | Real Estate | 5,681,900 | 0.25% |
| NC & Virginia Railroad | Railroad Company | 5,469,320 | 0.24% |
| Perquimans Propco Holdings, LLC | Real Estate | 5,414,000 | 0.24% |
| FPI Carolinas, LLC | Real Estate | 4,322,500 | 0.19% |
| TA Newbold Miller LLC | Real Estate | 3,527,100 | 0.15% |
| Total | | $ 248,128,520 | 10.78% |

COMPLIANCE SECTION

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

### Independent Auditor's Report

To the Board of County Commissioners
Perquimans County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Perquimans County, North Carolina, as of and for the year ended June 30, 2025, and the related notes to the financial statement, which collectively comprises Perquimans County's basic financial statements, and have issued our report thereon dated January 28, 2026. The financial statements of Perquimans County TDA 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 Perquimans 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 Perquimans County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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


*Members*
*American Institute of CPAs – N.C. Association of CPAs – AICPA's Private Companies Practice Section*

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2025-001 that we consider to be a significant deficiency.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Perquiman's County financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*, and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

**Perquimans County Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Perquiman's County responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subject to the auditing procedures applied in the audit of the financial statements and accordingly, we express no opinion on it.

**Purpose of this Report**

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

*Thompson, Price, Scott, Adams & Co., PA*
*Wilmington, North Carolina*
*January 28, 2026*

Thompson, Price, Scott, Adams & Co., P.A.
4024 Oleander Drive Suite 103
Wilmington, North Carolina 28403
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## 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 Auditor's Report

To the Board of County Commissioners
Perquimans County, North Carolina

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Perquimans 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 Perquimans County's major federal programs for the year ended June 30, 2025. Perquimans County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Perquimans 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, 2025.

#### *Basis for Opinion on Each Major Federal Program*

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

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

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Perquimans 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 Perquimans 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 Perquimans 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 Perquimans 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 Perquimans County's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item, 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

*Government Auditing Standards* requires the auditor to perform limited procedures on Perquimans County response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The Perquimans County response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control Over Compliance**

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2025 – 002, that we consider to be a significant deficiency.

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

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

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

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

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

*Wilmington, North Carolina*
*January 28, 2026*

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

**Independent Auditor's Report**

To the Board of County Commissioners
Perquimans County, North Carolina

**Report on Compliance for Each Major State Program**

***Opinion on Each Major State Program***

We have audited Perquimans 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 Perquimans County's major State programs for the year ended June 30, 2025. Perquimans County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Perquimans 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, 2025.

***Basis for Opinion on Each Major State Program***

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

We are required to be independent of Perquimans 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 Perquimans 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 Perquimans County State programs.

***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Perquimans 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 Perquimans 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 Perquimans 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 Perquimans 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 Perquimans County's internal control over compliance. Accordingly, no such opinion is expressed.

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

**Report on Internal Control Over Compliance**

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

less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

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

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

*Wilmington, North Carolina*
*January 28, 2026*

**Perquimans County, North Carolina**
**Schedule of Findings and Questioned Costs**
**For the Fiscal Year Ended June 30, 2025**

Section I. Summary of Auditor's Results

Financial Statements

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

Internal control over financial reporting:

| | | |
|---|---|---|
| Material weaknesses identified? | ____ Yes | X No |
| Significant Deficiency(s) identified? | X Yes | ____ None Reported |

Noncompliance material to financial statements noted? X Yes ____ No

Federal Awards

Internal control over major federal programs:

| | | |
|---|---|---|
| Material weaknesses identified? | ____ Yes | X No |
| Significant Deficiency(s) identified? | X Yes | ____ None Reported |

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

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

Identification of major federal programs:

| Assistance Listing Nos: | Names of Federal Program or Cluster |
|---|---|
| 93.778 | Medical Assistance Program (Title XIX - Medicaid) |

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

Auditee qualified as low-risk auditee? ____ Yes X No

State Awards

Internal control over major State programs:

| | | |
|---|---|---|
| Material weaknesses identified? | ____ Yes | X No |
| Significant Deficiency(s) identified? | ____ Yes | X None Reported |

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

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

Identification of major State programs:

Program Name
Medical Assistance - State Match
State Capital and Infrastructure Fund
911 Board PSAP Grant Program

*State match of Medical Assistance also audited per LGC requirement. Program findings must be submitted to the NC Department of Health and Human Services.*

Dollar threshold used to distinguish between Type A and Type B Programs $ 500,000

Auditee qualified as low-risk auditee? ____ Yes X No

**Perquimans County, North Carolina**
**Schedule of Findings and Questioned Costs**
**For the Fiscal Year Ended June 30, 2025**

Section II. Financial Statement Findings

**Finding: 2025 – 001**
**Significant Deficiency/Noncompliance**
**Noncompliance with the budget**

Criteria: G.S. 159-28(a) states that no obligation may be incurred in a function accounted for in a fund included in the budget unless the budget includes an appropriation authorizing the obligation and an unencumbered balance remains in the appropriation sufficient to pay in the current fiscal year the sums obligated by the transaction for the current fiscal year.

Condition: Perquimans County expended 3,093,6825 more for County's Construction Capital Project Fund, $380,540 more in the Social Services Fund, $6,889 more in the Soil and Water Conservation Fund, $9,942 more in the 4-H Fund, $601 more in the Sherriff's Fund, $12,040 more in the Babe Ruth Fund, and $4,208 more in the Farm Service Fund than appropriated in the annual budget.

Effect: Moneys were spent that had not been obligated and appropriated.

Cause: The County exceeded budget expenditures in the above Funds while budget amendments were not adopted.

Identification of a repeat finding: This is not a repeat finding.

Recommendation: Before an obligation is to incur that will exceed the amount that was previously approved in the budget ordinance, an amendment to the budget should be adopted.

Views of responsible officials and planned corrective actions: The County agrees with this finding. Budget amendments will be adopted prior to making expenditures that exceed budgeted amounts. Please refer to the corrective action plan.

**Perquimans County, North Carolina**
**Schedule of Findings and Questioned Costs**
**For the Fiscal Year Ended June 30, 2025**

Section III. Federal Award Findings and Question Costs

US Department of Health and Human Services
Passed through the NC Dept. of Health and Human Services
Program Name: Medical Assistance Program (Medicaid; Title XIX)
Assistance Listing No.: 93.778
**Finding: 2025 – 002**
**Significant Deficiency**
**Eligibility**

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

Condition: There were fifteen (15) technical errors discovered during our procedures that verifications in the county documentation and the representative data contained in NC FAST were not the same amounts or files containing policy requirements were not properly documented to be considered in compliance with program control requirements. The errors were as follows: One (1) contained a household composition error, Two (2) had unverified compliance requirements, One (1) was improperly forced with no supporting documentation, Nine (9) did not have accurate resource calculations, and Two (2) did not have accurate budget calculations in NC FAST.

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

Context: We examined 60 out of 91,754 Medicaid applicants to re-determine eligibility. These findings were disclosed in a separately issued spreadsheet to the North Carolina Department of Health and Human Services and are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

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

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2024-002.

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

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

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

Section IV. State Award Findings and Questioned Costs

None Reported.

PERQUIMANS COUNTY
DEPARTMENT OF SOCIAL SERVICES
P.O. BOX 107
Hertford, North Carolina 27944
Phone 252-426-7373 - Fax 252-426-1240

SOCIAL SERVICES BOARD
Teressa Blanchard, Chair
Charles Woodard
Thelma Finch-Copeland
James Ward
Fondella Leigh

DIRECTOR
Angela S. Jordan

Corrective Action Plan
For the fiscal Year Ended June 30, 2025

Finding: 2025 - 001 Noncompliance with the budget

**Name of contact person:** Tracy Mathews, Finance Officer
**Corrective Action:** We will ensure that in our upcoming budget year we include these additional accounts in our county budget. Either by doing budget amendments to close the accounts and put the funds in our central depository and have departmental lines set up for those expenses. Or, have the department heads present at plan for these separate accounts at budget time so that our board is aware of their use.
**Proposed Completion Date:** Immediately

Finding: 2025 - 002 Medical Assistance Findings

**Name of contact person**: Pamela Midgett, AMA IMS II and Julie Shreckengast, FCMA IMS II
**Corrective Action**: Perquimans County Department of Social Services unit will continue to 2nd party cases monthly, randomly review workers' online data and continue to train on the importance of pulling current and accurate information from the online data system. IMS Midgett and Shreckengast will continue to emphasize the importance of the checklist on review forms and applications to ensure proper verification of information and documentation. IMS Midgett and Shreckengast will implement a Joint Unit Meeting for remedial training that includes proper documentation for Income / Resources / Household Composition.
**Corrective Action:** Perquimans County Department of Social Services unit will continue to 2nd party cases monthly, randomly review workers' calculations and procedures of the countable income and resources. IMS will implement a training with question and answer session regarding proper budgeting income and calculation of resources.
**Corrective Action:** Perquimans County Department of Social Services unit will continue to 2nd party cases monthly, randomly review workers calculations and procedures of the countable income. Training on proper use of Request For Information, DHB-5097 and additional training on State Residency verification.
**Proposed Completion Date**: Joint Unit Training to be conducted at the February 2026 unit meeting for the entire Medicaid unit.

**Perquimans, County, North Carolina**
**Summary Schedule of Prior Year Audit Findings**
**For the Year Ended June 30, 2025**

| | |
|---|---|
| 2024-001 | Corrected |
| 2024-002 | Still occurring |
| 2023-001 | Corrected |
| 2023-002 | Still occurring |

**Perquimans County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For the Year Ended June 30, 2025**

| Grantor/Pass-through Grantor/Program Title | Federal Assistance Listing No. | State/Pass-through Grantor's Number | Federal (Direct & Pass-through) Expenditures | State Expenditures | Provided to Subrecipients |
|---|---|---|---|---|---|
| **Federal Awards:** | | | | | |
| U.S. Dept. of Agriculture | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| SNAP Cluster | | | | | |
| State Administrative Matching Grants for the Supplemental Nutrition Assistance Program | 10.561 | | $ 221,539 | $ - | $ - |
| Total U.S. Department of Agriculture | | | 221,539 | - | - |
| U.S. Dept. of Health & Human Services | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Social Services | | | | | |
| Administration: | | | | | |
| MaryLee Allen Promoting Safe and Stable Families Program | 93.556 | | 4,559 | - | - |
| TANF - Work First | 93.558 | | 50,638 | - | - |
| Foster Care and Adoption Cluster (Note 4 and 5) | | | | | |
| Foster Care - Title IV-E | 93.658 | | 65,572 | 5,961 | - |
| Foster Care - Title IV-E - Benefit Payments | 93.658 | | 43,165 | 14,323 | - |
| Adoption Assistance | 93.659 | | 221 | - | - |
| Total Foster Care and Adoption Cluster | | | 108,958 | 20,284 | - |
| Child Support Enforcement | 93.563 | | 129,718 | (167) | - |
| Low-Income Home Energy Assistance: | | | | | |
| Weatherization Assistance and Heating and Air Repair | 93.568 | | 13,320 | - | - |
| Total Low-Income Home Energy Assistance | | | 13,320 | - | - |
| Division of Child Development and Early Education: | | | | | |
| Subsidized Child Care | | | | | |
| Child Care Development Fund Cluster: | | | | | |
| Division of Social Services: | | | | | |
| Child Care Development Mandatory and Matching Funds-Administration | 93.596 | | 77,360 | - | - |
| Stephanie Tubbs Jones Child Welfare Services Program: | | | | | |
| - Permanency Planning - Families for Kids | 93.645 | | 3,509 | - | - |
| Total Stephanie Tubbs Jones Child Welfare Services Program: | | | 3,509 | - | - |
| SSBG - Other Service and Training | 93.667 | | 54,470 | - | - |
| Division of Aging and Adult Services: | | | | | |
| Division of Social Services: | | | | | |
| SSBG - State Adult Day Care | 93.667 | | 1,563 | - | - |
| Total Social Service Block Grant (SSBG) | | | 56,033 | - | - |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | |
| Division of Health Benefits: | | | | | |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| Medicaid Cluster | | | | | |
| Medical Assistance Program (Note 5) | 93.778 | | 811,479 | 159,519 | - |
| Division of Social Services: | | | | | |
| Administration: | | | | | |
| Children's Health Insurance Program - N.C. Health Choice (Note 5) | 93.767 | | 76,239 | 24,467 | - |
| Total U.S. Dept. of Health and Human Services | | | 1,331,813 | 204,103 | - |

**Perquimans County, North Carolina**
**Schedule of Expenditures of Federal and State Awards**
**For the Year Ended June 30, 2025**

| Grantor/Pass-through Grantor/Program Title | Federal Assistance Listing No. | State/Pass-through Grantor's Number | Federal (Direct Pass-through) Expenditures | State Expenditures | Provided to Subrecipients |
|---|---|---|---|---|---|
| U. S. Department of Homeland Security | | | | | |
| Passed-through N.C. Dept. of Public Safety: | | | | | |
| Division of Emergency Management | | | | | |
| Homeland Security Grant Program - Hazmat | 97.067 | | 7,500 | - | - |
| Homeland Security Grant Program - DPR Grant | 97.067 | | 2,000 | - | - |
| Total U. S. Department of Homeland Security | | | 9,500 | - | - |
| Total federal awards | | | 1,562,852 | 204,103 | - |
| **State Awards:** | | | | | |
| N.C. Dept. of Administration | | | | | |
| Veterans Service | | | - | 9,725 | - |
| Total N.C. Dept. of Administration | | | - | 9,725 | - |
| N.C. Dept. of Health and Human Services | | | | | |
| Division of Social Services | | | | | |
| Administration | | | | | |
| Smart Start | | | - | 5,299 | - |
| State Child Welfare - State Protective Services | | | - | 4,603 | - |
| Direct Benefit Payments | | | | | |
| State Foster Home | | | - | 5,108 | - |
| State Foster Home Fund (SFHF) Maximization | | | - | 1,338 | - |
| Foster Care at Risk Maximization | | | - | 1,200 | - |
| Foster Care Kinship | | | - | 3,912 | - |
| Total Division of Social Services | | | - | 21,460 | - |
| Total N. C. Department of Health and Human Services | | | - | 21,460 | - |
| N.C. Dept. of Information Technology | | | | | |
| 911 Board PSAP Grant Program | | | - | 589,675 | - |
| Emmergency Management Training Exercises | | | - | 40,560 | - |
| 911 System Upgrades | | | - | 18,477 | - |
| Total N.C. Dept. of Information Technology | | | - | 648,712 | - |
| N.C. Dept. of Public Instruction | | | | | |
| Public School Building Capital Fund - Lottery Proceeds | | | - | 118,222 | - |
| Total N.C. Dept. of Public Instruction | | | - | 118,222 | - |
| N.C. Dept. of Public Safety | | | | | |
| Emergency Management Performance Grant (EMPG) | | EMA-2023-EP-00003 | - | 20,625 | - |
| Total N.C. Dept. of Public Safety | | | - | 20,625 | - |
| N.C. Office of State Management and Budget | | | | | |
| State Capital and Infrastructure Fund | | | - | 4,048,052 | - |
| Total N.C. Office of State Budget and Management | | | - | 4,048,052 | - |
| Total State awards | | | - | 4,866,796 | - |
| Total federal and State awards | | | $ 1,562,852 | $ 5,070,899 | $ - |

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 Perquimans County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2025. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Perquimans County, it is not intended to and does not present the financial position, changes in net position or cash flows of Perquimans 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**

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

**Note 4: Cluster of Programs**

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

**Note 5: Benefit Payments Issued by the State**

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

| Program Title | Federal AL# | Federal | State |
|---|---|---|---|
| Special Supplemental Nutrition Program for Women Infant and Children | 10.557 | 164,074 | - |
| Supplemental Nutrition Assistance Program | 10.551 | 4,261,467 | - |
| Medical Assistance Program | 93.778 | 234,538,775 | 9,751,135 |