

STATE OF NORTH CAROLINA

OFFICE OF THE STATE AUDITOR
BETH A. WOOD, CPA



REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND

RALEIGH, NORTH CAROLINA

FINANCIAL AUDIT OF THE SCHEDULE OF EMPLOYER ALLOCATIONS
AND THE SCHEDULE OF PENSION AMOUNTS BY EMPLOYER
FOR THE YEAR ENDED JUNE 30, 2022



NCOSA
The Taxpayers' Watchdog

STATE OF NORTH CAROLINA
Office of the State Auditor



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State Auditor

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AUDITOR'S TRANSMITTAL

The Honorable Roy Cooper, Governor
The General Assembly of North Carolina
The Honorable Dale R. Folwell, State Treasurer
Department of State Treasurer

We have completed a financial audit of the Register of Deeds' Supplemental Pension Fund schedule of employer allocations and the schedule of pension amounts by employer as of and for the year ended June 30, 2022, and our audit results are included in this report. You will note from the independent auditor's report that we determined that the schedule of employer allocations and the schedule of pension amounts by employer are presented fairly in all material respects.

The results of our tests disclosed no deficiencies in internal control over financial reporting that we consider to be material weaknesses in relation to our audit scope or any instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

North Carolina General Statutes require the State Auditor to make audit reports available to the public. Copies of audit reports issued by the Office of the State Auditor may be obtained through one of the options listed in the back of this report.

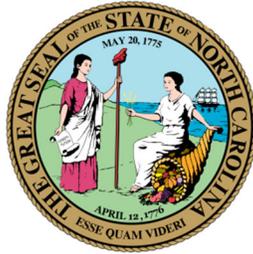
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State Auditor**

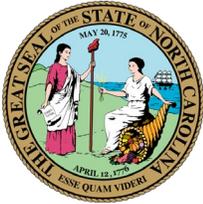
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INDEPENDENT AUDITOR'S REPORT

STATE OF NORTH CAROLINA
Office of the State Auditor



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INDEPENDENT AUDITOR'S REPORT

The Honorable Dale R. Folwell, State Treasurer
Management of the Department of State Treasurer
Raleigh, North Carolina

Report on the Schedules

Opinions

We have audited the accompanying schedule of employer allocations of the Register of Deeds' Supplemental Pension Fund as of and for the year ended June 30, 2022, and the related notes. We have also audited the total for all entities of the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense included in the accompanying schedule of pension amounts by employer of the Register of Deeds' Supplemental Pension Fund as of and for the year ended June 30, 2022, and the related notes (hereafter referred to as "the schedules").

In our opinion, the accompanying schedules present fairly, in all material respects, the employer allocations and net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense for the total of all participating entities for the Register of Deeds' Supplemental Pension Fund as of and for the year ended June 30, 2022, 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* (GAGAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedules section of our report. We are required to be independent of the Department of State Treasurer (Department) 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.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of these schedules 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 the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedules

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

In performing an audit in accordance with GAAS and GAGAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the schedules, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the schedules.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department'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 schedules.

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.

Other Matter

We have audited, in accordance with GAAS and GAGAS, the pension plans included in the State's *Annual Comprehensive Financial Report* as of and for the year ended June 30, 2022, and our report thereon, dated December 5, 2022, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2023 on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Department's internal control over financial reporting and compliance.

Restriction on Use

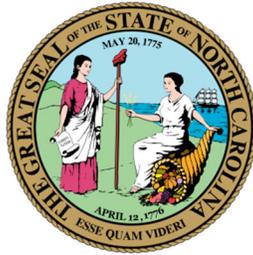
Our report is intended solely for the information and use of the Register of Deeds' Supplemental Pension Fund management, the Register of Deeds' Supplemental Pension Fund employers, their auditors, and the North Carolina Office of the State Controller and is not intended to be and should not be used by anyone other than these specified parties.



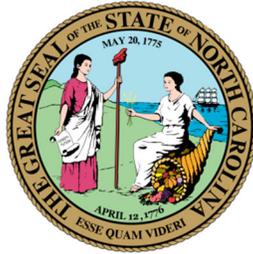
Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

March 30, 2023



SCHEDULES



SCHEDULE OF EMPLOYER ALLOCATIONS

**Registers of Deeds' Supplemental Pension Fund
Schedule of Employer Allocations
As of and For the Year Ended June 30, 2022**

Schedule 1

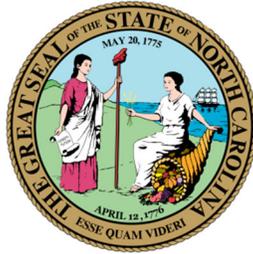
Employer	Fiscal Year Contributions	Fiscal Year Contributions Allocation
ALAMANCE	\$ 18,158	1.58392%
ALEXANDER	3,289	0.28691%
ALLEGHANY	1,729	0.15079%
ANSON	1,692	0.14764%
ASHE	3,866	0.33722%
AVERY	4,213	0.36755%
BEAUFORT	4,683	0.40854%
BERTIE	1,155	0.10074%
BLADEN	2,403	0.20960%
BRUNSWICK	27,565	2.40451%
BUNCOMBE	34,132	2.97734%
BURKE	7,639	0.66635%
CABARRUS	26,821	2.33959%
CALDWELL	7,987	0.69668%
CAMDEN	1,302	0.11354%
CARTERET	12,198	1.06401%
CASWELL	1,791	0.15626%
CATAWBA	18,559	1.61895%
CHATHAM	9,456	0.82485%
CHEROKEE	4,530	0.39514%
CHOWAN	1,761	0.15358%
CLAY	1,809	0.15783%
CLEVELAND	10,169	0.88707%
COLUMBUS	4,649	0.40555%
CRAVEN	12,295	1.07254%
CUMBERLAND	36,933	3.22171%
CURRITUCK	4,997	0.43589%
DARE	9,881	0.86192%
DAVIDSON	17,672	1.54154%
DAVIE	4,508	0.39327%
DUPLIN	4,586	0.40006%
DURHAM	36,637	3.19586%
EDGECOMBE	3,754	0.32747%
FORSYTH	43,167	3.76553%
FRANKLIN	8,081	0.70488%
GASTON	28,049	2.44672%
GATES	841	0.07334%
GRAHAM	3,506	0.30584%
GRANVILLE	5,243	0.45733%
GREENE	1,123	0.09795%
GUILFORD	45,953	4.00849%
HALIFAX	4,039	0.35230%
HARNETT	15,579	1.35894%
HAYWOOD	8,214	0.71655%
HENDERSON	14,222	1.24065%
HERTFORD	1,635	0.14262%
HOKE	5,997	0.52312%
HYDE	577	0.05032%
IREDELL	24,296	2.11933%
JACKSON	5,819	0.50764%
JOHNSTON	30,303	2.64333%
JONES	808	0.07047%
LEE	6,437	0.56150%

**Registers of Deeds' Supplemental Pension Fund
Schedule of Employer Allocations
As of and For the Year Ended June 30, 2022**

Schedule 1

Employer	Fiscal Year Contributions	Fiscal Year Contributions Allocation
LENOIR	3,564	0.31092%
LINCOLN	11,430	0.99704%
MACON	4,340	0.37857%
MADISON	2,571	0.22430%
MARTIN	1,597	0.13929%
MCDOWELL	4,467	0.38965%
MECKLENBURG	82,668	7.21122%
MITCHELL	1,886	0.16449%
MONTGOMERY	2,798	0.24411%
MOORE	14,091	1.22922%
NASH	9,758	0.85122%
NEW HANOVER	39,123	3.41270%
NORTHAMPTON	1,562	0.13626%
ONSLow	26,843	2.34157%
ORANGE	12,305	1.07341%
PAMLICO	1,634	0.14253%
PASQUOTANK	4,549	0.39681%
PENDER	9,097	0.79354%
PERQUIMANS	1,452	0.12668%
PERSON	3,855	0.33625%
PITT	15,745	1.37344%
POLK	2,573	0.22442%
RANDOLPH	12,667	1.10499%
RICHMOND	2,955	0.25779%
ROBESON	9,452	0.82449%
ROCKINGHAM	9,397	0.81976%
ROWAN	15,401	1.34347%
RUTHERFORD	7,958	0.69415%
SAMPSON	4,734	0.41293%
SCOTLAND	3,103	0.27070%
STANLY	7,709	0.67248%
STOKES	4,180	0.36465%
SURRY	7,132	0.62212%
SWAIN	1,514	0.13203%
TRANSYLVANIA	4,657	0.40621%
TYRRELL	370	0.03227%
UNION	32,768	2.85841%
VANCE	3,584	0.31261%
WAKE	125,973	10.98873%
WARREN	1,740	0.15178%
WASHINGTON	745	0.06497%
WATAUGA	7,162	0.62472%
WAYNE	9,851	0.85929%
WILKES	6,246	0.54488%
WILSON	6,929	0.60442%
YADKIN	3,432	0.29934%
YANCEY	2,108	0.18390%
Total	<u>\$ 1,146,383</u>	<u>100.00000%</u>

The accompanying notes to the schedules are an integral part of this schedule.



SCHEDULE OF PENSION AMOUNTS BY EMPLOYER

**Registers of Deeds' Supplemental Pension Fund
Schedule of Pension Amounts by Employer
As of and For the Year Ended June 30, 2022**

Deferred Outflows of Resources							
Employer	Net Pension Asset	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions	Total Deferred Outflows of Resources	
ALAMANCE	\$ (209,711)	\$ 1,616	\$ 87,163	\$ 11,103	\$ 1,524	\$ 101,406	
ALEXANDER	(37,987)	293	15,789	2,011	-	18,093	
ALLEGHANY	(19,965)	154	8,298	1,057	586	10,095	
ANSON	(19,548)	151	8,125	1,035	1,382	10,693	
ASHE	(44,648)	344	18,557	2,364	415	21,680	
AVERY	(48,664)	375	20,226	2,577	752	23,930	
BEAUFORT	(54,091)	417	22,482	2,864	1,785	27,548	
BERTIE	(13,338)	103	5,544	706	97	6,450	
BLADEN	(27,751)	214	11,534	1,469	1,284	14,501	
BRUNSWICK	(318,357)	2,453	132,320	16,856	19,034	170,663	
BUNCOMBE	(394,200)	3,037	163,843	20,871	11,532	199,283	
BURKE	(88,225)	680	36,669	4,671	1,982	44,002	
CABARRUS	(309,762)	2,386	128,748	16,401	50,230	197,765	
CALDWELL	(92,240)	711	38,338	4,884	2,096	46,029	
CAMDEN	(15,033)	116	6,248	796	1,171	8,331	
CARTERET	(140,875)	1,085	58,552	7,459	14,748	81,844	
CASWELL	(20,689)	159	8,599	1,095	2,228	12,081	
CATAWBA	(214,349)	1,651	89,091	11,349	3,617	105,708	
CHATHAM	(109,210)	841	45,391	5,782	43,020	95,034	
CHEROKEE	(52,317)	403	21,745	2,770	-	24,918	
CHOWAN	(20,334)	157	8,452	1,077	-	9,686	
CLAY	(20,897)	161	8,685	1,106	1,944	11,896	
CLEVELAND	(117,448)	905	48,815	6,218	3,632	59,570	
COLUMBUS	(53,695)	414	22,317	2,843	2,733	28,307	
CRAVEN	(142,004)	1,094	59,022	7,519	450	68,085	
CUMBERLAND	(426,553)	3,286	177,291	22,584	10,900	214,061	
CURRITUCK	(57,712)	445	23,987	3,056	11,746	39,234	
DARE	(114,118)	879	47,431	6,042	12,662	67,014	
DAVIDSON	(204,100)	1,572	84,831	10,806	8,782	105,991	
DAVIE	(52,069)	401	21,642	2,757	2,105	26,905	
DUPLIN	(52,968)	408	22,015	2,804	684	25,911	
DURHAM	(423,132)	3,260	175,868	22,403	107,229	308,760	
EDGECOMBE	(43,357)	334	18,021	2,296	-	20,651	
FORSYTH	(498,556)	3,841	207,217	26,396	5,849	243,303	
FRANKLIN	(93,326)	719	38,790	4,941	-	44,450	
GASTON	(323,946)	2,496	134,643	17,152	4,268	158,559	
GATES	(9,710)	75	4,036	514	482	5,107	
GRAHAM	(40,493)	312	16,830	2,144	-	19,286	
GRANVILLE	(60,550)	466	25,167	3,206	455	29,294	
GREENE	(12,969)	100	5,390	687	685	6,862	
GUILFORD	(530,724)	4,089	220,587	28,100	5,462	258,238	
HALIFAX	(46,645)	359	19,387	2,470	346	22,562	
HARNETT	(179,924)	1,386	74,782	9,526	-	85,694	
HAYWOOD	(94,871)	731	39,432	5,023	739	45,925	
HENDERSON	(164,262)	1,265	68,273	8,697	7,000	85,235	
HERTFORD	(18,883)	145	7,848	1,000	1,175	10,168	
HOKE	(69,261)	534	28,787	3,667	3,482	36,470	
HYDE	(6,662)	51	2,769	353	717	3,890	
IREDELL	(280,599)	2,162	116,627	14,857	9,558	143,204	
JACKSON	(67,212)	518	27,935	3,559	9,594	41,606	
JOHNSTON	(349,977)	2,696	145,462	18,530	-	166,688	
JONES	(9,330)	72	3,878	494	880	5,324	
LEE	(74,343)	573	30,899	3,936	1,292	36,700	
LENOIR	(41,166)	317	17,110	2,180	697	20,304	
LINCOLN	(132,008)	1,017	54,867	6,989	3,916	66,789	
MACON	(50,123)	386	20,833	2,654	6,860	30,733	
MADISON	(29,697)	229	12,343	1,572	4,206	18,350	
MARTIN	(18,442)	142	7,665	976	1,123	9,906	
MCDOWELL	(51,590)	397	21,442	2,731	1,197	25,767	
MECKLENBURG	(954,765)	7,355	396,833	50,551	78,094	532,833	
MITCHELL	(21,778)	168	9,052	1,153	228	10,601	
MONTGOMERY	(32,320)	249	13,433	1,711	1,577	16,970	
MOORE	(162,749)	1,254	67,644	8,617	29,422	106,937	
NASH	(112,702)	868	46,843	5,967	2,267	55,945	
NEW HANOVER	(451,841)	3,481	187,801	23,923	-	215,205	
NORTHAMPTON	(18,041)	139	7,498	955	1,293	9,885	
ONSLow	(310,024)	2,388	128,857	16,414	5,210	152,869	
ORANGE	(142,119)	1,095	59,070	7,525	3,370	71,060	
PAMLICO	(18,871)	145	7,843	999	548	9,535	
PASQUOTANK	(52,538)	405	21,836	2,782	686	25,709	
PENDER	(105,065)	809	43,669	5,563	11,778	61,819	
PERQUIMANS	(16,772)	129	6,971	888	389	8,377	
PERSON	(44,520)	343	18,504	2,357	-	21,204	
PITT	(181,843)	1,401	75,580	9,628	5,682	92,291	
POLK	(29,713)	229	12,350	1,573	202	14,354	
RANDOLPH	(146,301)	1,127	60,808	7,746	4,881	74,562	
RICHMOND	(34,131)	263	14,186	1,807	1,254	17,510	
ROBESON	(109,162)	841	45,372	5,780	-	51,993	

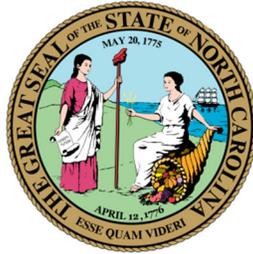
Deferred Inflows of Resources				Pension Expense			
Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions	Total Deferred Inflows of Resources	Proportional Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions	Total Employer Pension Expense	
\$ 3,801	\$ -	\$ 11,644	\$ 15,445	\$ 37,491	\$ (3,117)	\$ 34,374	
689	-	2,145	2,834	6,791	(607)	6,184	
362	-	164	526	3,569	(139)	3,430	
354	-	1,290	1,644	3,495	1,345	4,840	
809	-	1,704	2,513	7,982	(137)	7,845	
882	-	3,932	4,814	8,700	986	9,686	
980	-	4,164	5,144	9,670	2,364	12,034	
242	-	1,948	2,190	2,385	662	3,047	
503	-	1,902	2,405	4,961	1,607	6,568	
5,771	-	17,968	23,739	56,915	(2,308)	54,607	
7,146	-	-	7,146	70,474	9,083	79,557	
1,599	-	8,064	9,663	15,773	33,412	49,185	
5,615	-	30,985	36,600	55,378	(7,237)	48,141	
1,672	-	8,990	10,662	16,490	(1,913)	14,577	
272	-	-	272	2,687	(201)	2,486	
2,554	-	8,651	11,205	25,185	(2,296)	22,889	
375	-	2,232	2,607	3,699	(1,809)	1,890	
3,885	-	13,584	17,469	38,321	(3,150)	35,171	
1,980	-	20,382	22,362	19,524	1,221	20,745	
948	-	3,393	4,341	9,353	(705)	8,648	
369	-	1,610	1,979	3,635	(11)	3,624	
379	-	1,010	1,389	3,736	254	3,990	
2,129	-	18,504	20,633	20,997	(5,405)	15,592	
973	-	6,386	7,359	9,599	1,750	11,349	
2,574	-	3,766	6,340	25,387	(11,264)	14,123	
7,732	-	34,448	42,180	76,258	(19,224)	57,034	
1,046	-	6,875	7,921	10,318	(2,771)	7,547	
2,069	-	12,637	14,706	20,402	(3,169)	17,233	
3,700	-	19,418	23,118	36,488	(16,774)	19,714	
944	-	3,880	4,824	9,309	(1,130)	8,179	
960	-	7,426	8,386	9,469	(2,002)	7,467	
7,670	-	-	7,670	75,646	9,710	85,356	
786	-	2,460	3,246	7,751	1,619	9,370	
9,037	-	39,326	48,363	89,130	(5,173)	83,957	
1,692	-	7,604	9,296	16,685	(6,360)	10,325	
5,872	-	20,410	26,282	57,914	58,478	116,392	
176	-	370	546	1,736	834	2,570	
734	-	11,385	12,119	7,239	(14,793)	(7,554)	
1,098	-	62	1,160	10,825	(85)	10,740	
235	-	1,034	1,269	2,318	523	2,841	
9,620	-	5,312	14,932	94,881	13,457	108,338	
846	-	2,180	3,026	8,339	2,890	11,229	
3,261	-	12,751	16,012	32,166	(12,890)	19,276	
1,720	-	838	2,558	16,961	2,447	19,408	
2,978	-	-	2,978	29,366	7,049	36,415	
342	-	1,112	1,454	3,376	1,637	5,013	
1,255	-	2,388	3,643	12,382	(1,876)	10,506	
121	-	3,792	3,913	1,191	(530)	661	
5,086	-	7,696	12,782	50,165	(9,009)	41,156	
1,218	-	-	1,218	12,016	6,536	18,552	
6,344	-	18,995	25,339	62,568	(31,775)	30,793	
169	-	-	169	1,668	573	2,241	
1,348	-	6,442	7,790	13,291	(1,088)	12,203	
746	-	5,004	5,750	7,359	1,823	9,182	
2,393	-	4,495	6,888	23,600	(4,923)	18,677	
909	-	2,602	3,511	8,961	2,206	11,167	
538	-	384	922	5,309	20,270	25,579	
334	-	1,000	1,334	3,297	1,704	5,001	
935	-	5,094	6,029	9,223	(1,827)	7,396	
17,307	-	-	17,307	170,690	19,339	190,029	
395	-	4,822	5,217	3,893	(1,068)	2,825	
586	-	3,412	3,998	5,778	(38)	5,740	
2,950	-	9,901	12,851	29,096	2,297	31,393	
2,043	-	10,438	12,481	20,148	(1,419)	18,729	
8,190	-	82,947	91,137	80,779	(57,736)	23,043	
327	-	3,728	4,055	3,225	226	3,451	
5,620	-	21,004	26,624	55,425	(9,031)	46,394	
2,576	-	5,500	8,076	25,408	1,731	27,139	
342	-	861	1,203	3,374	(664)	2,710	
952	-	4,134	5,086	9,392	(568)	8,824	
1,904	-	6,427	8,331	18,783	(6,108)	12,675	
304	-	-	304	2,999	408	3,407	
807	-	2,618	3,425	7,959	47	8,006	
3,296	-	-	3,296	32,509	2,422	34,931	
539	-	55	594	5,312	2,243	7,555	
2,652	-	8,020	10,672	26,155	2,461	28,616	
619	-	3,012	3,631	6,102	2,080	8,182	
1,979	-	26,508	28,487	19,516	(3,686)	15,830	

**Registers of Deeds' Supplemental Pension Fund
Schedule of Pension Amounts by Employer
As of and For the Year Ended June 30, 2022**

Deferred Outflows of Resources							
Employer	Net Pension Asset	Differences Between Expected and Actual Experience	Net Difference Between Projected and Actual Investment Earnings on Plan Investments	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions	Total Deferred Outflows of Resources	
ROCKINGHAM	(108,536)	836	45,111	5,747	4,291	55,985	
ROWAN	(177,875)	1,370	73,931	9,418	-	84,719	
RUTHERFORD	(91,905)	708	38,199	4,866	1,103	44,876	
SAMPSON	(54,672)	421	22,724	2,895	2,592	28,632	
SCOTLAND	(35,841)	276	14,897	1,898	1,683	18,754	
STANLY	(89,036)	686	37,007	4,714	-	42,407	
STOKES	(48,280)	372	20,067	2,556	395	23,390	
SURRY	(82,369)	635	34,235	4,361	5,160	44,391	
SWAIN	(17,481)	135	7,266	926	49	8,376	
TRANSYLVANIA	(53,782)	414	22,354	2,848	294	25,910	
TYRRELL	(4,273)	33	1,776	226	366	2,401	
UNION	(378,453)	2,916	157,298	20,037	21,990	202,241	
VANCE	(41,390)	319	17,203	2,191	3,744	23,457	
WAKE	(1,454,904)	11,209	604,710	77,031	128,192	821,142	
WARREN	(20,096)	155	8,352	1,064	422	9,993	
WASHINGTON	(8,602)	66	3,575	455	1,549	5,645	
WATAUGA	(82,713)	637	34,378	4,379	7,004	46,398	
WAYNE	(113,770)	876	47,287	6,024	5,730	59,917	
WILKES	(72,142)	556	29,985	3,820	-	34,361	
WILSON	(80,025)	617	33,261	4,237	4,225	42,340	
YADKIN	(39,633)	305	16,473	2,098	1,789	20,665	
YANCEY	(24,348)	188	10,120	1,289	114	11,711	
Total for All Employers	<u>\$ (13,239,997)</u>	<u>\$ 102,002</u>	<u>\$ 5,502,997</u>	<u>\$ 701,004</u>	<u>\$ 727,906</u>	<u>\$ 7,033,909</u>	

The accompanying notes to the schedules are an integral part of this schedule.

Deferred Inflows of Resources				Pension Expense				
Differences Between Expected and Actual Experience	Changes of Assumptions	Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions		Total Deferred Inflows of Resources	Proportional Share of Pension Expense	Net Amortization of Deferred Amounts from Changes in Proportion and Differences Between Employer Contributions and Proportional Share of Contributions		Total Employer Pension Expense
1,967	-	13,414	15,381	19,404	201	19,605		
3,224	-	5,172	8,396	31,800	(653)	31,147		
1,666	-	10,028	11,694	16,431	(2,471)	13,960		
991	-	8,776	9,767	9,774	2,784	12,558		
650	-	3,496	4,146	6,407	360	6,767		
1,614	-	3,750	5,364	15,918	(4,023)	11,895		
875	-	3,066	3,941	8,631	(908)	7,723		
1,493	-	5,882	7,375	14,726	7,146	21,872		
317	-	1,454	1,771	3,125	10,969	14,094		
975	-	1,481	2,456	9,615	(2,153)	7,462		
77	-	960	1,037	764	(61)	703		
6,860	-	14,096	20,956	67,659	(25,390)	42,269		
750	-	4,610	5,360	7,399	2,130	9,529		
26,373	-	11,639	38,012	260,103	55,432	315,535		
364	-	1,013	1,377	3,593	(569)	3,024		
156	-	-	156	1,538	1,192	2,730		
1,499	-	3,681	5,180	14,787	(1,332)	13,455		
2,062	-	5,602	7,664	20,339	4,304	24,643		
1,308	-	4,529	5,837	12,897	2,029	14,926		
1,451	-	5,294	6,745	14,307	(10,354)	3,953		
718	-	4,062	4,780	7,085	(353)	6,732		
441	-	683	1,124	4,353	2	4,355		
\$ 239,996	\$ -	\$ 727,913	\$ 967,909	\$ 2,367,002	\$ (40)	\$ 2,366,962		



NOTES TO THE SCHEDULES

NOTE 1 - PLAN DESCRIPTION

- A. Plan Administration** - The State of North Carolina administers the Registers of Deeds' Supplemental Pension Fund (RODSPF) which is a cost-sharing, multiple-employer, defined benefit pension plan established by the State of North Carolina to provide supplemental pension benefits for all eligible, retired county registers of deeds. Membership is comprised of registers of deeds who are retired from the Local Governmental Employees' Retirement System (LGERS) or an equivalent locally sponsored plan and have met the statutory eligibility requirements. At June 30, 2022, there were 100 individuals receiving benefits in the plan with 100 counties participating. Benefit provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. The State's only cost in the plan is administration.

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.

- B. Benefits Provided** - An individual's eligibility to receive benefits under the RODSPF is based on at least 10 years of service as a register of deeds. An individual's benefit amount in a given year is limited to the lesser of the following:

- 1) The member's years of service multiplied by the value of one share of accumulated contributions available for benefits for that year, as specified in *North Carolina General Statute* 161-50.3; and
- 2) The benefit amount is limited to the lesser of the following:
 - a. Seventy-five percent (75%) of a member's annual compensation, computed on the latest monthly rate (including any and all supplements); for registers of deeds who began serving after September 10, 2009, this 75% limit is applied to the benefit after combining the benefit with the maximum retirement allowance upon retirement under the Local Governmental Employees' Retirement System or equivalent locally sponsored retirement plan; or
 - b. One thousand five hundred dollars (\$1,500).

Because of the statutory limits noted above, not all contributions available for benefits are distributed. The plan does not provide for automatic post-retirement benefit increases.

- C. Contributions** - Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. 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 for the fiscal year ended 2022 is zero. Registers of deeds do not contribute.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

- A. Basis of Accounting** - Employers participating in RODSPF are required to report pension information in their financial statements for fiscal periods beginning on or after June 15, 2014 in accordance with Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB Statement No. 68). The schedule of employer allocations and the schedule of pension amounts by employer provide employers with the required information for financial reporting.

There are two schedules (a schedule of employer allocations as of and for the fiscal year ended June 30, 2022 and a schedule of pension amounts by employer as of and for the fiscal year ended June 30, 2022, collectively the "pension schedules") for use by the employers in the RODSPF. The underlying financial information used to prepare the pension schedules is based on RODSPF's financial statements. The financial statements of this plan are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. RODSPF financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) that apply to governmental accounting for fiduciary funds.

- B. Components of Net Pension Asset Calculation** - The components of the net pension asset of the participating employers at June 30, 2022, calculated in accordance with GASB Statement No. 67, *Financial Reporting for Pension Plans*, are shown in the following table (dollars in thousands):

Total Pension Liability	\$	33,918
Plan Fiduciary Net Position		(47,158)
		<hr/>
Net Pension Liability (Asset)	\$	(13,240)
		<hr/> <hr/>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		139.04%

The total pension liability is calculated by RODSPF's actuary. The plan's fiduciary net position is reported in the State of North Carolina's *Annual Comprehensive Financial Report*. In addition, the net pension asset is disclosed in the State of North Carolina's notes to the financial statements.

- C. Schedule of Employer Allocations** - The schedule of employer allocations provides information used to allocate the net pension asset among each of the employers in the plan. While GASB Statement No. 68 encourages the use of the employer's projected long-term contribution effort to the retirement plan that is actuarially based, it allows the employer's proportionate share of the collective pension amounts to be based on historical employer contributions. The basis for the employer's proportion should be consistent with the manner in which contributions to the plan are determined. Because contributions to the plan are based on a percentage of monthly fees collected by the register of deeds, the plan's liabilities have been allocated based on actual contribution amounts for the measurement period. Since each employer was active for the entire year, no adjustments for inactive employers or employers that joined the plan during the year were necessary.

Employer contributions received by July 31 with pay dates that fall within RODSPF's fiscal year ended June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the schedule of employer allocations.

- D. Schedule of Pension Amounts by Employer** - The schedule of pension amounts by employer provides the amount of net pension asset as well as deferred inflows and outflows and pension expense to be reported in the financial statements of each employer participant in the plan. Amounts reported on the schedule of pension amounts by employer may not precisely agree with the percentages in the schedule of employer allocations due to the number of decimal places used in allocating the collective pension amounts.

The proportional share of pension expense includes the amortization of the difference between expected and actual experience with regard to economic and demographic factors as well as any changes of assumptions, if applicable, which are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the pension plan. This period is 3 years for the years ended June 30, 2022, 2021 and 2020, and 4 years for the year ended June 30, 2019. The remaining unamortized balance is included in either deferred outflows of resources or in deferred inflows of resources as indicated.

E. Deferred Outflows of Resources and Deferred Inflows of Resources -

The recognition period for amortizing the deferred outflows and deferred inflows of resources is set forth by GASB Statement No. 68, paragraph 71. Depending on the specific deferral the period is defined as either a fixed five year period or the average expected remaining service life of all members in the plan. The following table presents a summary of changes in the deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2022 (dollars in thousands):

	<u>Year of Deferral</u>	<u>Amortization Period</u>	<u>Beginning of Year Balance</u>	<u>Additions</u>	<u>Deductions</u>	<u>End of Year Balance</u>
Deferred Outflows of Resources						
Differences Between Expected and Actual Experience	2021	3.00	\$ 205	\$ -	\$ 103	\$ 102
Changes in Assumptions	2021	3.00	1,401	-	700	701
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	2018-2022	5.00	(59)	6,920	1,358	5,503
Total			<u>\$ 1,547</u>	<u>\$ 6,920</u>	<u>\$ 2,161</u>	<u>\$ 6,306</u>
Deferred Inflows of Resources						
Differences Between Expected and Actual Experience	2019	4.00	\$ 191	\$ -	\$ 191	\$ -
Differences Between Expected and Actual Experience	2020	3.00	42	-	42	-
Differences Between Expected and Actual Experience	2022	3.00	-	360	120	240
Total			<u>\$ 233</u>	<u>\$ 360</u>	<u>\$ 353</u>	<u>\$ 240</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions will be recognized in pension expense and are shown in the following table (dollars in thousands):

Year Ending June 30:	
2023	\$ 1,631
2024	1,219
2025	1,832
2026	1,384
2027	-
Total	<u>\$ 6,066</u>

NOTE 3 - ACTUARIAL METHODS AND ASSUMPTIONS

The total pension liability was determined by an actuarial valuation performed as of December 31, 2021. The total pension liability was calculated through the use of update procedures to roll forward from the actuarial valuation date to the measurement date of June 30, 2022. The entry age normal actuarial cost method was utilized. Inflation is assumed to be 2.50% and salary increases range 3.25% to 8.25% which includes 3.25% inflation and productivity factor. The long-term expected rate of return on pension plan investments used in the determination of the total pension liability is 3.00% which includes an inflation assumption and is net of pension plan investment expense.

Future and ad hoc cost of living adjustment amounts are not considered to be substantively automatic and are therefore not included in the measurement.

RODSPF currently uses mortality tables that vary by age, gender 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. public plan population. The mortality rates also contain a provision to reflect future mortality improvements.

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

The discount rate used to measure the total pension liability was 3.00%. This discount rate is in line with the long-term nominal expected return on pension plan investments. The calculation of the net pension asset is a present value calculation of the future net pension payments. These net pension payments assume that contributions from plan members will be made at the current statutory contribution rate and that contributions from employers will be made at the contractually required rates, actuarially determined. Based on those assumptions, the 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.

NOTE 4 - COLLECTIVE PENSION EXPENSE

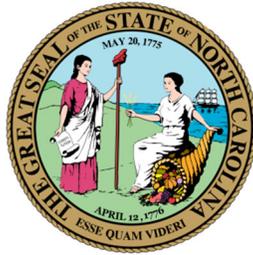
The components of collective pension expense for the year ended June 30, 2022, to be recognized in 2023, are as follows (dollars in thousands):

Service Cost	\$	1,107
Interest Cost on Total Pension Liability		1,025
Projected Earnings on Plan Investments		(1,586)
Administrative Expense		13
Recognition (Amortization) of Deferred Inflows and Outflows of Resources:		
Differences Between Expected and Actual Experience		(250)
Difference Between Projected and Actual Earnings on Plan Investments		1,358
Changes in Assumptions		700
Collective Pension Expense	<u>\$</u>	<u>2,367</u>

NOTE 5 - ADDITIONAL FINANCIAL AND ACTUARIAL INFORMATION

These schedules are designed to provide employers information for preparation of disclosures in accordance with GASB Statement No. 68. Additional financial information for RODSPF (including the disclosure of the net pension asset) is located in the State of North Carolina's *Annual Comprehensive Financial Report* for the fiscal year ended June 30, 2022. The additional financial and actuarial information is available at <https://www.osc.nc.gov/public-information/2022-annual-comprehensive-financial-report> or by contacting RODSPF at:

RODSPF
3200 Atlantic Avenue
Raleigh, North Carolina 27604
<https://www.myncretirement.com/governance/valuations-and-annual-comprehensive-financial-reports>



INDEPENDENT AUDITOR'S REPORT

STATE OF NORTH CAROLINA
Office of the State Auditor



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

The Honorable Dale R. Folwell, State Treasurer
Management of the Department of State Treasurer

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 schedule of employer allocations of the Register of Deeds' Supplemental Pension Fund as of and for the year ended June 30, 2022, and the related notes. We have also audited the total for all entities of the columns titled net pension asset, total deferred outflows of resources, total deferred inflows of resources, and total employer pension expense included in the accompanying schedule of pension amounts by employer of the Register of Deeds' Supplemental Pension Fund as of and for the year ended June 30, 2022, and the related notes (hereafter referred to as "the schedules"), and have issued our report thereon dated March 30, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the schedules, we considered the Department of State Treasurer's (Department) 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 schedules, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department'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 Department's schedules will not be prevented, or detected and corrected on a timely basis.

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

material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's schedules are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the schedules. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department'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 Department's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Beth A. Wood, CPA
State Auditor

Raleigh, North Carolina

March 30, 2023

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919-807-7666



This audit required 136 hours at an approximate cost of \$16,320, plus actuarial costs of \$2,300.