

# Person County, North Carolina

## Comprehensive Annual Financial Report

For the Year Ended

June 30, 2019



Prepared by the  
Person County Finance Department  
Issued December 2019

County of Person  
304 South Morgan Street, Room 219  
Roxboro, North Carolina 27573

# Person County, North Carolina

## Comprehensive Annual Financial Report

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# INTRODUCTORY SECTION

## INTRODUCTORY SECTION



# PERSON COUNTY

304 SOUTH MORGAN STREET  
ROXBORO, NORTH CAROLINA 27573  
(336) 597-1726

The Board of County Commissioners  
Person County, North Carolina  
December 9, 2019

To the County Manager, Members of the Board of County Commissioners, and Citizens of the County of Person:

State law requires that each fiscal year all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Person (the "County") for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances and the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As Finance Director, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Elliott Davis, PLLC, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statement, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are in the Compliance Section of the report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A can be found immediately following the report of the independent auditors.

## Profile of Person County

Person County was established in 1792 and is a political subdivision of the State of North Carolina. It is located in the Central Piedmont in an area of beautiful rolling hills and long, low ridges on the border of the State of Virginia. It is within one hour's driving time of Raleigh-Durham International Airport, the fast growing metropolitan areas of the Triangle and the Triad, and the Research Triangle Park, a center for high-technological research and manufacturing.

The County operates under the County Manager form of government. Policy-making and legislative authority are vested in a governing Board of Commissioners (the "Board") consisting of five members who each year select one among themselves as Chairman and Vice Chairman. The Board is responsible for passing ordinances, adopting the annual budget, appointing committees and hiring the government's manager and attorney. The manager is responsible for carrying out the policies and ordinances of the Board, overseeing the day-to-day operations of the government and appointing the heads of the various departments. The Board is elected on a partisan, at large basis every two years and serves four-year staggered terms.

The County provides its citizens with a wide range of services that include public safety, health and social services, cultural and recreational activities, general administration, and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving

citizens. Among these are the following: Person County Board of Education; Piedmont Community College; Person County Tourism Development Authority; Developmental Disabilities, Substance Abuse Authority (Cardinal Health Innovations); and Kerr-Tar Regional Council of Governments. Since the County Commissioners appoint three members of the Person County ABC Board (the "ABC Board") and the Person County Tourism Development Authority, the government-wide statements include both entities as discretely presented component units.

The annual budget provides the foundation for the County's financial planning and control. The budget is a legally adopted ordinance that is developed with input from citizens, county departments, and various agencies in the County. The Manager uses funding requests from all departments and agencies to develop a proposed budget that is presented to the Board for review.

## **Factors Affecting Economic Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Person County operates.

Person County, NC, has not been immune to the effects of the national trend towards urban areas. As population and job growth have taken place in the Durham-Chapel Hill MSA and NC as a whole, the population has increased only slightly in Person County in the same period, while total jobs dipped by 2.8% in the four quarters ending with Q2 2019. As of June 30, 2019, Person County's adjusted unemployment rate was 5.0%, an increase of .6% from the previous year's rate of 4.4%. However, areas of job growth have been in Construction and Computer and Mathematical Occupations, and average annual wages for Person County rose from \$39,418 for 2<sup>nd</sup> quarter 2018 to \$40,960 in 2<sup>nd</sup> quarter 2019, a 3.9% increase.

FY2019 Economic Development efforts in Person County focused on the following:

- Product development – The Person County Business and Industrial Center, Inc. (PCBIC) and Person County Economic Development Commission (EDC) continued development plans on the 1,350-acre Person County Mega Park through infrastructure installation as the pursuit of USACE permits. The goals for this industrial park development effort are to attract advanced manufacturing projects to grow the industrial capital investment base in Person County, to create jobs for Person County and the surrounding region, and to stimulate additional investment.
- Strategic Planning – The EDC adopted a 3-year Economic Development Strategic Plan focused on Education and Workforce Development, Marketing and Recruitment, Product Development and Business Support.
- Existing Industry Support – Economic Development (ED) staff met consistently with top employers to gauge their success and offer support; ongoing incentivized expansions were monitored and supported administratively.
- Recruitment – ED staff worked successfully with the Economic Development Partnership of NC to secure an announcement of \$35M in investment and 385 jobs, pledged over 5 years, from Polywood, LLC, a maker of outdoor furniture. Additionally, staff responded to many requests for information about local sites and buildings and actively sought new jobs and investment through regional collaboration and travel.
- Workforce Development – The EDC partnered with Piedmont Community College and Person County Schools to develop a 6-14 Workforce Pipeline Plan and secured \$200,000 in grant funds to jumpstart this initiative, which is expected to be self-sustaining after the first two years.
- Administrative – The ED Department was staffed at only 50% for all of FY2019.

Person County Economic Development Commission (EDC), the County's industrial recruitment arm and liaison with local industry, is an active member of the Regional Triangle Regional Partnership (RTRP). The Commission is made up of business, professional and elected leaders and citizens. ED staff works closely with this board and other affiliate partners to enhance opportunities for positive economic outcomes for Person County and its citizens.

Agriculture is a major contributor to the Person County Economy. Agriculture and Agribusiness generates over \$92 million in value-added income, and provides 20% of Person County's jobs. Tobacco is still the top revenue producing crop, providing almost half of the total cash receipts to Person County farmers. Other major agricultural commodities and livestock produced by Person County Farmers include soybeans, wheat, corn, hay, nursery, specialty, and greenhouse crops, vegetables, beef cattle, hogs, goats, horses, and sheep.

Person County citizens enjoy the locally produced foods provided by Person County farms. Consumers enjoy knowing how their food was grown or raised, and are making more food purchases at farmers markets and farm stands across the County. This benefits farms, families and communities by keeping dollars circulating locally. The Visit NC Farms app is live and helps people connect with farms in Person County and across the Kerr-Tar COG region. Interest in industrial hemp continues to grow, with a value-added processor currently being established in the County. Improved marketing options will help make this a viable crop alternative for Person County growers.

Piedmont Community College (PCC) provides a wealth of resources for Person County's adult citizens as well as high school students who qualify for special programs. Chartered in 1970, PCC is one of 58 colleges in the North Carolina

Community College System. The College strives to fulfill its mission to enrich lives “by providing lifelong learning, educational, and training programs for today’s global workforce, and cultural opportunities” for the citizens of the communities it serves. The College offers associate degrees, diplomas, and certificates in over 30 programs of study, including Agribusiness Technology, Electrical Power Production Technology, Associate Degree Nursing, Digital Effects and Animation Technology, Mechatronics Technology, and transfer programs. PCC’s Continuing Education programs serve as a catalyst for economic development by providing educational programs and training to meet citizens’ educational needs for professional and personal development. The CE program also provides specialized training for businesses, industries, and governmental agencies.

## **Long-Term Financial Planning**

Many of the successes of the Board of County Commissioners can be attributed to the long-term planning efforts initiated by the Board. In fiscal year 2019, the Person County Capital Improvement Plan ("CIP") for the years 2020-2024 was presented and approved in April 2019 and serves as a mechanism for future planning. It has become an effective and strategic tool that typically includes a mixture of “pay as you go” and financed projects that take advantage of the current debt market conditions. The CIP addresses many of the capital improvements needed within the county and will be revisited and updated annually to correspond with changing revenues and the current economic environment.

In February 2019, the Person County Board of Commissioners approved to enter into a contract with DEC Associates, a financial consulting firm, primarily to create a debt model that will assist the County with management of its Financial and Capital Plan Program. The initial financial planning phase will explore the amount of financing capacity available for the general government and County school needs, preparation of a comprehensive plan and financial model, and the establishment of a Capital Investment Fund. In addition, DEC Associates will assist with preparation of a written financial policy with specific consideration of Local Government Commission requirements, rating agency impacts and future flexibility. Analysis and data collection began in the fall of 2019, with anticipated completion and a presentation to the Board of Commissioners in the early part of 2020.

The County entered into an installment purchase contract for \$4.4M on May 10, 2018 to finance a portion of the construction of two public safety communication towers and purchase and installation of related facilities and equipment, rooftop HVAC units and fire alarm system replacements for Northern Middle School, installation of a new HVAC system for the Huck Sansbury Gym, roofing replacement for Early Intervention and Family Services, cooling tower replacements for Helena and Stories Creek Elementary Schools, and heating and cooling unit valve replacements at South Elementary School. The majority of these projects did not begin until FY 2019.

Person County closed on an interest-free loan from the Piedmont Electric Membership Corporation (PEMC) in August 2018 to address a critical need at EMS for three ambulances and turn-out safety gear. The total loan amount was \$776,086 to be paid in five annual installments that began with the first payment on October 1, 2018.

Although there were many discussions regarding capital needs for the public schools, there were no other proposed financings during FY2019. The Board decided to delay the approval of any major capital projects for the schools until the new debt consultants had time to perform analysis on the County’s fiscal ability to address these issues.

## **Relevant Financial Policies**

### ***Mobile Device Policy***

The Person County Board of Commissioners approved a Mobile Device Policy on April 1, 2019 that addressed best practices for managing mobile devices. The new policy safeguards county resources, while meeting regulations governing public information, IRS requirements, and Fair Labor Standards for employees as well as preserve public information while protecting individual’s privacy. As of July 1, 2019, new phones were assigned to employees who require the use of a mobile device in conducting day-to-day business, replacing the stipend-based policy. Many local governments have transitioned to government-owned cell phones which provides employees with an easier process to separate private and business use. In addition, it also grants a higher level of control to the employer to discontinue access since the devices will belong to the County. Nearly 200 users were transitioned from the stipend-based method to employer-issued phones, resulting in a projected cost of \$144,276.

### ***Parental Leave Policy***

In a continuous effort to improve the organization and better support County employees, the County Manager presented a Parental Leave Policy to the Person County Board of Commissioners on February 19, 2019, which allows regular, full-time employees who are new parents through either birth or adoption who intend to return to full-time employment status with the County, 30 days of paid parental leave. This leave runs concurrent with Family Medical Leave and begins on the



employee's first day out. The annual financial impact to this change, based on the number of employees taking FMLA for birth or adoption and the average salary, was estimated to be \$50,000. This addition to the Personnel Policy became effective July 1, 2019.

### ***Daily Deposit and Purchase Order Thresholds***

In late 2017, the NC General Assembly increased the daily deposit threshold from \$250 to \$500, subject to approval by local governing bodies. This amount had not increased since 1973 which was the last time any changes were made to NCGS 159-32, the general statute governing daily deposits. As allowed by the statute, the Person County Board of Commissioners approved the increase in the daily deposit limit for Person County from \$250 to \$500. Although there is no financial impact associated with this change, increasing the threshold will alleviate some of the administrative burden for making and tracking daily deposits.

Similarly, Person County's purchase order threshold of \$500 had not increased since 1993, and was not reflective of the change in prices for goods and services. Since fiscal year 2014, Person County has experienced a 53% increase in the number of purchase orders, requiring more management and administrative maintenance. As a result, the Person County Board of Commissioners also approved the increase in the purchase order threshold from \$500 to \$750 which should greatly reduce the number of purchase orders made by departments, and will mirror the County's capital outlay limit of \$750, the level required for fixed asset additions.

## **Major Initiatives**

### ***Person County Executive Airport***

Using federal grant dollars and matching local funds, the County is currently working on several projects at the Person County Airport. Currently, these include the Runway 6 Obstruction Removal Project and a Corporate Hangar Project. The Runway 6 Obstruction Removal project involves the removal of trees around the airport that penetrate the approach/missed surfaces. This project is still in the planning stages and construction is not anticipated to begin until Spring 2020. The Corporate Hangar project is also in the planning stages and is expected to be completed in Winter 2020. This project is funded primarily with County dollars, with some funding for environmental work sourced from Non-Primary Entitlement funds. The Airport Development Study (i.e. Master Plan) reviews all aspects of the airport, providing focus on areas of potential growth and expansion. Based on this Master Plan, the County anticipates an \$11,230,000 grant award for an Airport Runway Extension, which was approved in June 2017. This project has since been moved out to 2022. Person County Airport is still actively pursuing this 800 foot runway extension as called for in the Master Plan which will open the airport to larger airplanes, more traffic, and increased cargo transporting. The beacon, PAPI light, and windsock replacement projects were completed in the last 12 months. The Airport serves local industries by providing convenient access to transportation by air for both personnel and cargo. It also serves the general public by providing air service & storage for small planes.

### ***Fiber Installation Project***

Person County allocated approximately \$3M to install 52 miles of fiber which will provide improved broadband connectivity to county and city facilities and the four newly constructed public safety communication towers. The Bushy Fork fiber route is complete and passing data traffic. Mt. Tirzah and Bethel Hill routes are anticipated to be complete by December 2019, and Woodland is expected to be complete in early 2020.

### ***Waste Management***

The Board of Commissioners has been negotiating with Republic Services for the continued operation of the Upper Piedmont Landfill for the majority of FY19. The Board of Commissioners took action at its June 3, 2019 meeting to authorize a third amendment to the Contract Agreement with Republic Services and adopt a new Franchise Ordinance for the life of the site for Upper Piedmont Landfill by unanimous vote. This Third Amendment goes through July 1, 2020. The Commissioners are working towards a fourth and final amendment for approval in the fall of FY20. Republic will be pursuing their state and federal permits to allow for an expansion of volume of tons received.

### ***Home, Health and Hospice Services***

In spring 2017, the county began evaluating the long-term financial prospects for the home health and hospice programs operated by the Public Health department. Both services struggled financially and suffered from recurring staff vacancies. The operating budget for the programs in FY18 was \$1.7 million, which included a subsidy of the county's general fund. During the evaluation process, it became clear that the trend among other county health departments is to divest of these services to willing buyers in the private marketplace. Person County engaged a consultant in spring 2018 for assistance with

a possible sale and conveyance of the programs to a private sector provider. The final sale of home health and hospice services took place in November 2018, with Medical Services of America, Inc. purchasing both programs for \$200,000.

### *Compression Study*

In the early part of 2019, Person County contracted with Piedmont Triad Regional Council to perform a compression study for Person County employees. On April 15, 2019, the firm presented their analysis and interpretation of the County's employee demographics as well as the position classification and pay plan. They determined that with the average tenure, a County employee with 8 or more years' experience in their current classification and performing their duties with demonstrated proficiencies and competencies, would be expected to be earning between 30% - 32% above the hiring rate of their salary grade. Person County's average percentage above salary grade hiring rate was 12.4%, placing the average salary approximately 20% below the midpoint for their classification. These percentages suggested a relatively stagnant workforce with employee salaries starting at the hiring rate of their salary grade range, advancing 5% (to the minimum of the grade) after the successful completion of their probationary period, and then provided little opportunity for advancement toward the midpoint of their salary grade range. To address the reported compression issues, the Person County Board of Commissioners agreed to fund the necessary salary adjustments in two phases, with certain departments to be implemented in FY20 and the remaining in FY21. The cost for the departments that were included in Phase I was \$363,472 and incorporated in the County's FY20 Adopted Budget. The estimated cost for the remaining departments for FY21 will be determined during budget deliberations in the spring of 2020.

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Person County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the thirty-first consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government published an easily readable and efficiently organized CAFR. This report must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Preparation of this report would not have been possible without the daily dedication to excellence in all areas of work from the entire staff of the Finance Department. A special thanks is due to Laura Jensen and Debbie Whitfield who assisted with compiling much of the financial and statistical data. I also thank the County Manager and her office, and the members of the Board of Commissioners for their continued support throughout the past year. Finally, I gratefully acknowledge the Audit Partner and his associates from the accounting firm of Elliott Davis, PLLC, CPAs, for their cooperation and assistance in the preparation of this report.

Respectfully submitted,



Amy Wehrenberg  
Person County Finance Director



Government Finance Officers Association

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

Presented to

**County of Person  
North Carolina**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

## **COUNTY OF PERSON LIST OF PRINCIPAL OFFICIALS**



### **Board of County Commissioners**

David B. Newell, Sr., Chairman

B. Ray Jeffers, Vice-Chair

Jimmy B. Clayton

Gordon Powell

Kyle W. Puryear

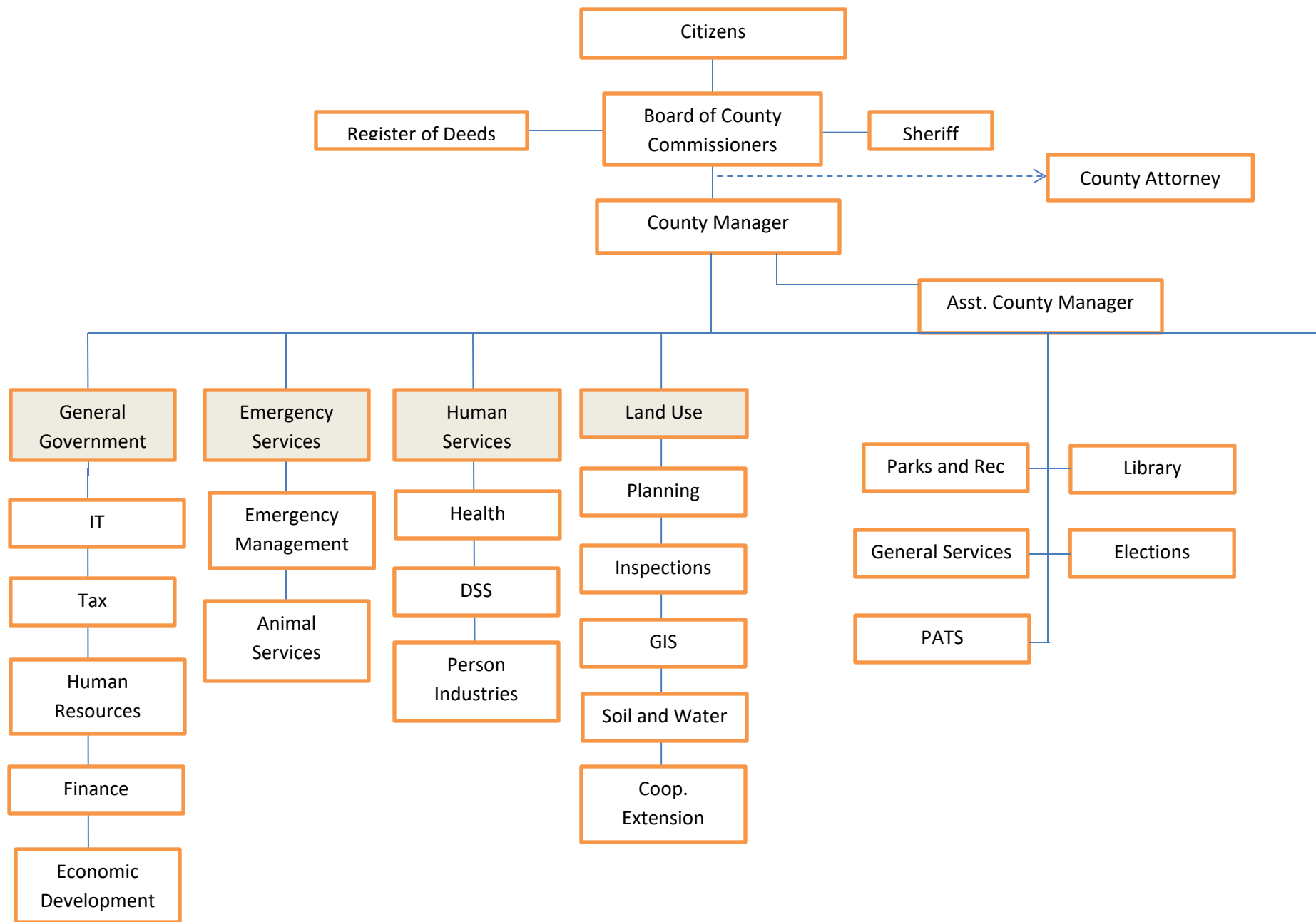
### **County Manager**

Heidi York

### **Finance Director**

Amy Wehrenberg

## Person County Org Chart



# FINANCIAL SECTION

## FINANCIAL SECTION

## **Independent Auditor's Report**

To the Board of Commissioners  
Person County  
Roxboro, North Carolina

### **Report On the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Person County, North Carolina (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Person County ABC Board, which represents 88.9%, 86.8%, and 92.9% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Person County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Person County ABC Board and Person County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Person County, North Carolina, as of June 30, 2019, and the respective changes in financial position, and cash flows, where appropriate, thereof, and the respective budgetary comparison for the General Fund and the Person Industries Community Rehabilitation Program and Material Recovery Facility Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Post-Employment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of Net Pension Liability and Schedule of Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the Proportionate Share of the Net Pension Asset and Schedule of Contributions, and 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, although not a part of the basic financial statements, is required by 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 and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy, introductory information, statistical section, and the schedule of expenditures of federal and state awards as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act* as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy and the schedule of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on our audit, the procedures performed as previously described, The combining and individual fund financial statements, budget and actual comparisons, schedule of ad valorem taxes receivable, analysis of current tax levy, introductory information, statistical section 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.



The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019 on our consideration of Person County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Person County's internal control over financial reporting and compliance.

*Elliott Davis, PLLC*

Raleigh, North Carolina  
December 9, 2019

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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As management of Person County, we offer users of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2019. We encourage users 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 Person County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$65,172,559 (*net position*).
- The government's total net position increased by \$3,126,248 when compared to the previous fiscal year, primarily due to the reduction of expenses in Human Services. Other contributing factors to the increase in net position are management's focus on monitoring spending and maximizing revenue collection.
- As of the close of the current fiscal year, Person County's governmental funds reported combined ending fund balances of \$35,356,951, a decrease of \$616,920 on a comparable basis with the prior year. Approximately 28% of this total amount, or \$9,784,261, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$15,491,651, which represents 28.3% of total General Fund expenditures and outgoing transfers for the fiscal year.
- Person County's total debt decreased by \$1,135,736 (1.8% of total governmental expenditures) during the current fiscal year. This reduction in debt is mostly due to scheduled debt repayments, which more than offsets the increase in capital leases in FY2019 from the purchase of three ambulances and turnout gear.
- Person County has an A1 bond rating from Moody's Investor Service (Moody's) and an AA- from Standard and Poor's Corporation (S&P). These ratings are consistent with Person County's reputation for conservative fiscal management and strong financial position.

#### Overview of the Financial Statements

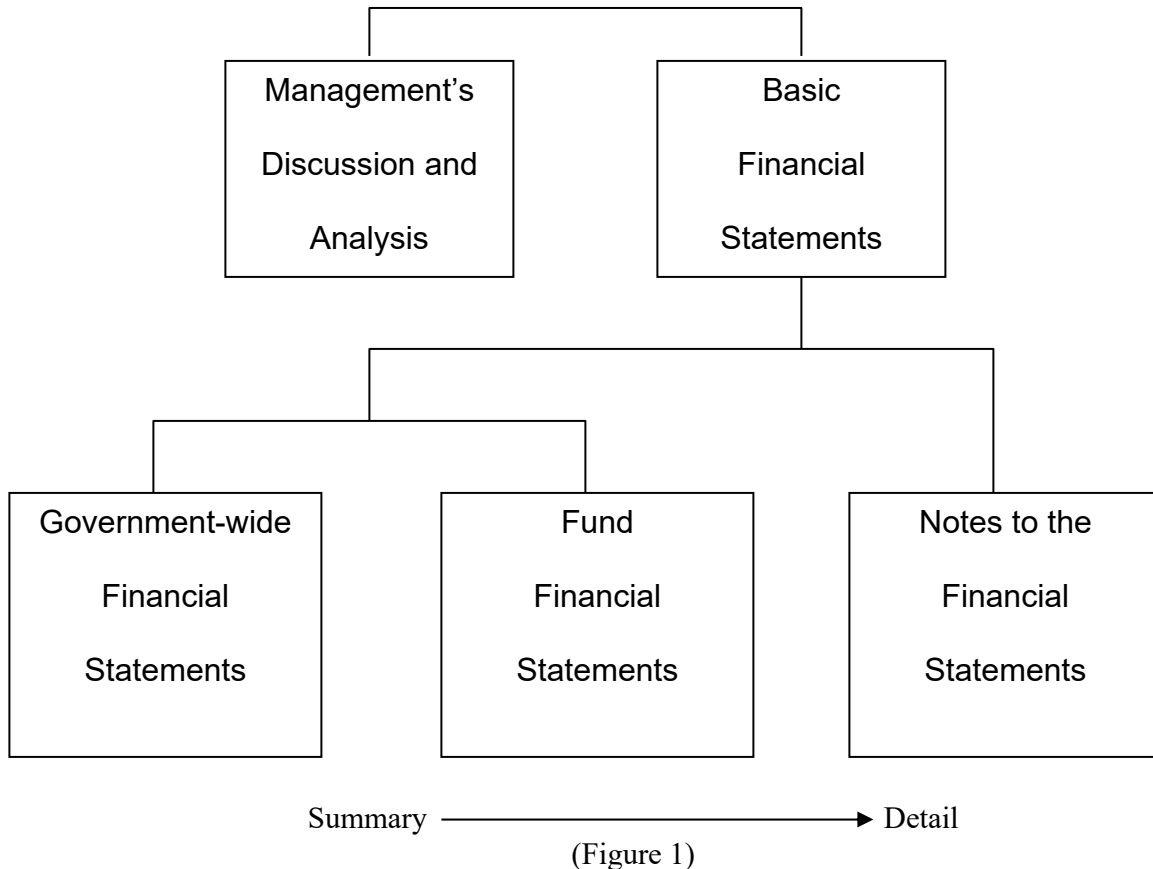
This discussion and analysis are intended to serve as an introduction to Person County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see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

# Person County, North Carolina

## Management's Discussion and Analysis

For the Year Ended June 30, 2019

### Required Components of Annual Financial Report



#### Basic Financial Statements

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

The next section of the basic financial statements is the **Notes**. The notes to the financial statements explain in detail some of the data contained in those statements. Immediately following the notes is the **required supplemental information**. This section contains funding information about the County's pension plans. After the required supplemental information, **supplemental information** is provided to show details about the County's General Fund and non-major governmental funds. All of the non-major governmental funds are in one column on the basic financial statements. Budgetary information required by the North Carolina General Statutes (NCGS) also can be found in this part of the statements.

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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#### Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and (3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the stormwater management services offered by Person County. The other category is the component units. The Person County Tourism Development Authority (TDA) is a public authority under the Local Government Budget and Fiscal Control Act. It exists to provide for tourism-related expenditures and promotion of travel and tourism in Person County nearly exclusively from the occupancy tax levied by the County, and remitted to the TDA less a small collection fee. The ABC Board is legally separate from the County and is important to the County because the County is financially accountable for the Board by appointing its members, and because the Board is required to distribute its profits to the County.

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

#### Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Person 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 Person County are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements and disclosed in more detail in the Notes to the Financial Statements.

Person County adopts an annual budget for its General Fund, as required by NCGS. 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.

**Proprietary Funds** – Person County has two types of proprietary funds, one of which is an *Enterprise* Fund used to report the same functions presented as business-type activities in the government-wide financial statements. Person County uses the enterprise fund category to account for its funding applicable to the Stormwater Management Utility including measures and activities designed to protect, restore and manage stormwater quality; all associated costs are supported solely through assessed user fees. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

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

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 37 of this report.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Person County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 73 of this report.

## Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2019

### Government-wide Financial Analysis

The following table summarizes Net Position at June 30, 2019 and 2018:

#### PERSON COUNTY'S NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 38,775,060	\$ 38,947,046	\$ 528,564	\$ 421,317	\$ 39,303,624	\$ 39,368,363
Capital assets	49,330,068	47,396,142	-	-	49,330,068	47,396,142
Total assets	88,105,128	86,343,188	528,564	421,317	88,633,692	86,764,505
Total deferred outflows of resources	8,329,612	6,148,163	-	-	8,329,612	6,148,163
Long-term liabilities outstanding	28,776,870	27,886,078	-	-	28,776,870	27,886,078
Other liabilities	2,141,485	2,206,817	503	5,659	2,141,988	2,212,476
Total liabilities	30,918,355	30,092,895	503	5,659	30,918,858	30,098,554
Total deferred inflows of resources	871,887	767,803	-	-	871,887	767,803
Net position:						
Net investment in capital assets	37,183,541	36,548,803	-	-	37,183,541	36,548,803
Restricted	9,606,570	11,648,228	-	-	9,606,570	11,648,228
Unrestricted	17,854,387	13,433,622	528,061	415,658	18,382,448	13,849,280
Total net position	\$ 64,644,498	\$ 61,630,653	\$ 528,061	\$ 415,658	\$ 65,172,559	\$ 62,046,311

The assets and deferred outflows of resources of Person County exceeded liabilities and deferred inflows of resources by \$65,172,559 as of June 30, 2019. The County's net position increased by \$3,126,248 for the fiscal year ended June 30, 2019. Net position of \$37,183,541 (57%) is net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Person County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Person County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Person County's net position represents resources that are subject to external restrictions on how they may be used and is \$9,606,570 (15%) at June 30, 2019. The remaining balance of \$18,382,448 (28%) is the unrestricted portion of the total net position.

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

- Continued emphasis on the collection of property taxes. The tax collection percentage increased from the previous year from 98.7% to 98.8%. The overall tax collections for current year's taxes increased by \$461,263.
- Increase in sales tax collections, a major source of revenue for the County.

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

- Continued low cost of debt due to the County's high bond rating and the paydown of current debt service.
- Aggressive pursuit of grants funding for County projects.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

The following table presents the change in net position for the year ended June 30, 2019 and 2018 for governmental activities:

#### PERSON COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 7,015,520	\$ 7,851,597	\$ 278,791	\$ 274,882	\$ 7,294,311	\$ 8,126,479
Operating grants and contributions	9,609,588	8,864,294	-	-	9,609,588	8,864,294
Capital grants and contributions	658,693	6,973,298	-	-	658,693	6,973,298
General revenues:						
Property taxes	32,985,331	32,143,716	-	-	32,985,331	32,143,716
Local option sales taxes	8,701,260	8,075,831	-	-	8,701,260	8,075,831
Other taxes and licenses	210,388	454,676	-	-	210,388	454,676
Investment earnings, unrestricted	680,640	216,223	2,208	1,654	682,848	217,877
Miscellaneous, unrestricted	905,940	133,772	-	-	905,940	133,772
Total revenues	60,767,360	64,713,407	280,999	276,536	61,048,359	64,989,943
<b>Expenses:</b>						
General government	10,694,993	6,989,851	-	-	10,694,993	6,989,851
Public safety	14,684,268	13,524,505	-	-	14,684,268	13,524,505
Transportation	1,747,034	1,548,949	-	-	1,747,034	1,548,949
Human services	14,674,866	16,929,904	-	-	14,674,866	16,929,904
Environmental protection	668,548	653,114	-	-	668,548	653,114
Economic and physical development	1,128,113	1,461,642	-	-	1,128,113	1,461,642
Cultural and recreation	1,964,917	1,786,403	-	-	1,964,917	1,786,403
Education	11,644,810	10,693,420	-	-	11,644,810	10,693,420
Interest on long-term debt	545,966	363,297	-	-	545,966	363,297
Stormwater	-	-	168,596	183,136	168,596	183,136
Total expenses	57,753,515	53,951,085	168,596	183,136	57,922,111	54,134,221
Change in net position	3,013,845	10,762,322	112,403	93,400	3,126,248	10,855,722
Net position, July 1, as originally reported	61,630,653	56,011,726	415,658	322,258	62,046,311	56,333,984
Restatement	-	(5,143,395)	-	-	-	(5,143,395)
Net position, July 1, restated	61,630,653	50,868,331	415,658	322,258	62,046,311	51,190,589
Net position, June 30	\$ 64,644,498	\$ 61,630,653	\$ 528,061	\$ 415,658	\$ 65,172,559	\$ 62,046,311

**Governmental Activities:** Governmental activities resulted in an increase of the County's net position by \$3,013,845. Key elements of this increase are as follows:

- Operating grants and contributions increased by \$745,294, reflecting a larger amount of operating grant funds received, particularly in Public Safety and Transportation.
- Sales tax revenues reflect growth showing an increase of \$625,429 (7.7%) over the prior fiscal year.
- Investment earnings reported an increase of \$464,417, a reflection of improved interest rates.

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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- Significant reduction of expenses in Human Services as a result of the sale of Home, Health and Hospice services in the Health Department.

**Business-type Activities:** Business-type activities increased Person County's net position by \$112,403 in the Stormwater Fund. Key elements of this increase are as follows:

- Minimal increase of stormwater revenue collection over previous year; and
- Reduction in shared costs of contracted services received from Granville County for stormwater management

#### Financial Analysis of the County's Funds

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

**Governmental Funds:** The focus of Person County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Person 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 Person County. At the end of the current fiscal year, Person County's unassigned fund balance in the General Fund was \$15,491,651, while total fund balance reached \$28,736,001. The Governing Body of Person County has determined that the County should maintain an available fund balance of 18% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. Unassigned fund balance for the General Fund is 28.3% of general fund expenditures and outgoing transfers, while total fund balance represents 52.5% of that same amount.

The Person Industries Community Rehabilitation Program and Material Recovery Facility Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$964,306 at June 30, 2019 an increase of \$43,413 from last year. The increase in fund balance can be attributed primarily to a reduction in contracted services with local industries for temporary employment, as well as a decrease in client transportation costs.

At June 30, 2019, the governmental funds of Person County reported a combined fund balance of \$35,356,951, a decrease of \$616,920 (1.7%) from last year. The primary causes for this decrease are higher expenditures in the Other Governmental Funds related to the construction of public safety towers and communication equipment, as well as the second year of installation of over fifty miles of fiber to County facilities. The decrease in fund balance for the Other Governmental Funds was over \$3.4M, the majority of which was offset by the increase in fund balance for the General Fund. Increases in property taxes and local option sales tax revenues greatly minimized the overall use of fund balance in the Total Governmental Funds.



## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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**General Fund Budgetary Highlights:** During the fiscal year, the County revised the budget on a number of occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,445,532.

Sales tax collections reflect an increase over budget by \$486,260 during fiscal year 2019. Improved economic conditions provided some much needed relief in sales tax collections for Person County. Operating revenues of the General Fund were \$263,056 more than the final budgeted amount largely due to improved collections in EMS. Intergovernmental revenues were short of budget by \$664,965. A large portion of this difference is due to the delay of the drawdown requests for lottery proceeds and timing issues for receiving state and federal revenues in Public Health and Social Services. The impact of this budget deficit is off-set by ad valorem and sales tax collections which were over budget collectively by \$1,417,348.

Appropriations within the General Fund covered actual expenditures by more than \$5.1 million. Over \$2.4 million of these remaining funds was the result of the timing differences in the State allocations for departments in the Human Services function. Public Safety departments report a remaining budget of approximately \$1 million which is most related to lapse salary and associated benefits from vacant positions that occurred during the year. Delays in school capital project and lottery expenditures caused a remaining balance of over \$354K at the end of fiscal year 2019.

**Proprietary Funds:** Person County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater Management Fund at the end of the fiscal year amounted to \$528,061. The total growth in net position was \$112,403. Other factors concerning the finances of this fund have already been addressed in the discussion of Person County's business-type activities.

### Capital Asset and Debt Administration

**Capital Assets:** Person County's capital assets for its governmental activities as of June 30, 2019, total \$49,330,068 (net of accumulated depreciation). These assets include land, buildings, improvements, machinery and equipment (including vehicles), and park facilities. Major capital asset transactions during the year include:

#### General Government

- Elevator replacement in the Person County Office Building, purchase of adjacent parcel of land for Animal Services

#### Public Safety

- Purchase of 3 ambulances and turnout gear, 13 vehicles, fiber installation, tower communication equipment

#### Human Services

- Exam table for the Health Department

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

#### Culture and Recreation

- Renovations to Public Library, replacement of seating at the Kirby Theater, replacement of bleachers at Huck Sansbury

#### Transportation

- Airport runway improvements, 3 PATS vans and 1 PATS bus, installation of HVAC unit at the Person County Museum of History

#### Education

- Northern Middle School roofing construction and fire alarm replacements

### PERSON COUNTY CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 4,187,547	\$ 4,154,946	\$ -	\$ -	\$ 4,187,547	\$ 4,154,946
Buildings	22,271,454	24,171,712	-	-	22,271,454	24,171,712
Improvements	11,196,362	11,103,133	-	-	11,196,362	11,103,133
Machinery and equipment	5,025,211	4,580,140	-	-	5,025,211	4,580,140
Infrastructure	742,132	1,064,686	-	-	742,132	1,064,686
Construction in progress	<u>5,907,362</u>	<u>2,321,525</u>	<u>-</u>	<u>-</u>	<u>5,907,362</u>	<u>2,321,525</u>
Total	<u>\$ 49,330,068</u>	<u>\$ 47,396,142</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,330,068</u>	<u>\$ 47,396,142</u>

Additional information on the County's capital assets can be found in Note 1.D.7. and 2.A.5. of the basic financial statements.

**Long-term Debt:** As of June 30, 2019, Person County had total bonded debt outstanding of \$1,980,334 which is backed by the full faith and credit of the government. Other total outstanding debt is as follows:

### PERSON COUNTY'S OUTSTANDING DEBT

	Governmental Activities		Business-Type Activities		Total	
	2019	2018	2019	2018	2019	2018
Bonds Payable	\$ 1,980,334	\$ 2,132,667	\$ -	\$ -	\$ 1,980,334	\$ 2,132,667
Installment Purchases	10,029,104	11,357,940	-	-	10,029,104	11,357,940
Capital Leases	<u>896,640</u>	<u>551,207</u>	<u>-</u>	<u>-</u>	<u>896,640</u>	<u>551,207</u>
Total	<u>\$ 12,906,078</u>	<u>\$ 14,041,814</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,906,078</u>	<u>\$ 14,041,814</u>

Person County's total debt decreased by \$1,135,736 (8%) during the past fiscal year, due to the repayment of debt. There was an increase of \$345,433 in Capital Leases for the purchase of three ambulances and associated turnout gear. However, this was offset by the overall decrease in total debt.

## Person County, North Carolina

### Management's Discussion and Analysis

For the Year Ended June 30, 2019

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As mentioned in the financial highlights section of this document, Person County maintains an A1 bond rating from Moody's and an AA- from S&P. The County's good credit rating helps in keeping interest costs low when the County issues debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Person County is \$369,287,849.

The Person County Board of Commissioners has had a history of fiscal conservatism that also contributes to the favorable bond rating. Additional information regarding Person County's long-term debt can be found in Note II.B of the Notes to the Financial Statements.

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

- The County's average unemployment rate as of June 30, 2019, was 5.0%, an increase of 0.6% from last year's rate of 4.4%, and 0.8% over the statewide average of 4.2%.
- Inflationary trends in the region are comparable to national indices.
- Management is implementing programs which will allow it to capitalize on manufacturing growth.
- Population estimation of 39,507 is slightly higher than in previous year.

#### Budget Highlights for the Fiscal Year Ending June 30, 2020

**Governmental Activities:** The original appropriations in the General Fund will increase by \$4,449,620 to \$65.3 million or 7.3% more than the previous year's adopted budget. The largest revenue increase takes place in fund balance appropriation for \$5,900,352, an increase of \$3.3M over the previous year, mainly to cover the Board of Commissioners' funding priorities that are mentioned in the following paragraph. The Person County Board of Commissioners approved a 3 cent property tax increase (\$1.5M) to reflect some minimal growth and to assist in funding existing services. Sales tax revenues are also expected to increase by \$137,755 due to the State's forecasted improvement in the overall economy. The Board of Commissioners increased the fire tax from \$1.75 to \$2.75 cents on all properties outside the city limits in support of the County's Volunteer Fire and Rescue Departments. This Fire District Tax is separately accounted for in a Special Revenue Fund that was created in FY2019.

The increases in expenditures were targeted to advance the priority areas of the Board of Commissioners. These included education, public safety, and economic development. Education funding for current expense for Person County Schools and Piedmont Community College will grow by \$1M. Public safety increased by \$601K to cover EMS and Sheriff personnel costs and implementation of the compression study, which will improve the retention of experienced public safety staff. Economic Development projects, such as fiber installation and an executive hangar contribute to an increase of \$2.6M in the CIP as well as an increase of \$250K to support the megasite development.

**Business-type Activities:** The stormwater rates in the County will remain the same, which is projected to adequately cover the costs of operations. Budgeted revenues and expenditures remained flat at \$250,000.

## **Person County, North Carolina**

### **Management's Discussion and Analysis**

For the Year Ended June 30, 2019

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#### **Requests for Information**

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Finance Director, Person County, 304 South Morgan Street, Suite 219, Roxboro, NC 27573. You can also call (336)-597-1726 or visit our website <http://www.personcountync.gov> for more information.

# Basic Financial Statements

## Basic Financial Statements

**Person County, North Carolina**  
**Statement of Net Position**

Exhibit 1

June 30, 2019

	Primary Government			Component Units	
	Governmental Activities	Business Type Activity	Total	Person County Tourism Development Authority	Person County ABC Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 29,881,221	\$ 509,210	\$ 30,390,431	\$ 55,032	\$ 741,734
Taxes Receivable (net)	748,077	-	748,077	-	-
Other receivables (net)	4,607,951	19,354	4,627,305	-	-
Due from Person County	-	-	-	118,043	-
Inventories	-	-	-	-	342,957
Prepaid items	177,691	-	177,691	-	420
Restricted cash and cash equivalents	3,302,196	-	3,302,196	-	-
Capital assets:					
Land, improvements, and construction in progress	10,094,909	-	10,094,909	-	248,239
Other capital assets, net of depreciation	39,235,159	-	39,235,159	-	49,269
Total capital assets	49,330,068	-	49,330,068	-	297,508
Net pension asset - Register of Deeds	57,924	-	57,924	-	-
Total assets	88,105,128	528,564	88,633,692	173,075	1,382,619
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension deferrals - LGERS	4,588,343	-	4,588,343	-	45,301
Pension deferrals - LEOSSA	169,825	-	169,825	-	-
Pension deferrals - ROD	15,947	-	15,947	-	-
OPEB Deferrals	3,555,497	-	3,555,497	-	-
Total deferred outflows	8,329,612	-	8,329,612	-	45,301
<b>LIABILITIES</b>					
Accounts payable and accrued expenses	1,949,809	503	1,950,312	11,439	354,886
Accrued interest payable	73,633	-	73,633	-	-
Due to component unit	118,043	-	118,043	-	-
Noncurrent liabilities:					
Due within one year	2,142,362	-	2,142,362	2,565	-
Due in more than one year	11,938,972	-	11,938,972	1,102	-
Net pension liability - LGERS	5,839,757	-	5,839,757	-	36,297
Total pension liability - LEOSSA	1,519,755	-	1,519,755	-	-
Other postemployment benefits liability	7,336,024	-	7,336,024	-	-
Total Noncurrent liabilities	28,776,870	-	28,776,870	3,667	36,297
Total liabilities	30,918,355	503	30,918,858	15,106	391,183
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension deferrals - LGERS	79,148	-	79,148	-	188
Pension deferrals - LEOSSA	92,914	-	92,914	-	-
Pension deferrals - ROD	3,373	-	3,373	-	-
OPEB Deferrals	537,591	-	537,591	-	-
Other Deferrals	158,861	-	158,861	-	-
Total deferred inflows	871,887	-	871,887	-	188
<b>NET POSITION</b>					
Net investment in capital assets	37,183,541	-	37,183,541	-	297,508
Restricted for:					
Public safety	167,441	-	167,441	-	-
Culture and recreation	269	-	269	-	-
Human services	359,361	-	359,361	-	-
Environmental protection	161,784	-	161,784	-	-
Register of deeds	39,856	-	39,856	-	-
Stabilization by State Statute	6,845,657	-	6,845,657	-	-
Capital	2,026,300	-	2,026,300	-	100,000
Working capital	-	-	-	-	108,034
Unrestricted	17,860,289	528,061	18,388,350	157,969	531,007
Total net position	\$ 64,644,498	\$ 528,061	\$ 65,172,559	\$ 157,969	\$ 1,036,549

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

**Person County, North Carolina**  
**Statement of Activities**

For the fiscal year ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 10,694,993	\$ 756,078	\$ 199,660	\$ -
Public safety	14,684,268	2,263,955	1,718,231	-
Transportation	1,747,034	339,142	482,771	201,245
Human services	14,674,866	2,461,438	6,918,742	-
Environmental Protection	668,548	718,500	81,079	-
Economic and physical development	1,128,113	94,404	112,567	336,326
Cultural and recreation	1,964,917	382,003	96,538	-
Education	11,644,810	-	-	121,122
Interest on long-term debt	545,966	-	-	-
Total governmental activities	57,753,515	7,015,520	9,609,588	658,693
Business-Type Activity:				
Stormwater Department	168,596	278,791	-	-
Total primary government	\$ 57,922,111	\$ 7,294,311	\$ 9,609,588	\$ 658,693
Component unit:				
Person County Tourism Development Authority	\$ 287,154	\$ -	\$ -	\$ -
ABC Board	3,440,410	3,642,624	-	-
Total Component Units	\$ 3,727,564	\$ 3,642,624	\$ -	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes

Investment earnings, unrestricted

Miscellaneous, unrestricted:

Other miscellaneous

Total general revenues, special items, and transfers

Change in net position

Net position-beginning

Net position-ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Units	
Governmental Activities	Business-type Activity	Total	Person County Tourism Development Authority	Person County ABC Board
\$ (9,739,255)	\$ -	\$ (9,739,255)		
(10,702,082)	-	(10,702,082)		
(723,876)	-	(723,876)		
(5,294,686)	-	(5,294,686)		
131,031	-	131,031		
(584,816)	-	(584,816)		
(1,486,376)	-	(1,486,376)		
(11,523,688)	-	(11,523,688)		
(545,966)	-	(545,966)		
(40,469,714)	-	(40,469,714)		
-	110,195	110,195		
(40,469,714)	110,195	(40,359,519)		
\$ -	\$ -	\$ -	\$ (287,154)	\$ -
-	-	-	-	202,214
\$ -	\$ -	\$ -	\$ (287,154)	\$ 202,214
32,985,331	-	32,985,331	-	-
8,701,260	-	8,701,260	-	-
210,388	-	210,388	274,499	-
680,640	2,208	682,848	4,029	2,474
905,940	-	905,940	-	1,032
43,483,559	2,208	43,485,767	278,528	3,506
3,013,845	112,403	3,126,248	(8,626)	205,720
61,630,653	415,658	62,046,311	166,595	830,829
\$ 64,644,498	\$ 528,061	\$ 65,172,559	\$ 157,969	\$ 1,036,549



**Person County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**

**Exhibit 3**

June 30, 2019

	<b>Major</b>		<b>Non-Major</b>	
		<b>Person Industries Community Rehabilitation Program and Material Recovery Facility Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General</b>			
<b>ASSETS</b>				
Cash and cash equivalents	\$ 24,110,118	\$ 1,125,874	\$ 3,622,348	\$ 28,858,340
Restricted cash	1,194,371	-	2,107,825	3,302,196
Ad valorem taxes receivable, net	748,077	-	-	748,077
Receivables, net	3,803,150	402,644	339,726	4,545,520
Due from other funds	479,244	-	-	479,244
Prepaid expenditures	177,691	-	-	177,691
Total assets	<u>\$ 30,512,651</u>	<u>\$ 1,528,518</u>	<u>\$ 6,069,899</u>	<u>\$ 38,111,068</u>
<b>LIABILITIES AND FUND BALANCES</b>				
Liabilities:				
Accounts payable and accrued liabilities	\$ 743,063	\$ 84,094	\$ 376,546	\$ 1,203,703
Miscellaneous liabilities	8,606	874	-	9,480
Due to component unit	118,043	-	-	118,043
Due to other funds	-	479,244	-	479,244
Total liabilities	<u>869,712</u>	<u>564,212</u>	<u>376,546</u>	<u>1,810,470</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Prepaid taxes	158,861	-	-	158,861
Property taxes receivable	748,077	-	-	748,077
Notes receivable	-	-	36,709	36,709
Total deferred inflows of resources	<u>906,938</u>	<u>-</u>	<u>36,709</u>	<u>943,647</u>
Fund balances:				
Nonspendable:				
Prepays	177,691	-	-	177,691
Restricted:				
Stabilization by State Statute	6,067,770	438,161	339,726	6,845,657
Register of Deeds	39,856	-	-	39,856
Public safety	89,375	-	78,066	167,441
Culture and recreation	-	-	269	269
Environmental protection	-	161,784	-	161,784
Human services	-	359,361	-	359,361
Capital projects	-	-	2,026,300	2,026,300
Committed:				
Tax reappraisal	623,505	-	-	623,505
Economic development	-	-	599,663	599,663
Environmental protection	-	-	135,285	135,285
Public safety	-	-	7,191	7,191
LEOSSA Pension	345,801	-	-	345,801
Capital projects	-	-	2,102,560	2,102,560
Assigned:				
Subsequent year's expenditures	5,900,352	5,000	622,602	6,527,954
Unassigned:	15,491,651	-	(255,018)	15,236,633
Total fund balances	<u>28,736,001</u>	<u>964,306</u>	<u>5,656,644</u>	<u>35,356,951</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 30,512,651</u>	<u>\$ 1,528,518</u>	<u>\$ 6,069,899</u>	<u>\$ 38,111,068</u>

**Person County, North Carolina**

Exhibit 3 (Cont)

**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**

June 30, 2019

Ending fund balance for Governmental Funds	\$	35,356,951
Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		49,330,068
Net pension asset - Register of Deeds		57,924
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position		348,686
Deferred inflows of resources for taxes receivable		748,077
Deferred inflows of resources for note receivable		36,709
Pension related deferrals, net		4,598,680
OPEB related deferrals, net		3,017,906
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued interest payable		(73,633)
General Obligation Bonds		(1,980,334)
Installment purchases		(10,029,104)
Capital lease		(896,640)
Accrued post-closure care costs		(69,961)
Compensated absences		(1,105,295)
Net pension liability - LGERS		(5,839,757)
Net pension liability - LEOSSA		(1,519,755)
Other postemployment benefits		(7,336,024)
	\$	<u>64,644,498</u>

**Person County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**

**Exhibit 4**

For the fiscal year ended June 30, 2019

	<b>Major</b>		<b>Non-Major</b>	
		<b>Person Industries Community Rehabilitation Program and Material Recovery Facility Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>General Fund</b>			
<b>REVENUES</b>				
Ad valorem taxes	\$ 32,673,488	\$ -	\$ 377,526	\$ 33,051,014
Local options sales taxes	8,701,260	-	-	8,701,260
Other taxes and licenses	210,388	-	-	210,388
Fees	596,492	-	-	596,492
Intergovernmental	8,535,384	505,499	1,227,398	10,268,281
Investment earnings	545,804	20,034	101,875	667,713
Charges for services	4,538,890	1,880,138	-	6,419,028
Other	898,783	7,157	4,766	910,706
Total revenues	<u>56,700,489</u>	<u>2,412,828</u>	<u>1,711,565</u>	<u>60,824,882</u>
<b>EXPENDITURES</b>				
Current:				
General government	6,655,472	-	140,655	6,796,127
Public safety	12,966,100	-	1,359,760	14,325,860
Transportation	1,212,589	-	-	1,212,589
Human services	12,349,600	2,331,546	-	14,681,146
Environmental protection	115,375	511,679	-	627,054
Economic and physical development	805,270	-	339,480	1,144,750
Cultural and recreational	1,883,322	-	-	1,883,322
Intergovernmental:				
Education	10,779,335	-	-	10,779,335
Capital outlay	2,043,623	7,483	5,886,377	7,937,483
Debt service:				
Principal	1,658,120	-	226,798	1,884,918
Interest and other charges	435,109	-	129,197	564,306
Total expenditures	<u>50,903,915</u>	<u>2,850,708</u>	<u>8,082,267</u>	<u>61,836,890</u>
Excess (deficiency) of revenues over expenditures	<u>5,796,574</u>	<u>(437,880)</u>	<u>(6,370,702)</u>	<u>(1,012,008)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	40,000	481,293	2,983,115	3,504,408
Transfers to other funds	(3,868,983)	-	(40,000)	(3,908,983)
Debt proceeds	776,086	-	-	776,086
Sale of capital assets	23,577	-	-	23,577
Total other financing sources and uses	<u>(3,029,320)</u>	<u>481,293</u>	<u>2,943,115</u>	<u>395,088</u>
Net change in fund balances	2,767,254	43,413	(3,427,587)	(616,920)
Fund balances-beginning	<u>25,968,747</u>	<u>920,893</u>	<u>9,084,231</u>	<u>35,973,871</u>
Fund balances-ending	<u>\$ 28,736,001</u>	<u>\$ 964,306</u>	<u>\$ 5,656,644</u>	<u>\$ 35,356,951</u>

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

**Person County, North Carolina**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**

**Exhibit 4 (Cont.)**

For the fiscal year ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ (616,920)
---	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures which were capitalized	6,475,067	
Depreciation expense for governmental assets	(4,352,233)	
Basis of assets disposed of	<u>(188,908)</u>	1,933,926

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

1,135,736

Expenses related to compensated absences, other postemployment benefits, net pension obligation, and pension expense that do not require current financial resources are not reported as expenditures in the governmental funds statement.

12,694

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 the governmental funds.

33,939

Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

584,919

The issuance of revolving loans consumes current financial resources of governmental funds, while the repayment of the principal of the note receivable provides current financial resources to governmental funds. Neither transaction has any effect on net position. This amount is the amount that the issuance of the note exceeds the principal repayment.

(4,766)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

(65,683)

Total changes in net position of governmental activities

\$ 3,013,845

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

**Person County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Budget and Actual - General Fund**

**Exhibit 5**

For the fiscal year ended June 30, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget-- Positive (Negative)</b>
<b>REVENUES</b>				
Ad valorem taxes	\$ 31,742,400	\$ 31,742,400	\$ 32,673,488	\$ 931,088
Local option sales taxes	8,215,000	8,215,000	8,701,260	486,260
Other taxes and licenses	347,000	407,000	210,388	(196,612)
Fees	469,700	469,700	596,492	126,792
Intergovernmental	8,532,467	9,200,349	8,535,384	(664,965)
Investment earnings	100,650	335,310	545,804	210,494
Charges for services	4,242,054	4,275,834	4,538,890	263,056
Other	416,819	813,337	898,783	85,446
Total revenues	<u>54,066,090</u>	<u>55,458,930</u>	<u>56,700,489</u>	<u>1,241,559</u>
<b>EXPENDITURES</b>				
Current:				
General government	7,539,541	7,337,854	6,713,789	624,065
Public safety	13,328,861	15,186,552	14,164,190	1,022,362
Transportation	1,084,197	1,249,430	1,212,589	36,841
Human services	14,106,067	14,833,824	12,399,348	2,434,476
Environmental protection	141,583	182,962	116,221	66,741
Economic and physical development	900,306	976,015	805,270	170,745
Cultural and recreational	1,806,864	1,924,336	1,883,322	41,014
Contingency	950,839	366,466	-	366,466
Intergovernmental:				
Education	11,432,227	11,825,401	11,471,004	354,397
Debt service:				
Principal retirement	1,677,456	1,677,456	1,658,120	19,336
Interest and other charges	442,851	442,851	435,109	7,742
Total expenditures	<u>53,410,792</u>	<u>56,003,147</u>	<u>50,858,962</u>	<u>5,144,185</u>
Revenues over (under) expenditures	<u>655,298</u>	<u>(544,217)</u>	<u>5,841,527</u>	<u>6,385,744</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	-	40,000	40,000	-
Transfers to other funds	(4,041,931)	(4,208,982)	(3,868,983)	339,999
Sale of capital assets	16,500	29,192	23,577	(5,615)
Debt proceeds	776,086	776,086	776,086	-
Total other financing sources (uses)	<u>(3,249,345)</u>	<u>(3,363,704)</u>	<u>(3,029,320)</u>	<u>334,384</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,594,047)</u>	<u>(3,907,921)</u>	<u>2,812,207</u>	<u>6,720,128</u>
<b>APPROPRIATED FUND BALANCE</b>	<u>2,594,047</u>	<u>3,907,921</u>	<u>-</u>	<u>(3,907,921)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,812,207</u>	<u>\$ 2,812,207</u>
Fund balances-beginning			25,494,322	
Fund balances-ending			<u>\$ 28,306,529</u>	
Legally budgeted Tax Reappraisal expenditures have been consolidated into the General Fund for reporting purposes:				
Expenditures			(44,953)	
Fund balance-beginning			474,425	
Fund balance-ending			<u>\$ 28,736,001</u>	

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

**Person Industries Community Rehabilitation Program and Material Recovery Facility Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

For the fiscal year ended June 30, 2019

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>REVENUES</b>				
Intergovernmental Revenues				
Adult vocation and rehabilitation program	\$ 415,366	\$ 415,366	\$ 350,563	\$ (64,803)
ROAP Transportation	19,297	19,270	19,270	-
NC DENR Grant	-	5,465	5,465	-
White goods disposal tax	13,000	13,000	16,376	3,376
Scrap tire disposal tax	55,000	55,000	55,485	485
Electronics management tax	3,200	3,200	2,491	(709)
Solid waste disposal tax	27,000	53,429	55,849	2,420
Total intergovernmental revenues	532,863	564,730	505,499	(59,231)
Charge for services				
Sales	1,900,000	1,900,000	1,204,428	(695,572)
Medicaid	579,000	579,000	507,021	(71,979)
Transportation	20,000	20,000	15,807	(4,193)
Local services	49,520	49,520	49,664	144
Recycling fee	25,000	25,000	50,000	25,000
Recycling sales	77,500	77,500	53,218	(24,282)
Total charge for services	2,651,020	2,651,020	1,880,138	(770,882)
Investment earnings	3,100	3,100	20,034	16,934
Other revenues				
Donations and miscellaneous	6,200	8,062	7,157	(905)
Total revenues	3,193,183	3,226,912	2,412,828	(814,084)
<b>EXPENDITURES</b>				
Human Services				
Personnel expenditures			1,282,549	
Operating expenditures			1,048,997	
Total	3,004,578	3,079,389	2,331,546	747,843
Environmental protection-recycling				
Personnel expenditures			347,231	
Operating expenditures			164,448	
Capital outlay			7,483	
Total	610,439	661,582	519,162	142,420
Total expenditures	3,615,017	3,740,971	2,850,708	890,263
Excess (deficiency) of revenues over expenditures	(421,834)	(514,059)	(437,880)	76,179
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General Fund	421,834	481,293	481,293	-
Total other financing sources	421,834	481,293	481,293	-
Excess (deficiency) of revenues and other sources over expenditures	-	(32,766)	43,413	76,179
<b>APPROPRIATED FUND BALANCE</b>	-	32,766	-	(32,766)
Excess (deficiency) of revenues, other financing sources balance over expenditures	\$ -	\$ -	43,413	\$ 43,413
Fund balance beginning of year			920,893	
Fund balance end of year			\$ 964,306	

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

**Person County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**

**Exhibit 7**

June 30, 2019

	<b>Non-Major Enterprise Fund Stormwater Fund</b>	<b>Internal Service Fund Insurance Fund</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 509,210	\$ 1,022,881
Receivables	19,354	62,431
Total current assets	<u>528,564</u>	<u>1,085,312</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	\$ 503	\$ 736,626
Total current liabilities	<u>503</u>	<u>736,626</u>
Total liabilities	<u>503</u>	<u>736,626</u>
<b>Net Position</b>		
Unrestricted	528,061	348,686
Total net position	<u>\$ 528,061</u>	<u>\$ 348,686</u>

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

**Person County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**

**Exhibit 8**

For the fiscal year ended June 30, 2019

	<b>Non-Major Enterprise Fund Stormwater Fund</b>	<b>Internal Service Fund Insurance Fund</b>
<b>Operating revenues</b>		
Charges for services	\$ 278,791	\$ 3,391,836
Miscellaneous income	-	415,558
Total operating revenues	<u>278,791</u>	<u>3,807,394</u>
<b>Operating expenses</b>		
Professional services	7,408	-
Dues and subscriptions	83,210	-
Stormwater administration	75,894	-
Health insurance administration	-	3,639,977
Other operating expenses	2,084	-
Total operating expenses	<u>168,596</u>	<u>3,639,977</u>
Operating income	<u>110,195</u>	<u>167,417</u>
<b>Nonoperating revenues (expenses)</b>		
Interest earnings	2,208	12,927
Total nonoperating revenue (expenses) - net	<u>2,208</u>	<u>12,927</u>
Income (loss) before transfers	<u>112,403</u>	<u>180,344</u>
<b>Transfers</b>		
Transfer from General fund	-	404,575
Change in net position	112,403	584,919
Total net position, beginning	415,658	(236,233)
Total net position, ending	<u>\$ 528,061</u>	<u>\$ 348,686</u>

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



**Person County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**

**Exhibit 9**

For the fiscal year ended June 30, 2019

	<b>Non-Major</b>	
	<b>Enterprise Fund</b>	<b>Internal Service Fund</b>
	<b>Stormwater Fund</b>	<b>Insurance Fund</b>
<b>Cash flows from operating activities</b>		
Cash received from customers	\$ 300,370	\$ 3,794,585
Cash paid for goods and services	(173,752)	(3,674,860)
Net cash provided by operating activities	126,618	119,725
<b>Cash flows from noncapital financing activities</b>		
Transfers in	-	404,575
<b>Cash flows from investing activities</b>		
Interest on investments	2,208	12,927
Net increase in cash and cash equivalents	128,826	537,227
<b>Cash and cash equivalents</b>		
Beginning of year, July 1	380,384	485,654
End of year, June 30	\$ 509,210	\$ 1,022,881
<b>Reconciliation of operating income to net cash provided by operating activities:</b>		
Operating income (loss)	\$ 110,195	\$ 167,417
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Changes in assets and liabilities:		
Accounts receivable	21,579	(12,809)
Accounts payable and accrued liabilities	(5,156)	(34,883)
Total adjustments	16,423	(47,692)
Net cash provided by operating activities	\$ 126,618	\$ 119,725

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

**Person County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**

**Exhibit 10**

June 30, 2019

	<b>Agency Funds</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 220,697
Taxes receivables	204,962
Due from Person County	118,043
Total assets	<u>\$ 543,702</u>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 214,803
Due to individuals	68,609
Due to inmates	13,494
Due to 4H	41,834
Due for taxes receivable	204,962
Total liabilities	<u>\$ 543,702</u>

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

# Notes to the Financial Statements

**This section contains the notes to the financial statements. These notes are an integral part of the financial statements and are necessary for fair financial statement presentation.**

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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**I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. Person County Industrial Facility and Pollution Control Financing Authority (the "Authority") exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the basic financial statements. The Person County ABC Board (the "ABC Board") and the Person County Tourism Development Authority (the "PCTDA"), which have a June 30 year-end, are presented as if they are separate proprietary funds of the County (discrete presentation).

<b>Component Unit</b>	<b>Reporting Method</b>	<b>Criteria for Inclusion</b>	<b>Separate Financial Statements</b>
Person County Industrial Facility and Pollution Control Financing Authority	Discrete	Person County appoints all seven members of the governing board of the Authority. The County can remove any member of the Authority with or without cause.	None issued.
Person County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Person County ABC Board 712 North Madison Boulevard Roxboro, NC 27573
Person County Tourism Development Authority	Discrete	The PCTDA is fiscally dependent on the County. The PCTDA is funded by occupancy tax levied pursuant to Session Lay 1997-364, which is collected and administered by the County.	Person County Tourism Development Authority 29 Reams Ave Roxboro, NC 27573

**B. Basis of Presentation, Basis of Accounting**

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

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government net position of Person County (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. However, any interfund services provided and used are not eliminated in the process of consolidation. 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.

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

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

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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

The County reports the following major governmental funds:

*General Fund:* This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes. For statement presentation, the Tax Revaluation Fund is consolidated in the General Fund.

*Person Industries Community Rehabilitation Program and Material Recovery Facility Fund:* This special revenue fund accounts for revenues and expenditures generated from Person Industries, Inc., a community rehabilitation program and the Material Recovery Facility.

The County reports the following internal service fund:

*Insurance Fund:* This fund is used to account for the accumulation and allocation of costs associated with the County's self-insured group health insured program.

The County maintains fourteen legally budgeted non-major funds.

The County reports the following non-major fund types:

*Special Revenue Funds:* Special Revenue Funds account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains seven Special Revenue Funds within its non-major governmental fund types: Fire Tax District Fund, Emergency Telephone System Fund, Revolving Loan Fund, Economic Catalyst Fund, Water and Sewer Construction Reserve Fund, Museum Trust Fund, and the Mattie Maude Williams Library Development Trust Fund.

*Capital Project Funds:* Capital Project Funds account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds). Currently, the County maintains seven Capital Project Funds within its non-major governmental fund types: Airport Capital Projects Fund, Capital Improvement Projects Fund, CDBG Fund, Person County Recycling Center & Various Roofing Improvements Capital Projects Fund, Roxplex & Various Improvements Fund, Public Safety Towers and Broadband Fund, and Old Helena School Improvement.

The County reports the following non-major enterprise fund:

*Stormwater Fund:* This fund accounts for the operations of the County's stormwater activities.

The County reports the following fiduciary fund types:

*Agency Funds:* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following Agency Funds: the Person County Tourism Development Authority, which accounts for the expenditures of occupancy tax received from the County; the Social Services Trust Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Sheriff's Executions and Commissions Fund, which accounts for collections by the Sheriff of small claims remitted to the Clerk of Court and collection of commissions remitted to the County Finance Director; the City of Roxboro Property and Vehicle Tax Fund, which accounts for property taxes that are billed and collected by the County for the City of Roxboro; the Inmates Fund, which accounts for moneys deposited with the Sheriff's Department on behalf of inmates held in the Person County jail; the Fines and Forfeitures which accounts for fines and forfeitures received from the Clerk of Court; the 4-H Program Fund which accounts for moneys to be spent for future 4-H programs and is combined with the Fines and Forfeiture fund for reporting purposes.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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

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

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

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

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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 all 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 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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, Special Revenue (excluding the Museum Trust and Mattie Maude Williams Library Development Trust Fund), Internal Service Funds, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Fund.

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. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**1. Deposits and Investments**

All deposits of the County and its component units are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and its component units may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and its component units 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 its component units 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).

The majority of the County, the PCTDA and the ABC Board's investments are carried at fair value. The NC Capital Management Trust Government Portfolio, a SEC-registered (2a-7) external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value.

**2. Cash and Cash Equivalents**

The County pools 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. The PCTDA's deposits are pooled with the County. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

**3. Restricted Assets**

The unexpended debt proceeds are classified as restricted assets in the capital projects funds because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Reappraisal Fund, the Register of Deeds Technology Fund, and the Law Enforcement Restricted Fund are classified as restricted assets because their use is restricted per North Carolina General Statute 153A-150.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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Restricted cash at June 30, 2019 consisted of the following:

Governmental activities:

General Fund	Tax Revaluation	\$ 623,506
General Fund	Information Technology	91,463
General Fund	Register of Deeds	39,856
General Fund	Law Enforcement	93,745
General Fund	LEOSSA Pension	345,801
PC Recycling Center and Various Roofing		
Improvements Capital Projects Fund	Unexpended Debt Proceeds	121,668
Public Safety Tower and Broadband Fund	Unexpended Debt Proceeds	271,010
Airport Capital Projects	Airport Construction	1,633,622
Emergency Telephone System Fund	Public Safety	81,525
Total restricted cash		<u>\$ 3,302,196</u>

#### 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. These 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, 2017. Ad valorem tax revenues are reported in the County's General Fund.

#### 5. Allowances for Doubtful Accounts

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

#### 6. Inventories and Prepaid Items

The inventory of the ABC Board is valued at cost (first-in, first-out), which approximates market. The inventory of the ABC Board consists of goods held for resale. The cost of the inventory carried for the ABC Board is recorded as an expense as it is sold.

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 and expensed as the items are used in accordance with the consumption method.

#### 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. The County defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than two years. 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 Person County Board of Education properties that have 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.



**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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

	<u>Years</u>
Buildings	50
Infrastructure	15-20
Improvements	5-25
Equipment	3-25

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

	<u>Years</u>
Buildings	30-40
Store Equipment	5-25
Office Furniture and Fixtures	5-20
Vehicles	5

Property, plant, and equipment of the ABC Board are recorded at original cost at the time of acquisition. Depreciation of all exhaustible capital assets used by proprietary funds is charged as an expense of operations. Capital assets are recorded net of accumulated depreciation on the ABC Board balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method.

#### **8. Deferred Outflows/Inflows of Resources**

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

#### **9. Long-Term Obligations**

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

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

#### **10. Compensated Absences**

The vacation policy of the County provides for the accumulation of up to 12 days annual leave per year for the first five years of employment and up to 21 days per year after twenty years. Annual leave fully vests when earned. Employees may accumulate up to thirty (30) days earned vacation leave. Accumulated leave earned in excess of 30 days for any calendar year converts to sick leave at the end of the calendar year. For the County, the current portion of the accumulated vacation pay is not considered to be material. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the government-wide fund financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated to approximately the same amount as the previous year's leave taken.

The sick leave policy of the County provides for the accumulation of up to 12 days per year. There is no limit on the accumulation of sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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The ABC Board's vacation policy depending on the length of service, employees may earn a maximum of three weeks' vacation per year, with the option to carry forward a maximum of one week per year. Any unused vacation over the one week carry over allowance at December 31 is forfeited. Vacation not taken at time of retirement may be used in determination of length of service for retirement benefit purposes.

The sick leave policies for the ABC Board allow employees to accumulate unlimited days of sick leave. Sick leave does not vest, but any accumulated sick leave at the time of retirement may also be used in determination of length of service for retirement benefit purposes.

Since the Board has no obligation for vacation or sick leave benefits until actually taken, no accrual for these benefits has been made.

The vacation policy of the TDA provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The sick leave policy of the Authority provided for an unlimited accumulation of earned sick leave prior to fiscal year 2015. Since fiscal year 2015, earned sick leave no longer vests and is limited to a carryover of 120 hours per year.

## **11. Net Position/Fund Balances**

### **Net Position**

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

### **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.

Prepaids-portion of fund balance that is not an available resource because it represents the year-end balance of prepaids, which are not spendable resources.

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

Restricted for Stabilization of State Statute - portion of fund balance that is restricted by State Statute [G.S. 159-8(a)].

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

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for local law enforcement agencies to pay and account for purchases under the guidelines set forth by state and federal agencies and for establishing and maintaining electronic capacity to determine the location of an emergency when citizens call 911 which will allow emergency services to more quickly and accurately respond.

Restricted for Culture and Recreation - portion of fund balance that is restricted by the terms and direction of a Will and Testament for the sole purpose of the continued development of the Person County Public Library.

Restricted for Environmental Protection - portion of fund balance that is restricted by revenue source for the operation of a material recycling facility.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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Restricted for Human Services - portion of fund balance that is restricted by revenue source for the operation of Person Industries, a community rehabilitation program.

Restricted for Capital Projects - portion of fund balance that is restricted by revenue source and debt proceeds for construction projects of the Person County Executive Airport and the renovation of County properties.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by resolution of Person County's Board of Commissioners (highest level of decision-making authority). Any changes or removal of specific purposes requires resolution by the Board of Commissioners.

Committed for Tax Reappraisal - portion of fund balance committed by the Board for the cost of the reappraisal process for taxable property.

Committed for Economic Development - portion of fund balance committed by the Board for the purposes of loaning funds to small business enterprises to assist in their growth and expansion through the Revolving Loan Program.

Committed for Environmental Protection - portion of fund balance held in reserve for future water and sewer extensions through the Water and Sewer Construction Reserve Projects.

Committed for Public Safety – portion of fund balance held in reserve for future capital expenditures for volunteer fire departments and rescue squads.

Committed for LEOSA pension obligation – portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance Obligations.

Committed for Capital Projects - portion of fund balance committed by the Board relative to capital improvement projects for the County.

Assigned Fund Balance - portion of fund balance that the Person 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 manager to transfer appropriations within the same functional areas of the same fund without limitation and without a report to the Board of Commissioners; the manager is also authorized by the budget ordinance to transfer amounts up to \$10,000 between functional areas of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.

Unassigned Fund Balance - Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The General Fund is the only fund that reports positive unassigned fund balance amount. Other governmental funds may have a negative unassigned fund balance if expenditures incurred for specific purposes exceed the amounts that are restricted for those purposes.

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

Person County also has within their adopted resolution for the County Capital Reserve Fund a section on the Board's intent to maintain a minimum fund balance target for the General Fund so that available fund balance is at least equal to or greater than 18% of expenditures. Any portion of the General Fund balance in excess of 21% of expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS), the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Special Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans") and one other postemployment benefit plan (OPEB). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and 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. Detail Notes On All Funds**

**A. Assets**

**1. Deposits**

All of the County's, the ABC Board's and the PCTDA'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 ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County the ABC Board and the PCTDA, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board or the PCTDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County the ABC Board or the PCTDA 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 County the ABC Board and the PCTDA do not have policies regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the ABC Board and the PCTDA 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 ABC Board and PCTDA have no formal policy regarding custodial credit risk for deposits.

At June 30, 2019, the County's deposits had a carrying amount of \$2,222,914 and a bank balance of \$2,591,037. Of the bank balance, \$814,431 was covered by federal depository insurance and \$1,776,606 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2019, Person County had \$4,863 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2019, the Person County ABC Board's deposits had a carrying amount of \$739,234 and a bank balance of \$710,761. Of this balance, \$250,000 was covered by federal depository insurance. The balance in excess of FDIC coverage is covered by the Pooling Method of collateralization. At June 30, 2019 the Person County ABC Board also had cash on hand in the amount of \$2,500.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
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**2. Investments**

At June 30, 2019, the County had the following investments and maturities:

<b>Investment Type</b>	<b>Valuation Measurement Method</b>	<b>Fair Value</b>	<b>Less than 6 Months</b>
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 19,556,619	N/A
NC Capital Management Trust - Term Portfolio	Fair Value - Level 1	12,073,896	12,073,896
<b>Total</b>		<b>\$ 31,630,515</b>	<b>\$ 12,073,896</b>

\* Because the NC Capital Management Trust Term Portfolio had duration of 0.3 years, it was presented as an investment with a maturity of less than 6 months.

At June 30, 2019, the PCTDA had the following investments and maturities:

<b>Investment Type</b>	<b>Measurement Method</b>	<b>Fair Value</b>	<b>6 Months</b>
NC Capital Management Trust - Government Portfolio	Amortized Cost	\$ 55,032 *	N/A
<b>Total</b>		<b>\$ 55,032</b>	<b>\$ -</b>

\* This amount is held in trust by the County and is included in the County's Agency Fund.

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

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

*Interest Rate Risk.* The County has no policy on interest rate risk. However, as a means of limiting the County's exposure to fair value losses arising from rising interest rates, investments are limited to at least half of the County's investment portfolio to maturities of less than 12 months. The attempt is made to stagger maturity dates and limit all securities to a final maturity of no more than 3 years. As of June 30, 2019, the County has no investments that exceed a maturity of one year due to the existence of a low interest rate environment. If rates begin to improve, it is anticipated that there will be a more aggressive attempt to diversify the County's assets to achieve the maximum return on investment.

*Credit Risk.* The County has no policy on credit risk. However, investments are limited 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, 2019, the County has no investments in commercial paper. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAm by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

*Custodial Credit Risk.* For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
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**3. Property Tax - Use-Value Assessment on Certain Lands**

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

Year Levied	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 1,960,853	\$ -	\$ 1,960,853
2018	1,867,800	107,399	1,975,199
2017	1,840,796	271,517	2,112,313
2016	1,812,036	430,359	2,242,395
Total	<u>\$ 7,481,485</u>	<u>\$ 809,275</u>	<u>\$ 8,290,760</u>

**4. Receivables**

Receivables at the government-wide level at June 30, 2019, were as follows:

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 3,803,150	\$ 941,354	\$ 4,744,504
Person industries community rehabilitation program and material recovery facilities fund	402,644	-	402,644
Non-major funds	339,726	-	339,726
Internal service fund	62,431	-	62,431
Total receivables	<u>4,607,951</u>	<u>941,354</u>	<u>5,549,305</u>
Less: allowance for doubtful accounts	-	193,277	193,277
Total governmental activities	<u>\$ 4,607,951</u>	<u>\$ 748,077</u>	<u>\$ 5,356,028</u>
Business-type activities			
Stormwater	<u>\$ 19,354</u>	<u>\$ -</u>	<u>\$ 19,354</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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**5. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2019, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 4,154,946	\$ 32,601	\$ -	\$ 4,187,547
Construction in progress	2,321,525	3,692,268	106,431	5,907,362
Total capital assets not being depreciated	<u>6,476,471</u>	<u>3,724,869</u>	<u>106,431</u>	<u>10,094,909</u>
Capital assets being depreciated				
Buildings	37,294,402	-	-	37,294,402
Improvements	18,032,220	870,628	-	18,902,848
Equipment	15,500,795	1,986,001	610,951	16,875,845
Infrastructure	12,138,777	-	-	12,138,777
Total capital assets being depreciated	<u>82,966,194</u>	<u>2,856,629</u>	<u>610,951</u>	<u>85,211,872</u>
Less accumulated depreciation for:				
Buildings	13,122,690	1,900,258	-	15,022,948
Improvements	6,929,087	777,399	-	7,706,486
Equipment	10,920,655	1,352,022	422,043	11,850,634
Infrastructure	11,074,091	322,554	-	11,396,645
Total accumulated depreciation	<u>42,046,523</u>	<u>\$ 4,352,233</u>	<u>\$ 422,043</u>	<u>45,976,713</u>
Total capital assets being depreciated, net	<u>40,919,671</u>			<u>39,235,159</u>
Governmental activities capital assets, net	<u>\$ 47,396,142</u>			<u>\$ 49,330,068</u>

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

General government	\$ 2,836,945
Public safety	325,600
Transportation	403,486
Human services	37,096
Environmental Protection	31,569
Economic and physical development	1,612
Cultural and recreation	68,122
Education	647,803
Total depreciation expense	<u>\$ 4,352,233</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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**Construction commitments**

As of June 30, 2019, the County has active contracts for engineering services and construction contracts for projects associated with the Airport, Person County Recycling Center, and various re-roofing projects.

<b>Project</b>	<b>Spent-to-date</b>	<b>Remaining Commitment</b>
General fund	\$ 339,552	\$ -
Airport Construction Projects	2,117,601	484,214
CIP	66,700	1,155,490
Waterline Extension Project	66,700	1,337,342
Public Safety Towers	1,214,126	41,876
Roplex & Roofing	12,025	8,275
Total	<u>\$ 3,816,704</u>	<u>\$ 3,027,197</u>

**Discretely presented component units**

Activity for the ABC Board for the year ended June 30, 2019, was as follows:

	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
Capital assets not being depreciated				
Land	\$ 34,188	\$ 154,576	\$ -	\$ 188,764
Construction in progress	-	59,475	-	59,475
Total capital assets not being depreciated	<u>34,188</u>	<u>214,051</u>	<u>-</u>	<u>248,239</u>
Capital assets being depreciated				
Buildings	154,182	-	-	154,182
Office furniture and fixtures	15,156	-	-	15,156
Store equipment	99,282	12,993	-	112,275
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	<u>285,202</u>	<u>12,993</u>	<u>-</u>	<u>298,195</u>
Less accumulated depreciation for:				
Buildings	110,636	6,761	-	117,397
Office furniture and fixtures	14,111	1,045	-	15,156
Store equipment	95,880	3,911	-	99,791
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	<u>237,209</u>	<u>\$ 11,717</u>	<u>\$ -</u>	<u>248,926</u>
Total capital assets being depreciated, net	<u>47,993</u>			<u>49,269</u>
ABC capital assets, net	<u>\$ 82,181</u>			<u>\$ 297,508</u>



**Person County, North Carolina**  
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**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2019, were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities				
General	\$ 726,355	\$ 73,633	\$ 25,314	\$ 825,302
Person industries community rehabilitation program and material recovery facilities fund	84,968	-	-	84,968
Non-major funds	376,546	-	-	376,546
Internal service funds	736,626	-	-	736,626
Total governmental activities	<u>\$ 1,924,495</u>	<u>\$ 73,633</u>	<u>\$ 25,314</u>	<u>\$ 2,023,442</u>
Business-type activities				
Stormwater	<u>\$ 503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 503</u>

**2. Pension Plan and Other Postemployment Obligations**

**a. Local Governmental Employees' Retirement System**

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

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

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor

**Person County, North Carolina**  
**Notes to the Financial Statements**  
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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, 2019, was 8.25% of covered payroll for law enforcement officers and 7.5% for general employees and firefighters. These were greater than the actuarially determined contributions rates of 7.84% for law enforcement officers and 6.25% for general employees and firefighters. Contributions to the pension plan from the County were \$1,325,452 for the year ended June 30, 2019.

*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, 2019, the County reported a liability of \$5,839,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was .246%, which was a decrease of .005% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$1,623,314. At June 30, 2019, 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	\$ 900,936	\$ 30,231
Changes of assumptions	1,549,646	-
Net difference between projected and actual earnings on pension plan investments	801,625	-
Changes in proportion and differences between County contributions and proportionate share of contributions	10,684	48,917
County contributions subsequent to the measurement date	1,325,452	-
Total	<u>\$ 4,588,343</u>	<u>\$ 79,148</u>

**Person County, North Carolina**  
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\$1,325,452 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$	1,547,547
2021		997,195
2022		177,591
2023		461,410
	\$	<u>3,183,743</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

The plan 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension liability to changes in the discount rate.* The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease 6.00%	Discount Rate 7.00%	1% Increase 8.00%
County's proportionate share of the net pension liability (asset)	\$ 14,027,602	\$ 5,839,757	\$ 1,002,135

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

## **b. Law Enforcement Officers' Special Separation Allowance**

### **1. Plan Description**

Person 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 .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of NCGS Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

**Person County, North Carolina**  
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All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Retirees receiving benefits	
Inactive members currently receiving benefits	4
Active plan members	47
Total	51

## **2. Summary of Significant Accounting Policies**

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

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

## **3. Actuarial Assumptions**

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.64 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

## **4. Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$106,811 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, 2019, the County reported a total pension liability of \$1,519,755. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$110,700.

**Person County, North Carolina**  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 26,798
Changes of assumptions	63,014	66,116
County benefit payments and plan administrative expense made subsequent to the measurement date	106,811	-
Total	<u>\$ 169,825</u>	<u>\$ 92,914</u>

\$106,811 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (5,939)
2021	(5,939)
2022	(5,939)
2023	(4,251)
2024	(7,832)
	<u>\$ (29,900)</u>

*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 3.64 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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease 2.64%	Discount Rate 3.64%	1% Increase 4.64%
Total pension liability	\$ 1,645,926	\$ 1,519,755	\$ 1,403,426

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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

**c. Supplemental Retirement Income Plan for Law Enforcement Officers and Other 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 law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report

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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. The County has elected to contribute monthly 5 percent of each employee's salary for permanent full-time employees not engaged in law enforcement, and all amounts contributed are vested immediately. Also, the law enforcement officers and other employees may make voluntary contributions to the plan.

The County contributed \$836,530 for the reporting year. No amounts were forfeited.

**d. Registers of Deeds' Supplemental Pension Fund**

*Plan Description.* Person 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://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 \$2,878 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$57,924 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018, the County's proportion was .349%, which was an increase of .004% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$11,568. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Person County, North Carolina**  
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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 511	\$ 2,644
Changes of assumptions	2,724	-
Net difference between projected and actual earnings on pension plan investments	9,233	-
Changes in proportion and differences between County contributions and proportionate share of contributions	601	729
County contributions subsequent to the measurement date	2,878	-
Total	<u>\$ 15,947</u>	<u>\$ 3,373</u>

\$2,878 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, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ 5,209
2021	332
2022	2,721
2023	1,434
	<u>\$ 9,696</u>

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and



**Person County, North Carolina**  
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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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that 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 3.75 percent, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease 2.75%	Discount Rate 3.75%	1% Increase 4.75%
County's proportionate share of the net pension liability (asset)	\$ (45,760)	\$ (57,924)	\$ (68,258)

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2018 with an actuarial valuation date of December 31, 2017.

**Person County, North Carolina**  
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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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$5,839,757	\$ (57,924)	n/a	\$5,781,833
Proportion of the Net Pension Liability (Asset)	0.24616%	(0.34972%)	n/a	
Total Pension Liability	-	-	\$1,519,755	\$1,519,755
Pension Expense	\$1,623,314	\$ 11,568	\$ 110,700	\$1,745,582

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 900,936	\$ 511	\$ -	\$ 901,447
Changes of assumptions	1,549,646	2,724	63,014	1,615,384
Net difference between projected and actual earnings on pension plan investments	801,625	9,233	-	810,858
Changes in proportion and differences between County contributions and proportionate share of contributions	10,684	601	-	11,285
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,325,452	2,878	106,811	1,435,141
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 30,231	\$ 2,644	\$ 26,798	\$ 59,673
Changes of assumptions	-	-	66,116	66,116
Changes in proportion and differences between County contributions and proportionate share of contributions	48,917	729	-	49,646

**Person County, North Carolina**  
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**f. Other Postemployment Benefits**

Under the terms of a County resolution, the County administers the Healthcare Benefits Plan (the HCB Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) 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. Retirees hired prior to July 1, 2007 receive the same benefits as active employees. The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. As of July 1, 2007, the plan has been closed to new entrants. The plan, which has a June 30, 2019 year end, does not issue a stand-alone report. The County provides a portion of the total cost for individual coverage for retirees based on the guidelines below:

<u>Years of Service at Retirement</u>	<u>County Contribution</u>
30 or more	100%
25 but less than 30	75%
20 but less than 25	50%
Less than 20	Not eligible

The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership under this current plan consisted of the following at December 31, 2017, the date of the latest actuarial valuation:

Inactive members currently receiving benefits	29
Active plan members	<u>363</u>
Total	<u><u>392</u></u>

*Benefits Provided:* The County pays the full cost of coverage for the healthcare benefits paid to qualified retirees under a County resolution that can be amended by the County Board of Commissioners. The County doesn't offer the option for dependent coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

**Total OPEB Liability**

The County's total OPEB liability of \$7,336,024 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs.* The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	1.00%
Wage inflation	3.50%
Salary increases	3.5-7.75%
Municipal bond index	
Prior measurement date	3.56%
Measurement date	3.89%
Health care cost trends	7.50% for 2017 decreasing to 5.0% by 2023

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

**Person County, North Carolina**  
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The actuarial assumptions used in the December 31, 2017 and December 31, 2018 valuations were based on the results of an actuarial experience study for the period 2010-2014.

**Changes in the Total OPEB Liability**

<b>Balance and July 1, 2018</b>	\$ 7,256,942
Service cost	357,979
Interest	252,125
Differences between expected and actual experience	81,127
Changes of assumptions	(259,495)
Benefit payments	(352,654)
Net change in total OPEB liability	<u>79,082</u>
<b>Balance and June 30, 2019</b>	<u><u>\$ 7,336,024</u></u>

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) or 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease 2.89%	Discount Rate 3.89%	1% Increase 4.89%
Total OPEB liability	\$ 8,153,531	\$ 7,336,024	\$ 6,608,331

*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	Healthcare Cost Trend	1% Increase
Total OPEB liability	\$ 6,379,444	\$ 7,336,024	\$ 8,483,454

**Person County, North Carolina**  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2019, the County recognized OPEB expense of \$540,785. At June 30, 2019, 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
Difference between expected and actual experience	\$ 153,075	\$ -
Changes of assumptions	-	537,591
County benefit payments and plan administrative expense made subsequent to the measurement date	3,402,422	-
Total	<u>\$ 3,555,497</u>	<u>\$ 537,591</u>

\$3,402,422 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2020	\$ (69,819)
2021	(69,819)
2022	(69,819)
2023	(69,819)
2024	(69,819)
Thereafter	(35,421)
	<u>\$ (384,516)</u>

**g. Other Employment Benefits**

Under the terms of a County resolution, the County has elected to provide death benefits to employees through the Death Benefit Plan for members of the LGERS (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 retirement 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 benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to 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.

**Person County ABC Board**

The ABC Board has elected to provide death benefits to employees through the Death Benefit Plan for Members of the LGERS (Death Benefit Plan), a multiple employer, State administered, cost-sharing plan funded on a one year-term basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die 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 month's salary in a row during the 24 months prior to the employee's death, but may not exceed \$50,000 or less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Board has no

**Person County, North Carolina**  
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liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between employment benefit amount and the other benefit amount. The Board considers these contributions to be immaterial.

**3. Closure and Postclosure Care Costs – Person County Sanitary Landfill**

On April 9, 1994, the Person County Sanitary Landfill ceased to accept municipal solid waste (MSW) for burial, began transferring to facilities outside the county and currently, contracts with a private company to accept its MSW for burial at a site within the County. State and federal laws and regulations require the County to place a final cover on the landfill when it stops accepting MSW and to perform certain maintenance and monitoring functions at the site after closure. In 1994 the County accrued \$255,500 estimated for closure and postclosure care costs. The County incurred \$15,999 in post-closure care costs for the year ending June 30, 2019. The \$69,961 reported as Accrued Post-closure Care Costs represents the estimated costs remaining at June 30, 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. This liability was transferred from the Enterprise Fund to the General Fund on June 30, 1998.

The County has met the requirements of a local government financial test that is one option under state and federal laws and regulations that help determine if a unit is financially able to meet closure and postclosure care requirements. The estimated costs are expected to be covered by future tax revenues.

**4. Deferred Outflows and Inflows of Resources**

The County has several sources of deferred outflows of resources. Deferred outflows of resources is comprised of the following:

Source	Amount
Contributions to pension plan in current fiscal year	\$ 1,328,330
Benefit payments and administrative expenses for LEOSA	
made subsequent to measurement date	106,811
Benefit payments and administrative expenses for OPEB	
made subsequent to measurement date	3,402,422
Differences between expected and actual experience	1,054,522
Changes of assumptions	1,615,384
Net difference between projected and actual earnings	
on pension plan investments	810,858
Changes in proportion and differences between employer contributions	11,285
Total	<u>\$ 8,329,612</u>

Deferred inflows of resources at year-end is comprised of the following:

	Statement of Net Position	Balance Sheet
Prepaid taxes (General Fund)	\$ 158,861	\$ 158,861
Taxes Receivable, less penalties (General Fund)	-	748,077
Notes receivable (Person Industries)	-	36,709
Changes in assumptions	603,707	-
Differences between expected and actual experience	59,673	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	49,646	-
Total	<u>\$ 871,887</u>	<u>\$ 943,647</u>

**Person County, North Carolina**  
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**5. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk-financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence; 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 statutory limits.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and 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 \$500,000, up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation.

Through the captive, the Liability and Property Pool is reinsured for \$2,000,000 of annual aggregate losses in excess of \$250,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$498 million purchased through a group of commercial carriers through the multi-state public entity captive.

In accordance with G.S 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere.

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

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

**6. Contingent Liabilities**

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**7. Long-Term Obligations**

**a. Operating Leases**

The County leases certain offices, land, and buildings. Generally, these leases carry renewal provisions. Rent expense for operating leases was \$1,309,748 for the year ended June 30, 2019.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
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The following is a schedule of future minimum lease payments and future minimum rentals to be received under subleases required under these agreements as of June 30, 2019:

<u>Year Ending June 30</u>	<u>Future Minimum Lease Payments</u>
2020	\$ 1,282,877
2021	1,385,395
2022	1,369,048
2023	1,360,493
2024	1,279,262
2025-2029	1,340,783
Total	<u>\$ 8,017,858</u>

Determining whether to lease or buy a facility is at the Commissioners discretion as to which one would be the better future investment. Many factors can influence this decision such as eligible reimbursement costs by the State when leasing a building, maintenance, utility, and other impact costs if buying, advantages/disadvantages of location, and weighing these various items against an adjustable lease payment in the future. Each case would have to be weighed in possibly different ways since each situation is unique depending on the intended use of the building.

**b. Capital Leases**

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

For Person County, the first agreement was executed on April 10, 2014 for the lease of telephone system equipment and requires annual payments over a three year term. Title passes to the County at the end of the lease term. The second agreement was executed on June 29, 2015 for the lease of voting equipment and requires five annual payments of \$49,243.

A master lease agreement was entered into on July 2, 2015 for E-911 equipment. The first set of equipment was received September 9, 2015 and requires quarterly payments of \$36,873 for five years. A second set of equipment was received January 9, 2016 and requires quarterly payments of \$26,483 for five years.

In August 2018, the County entered into a five year lease for three Ambulances. Title of the ambulances passes over the County at the end of the term. Five equal payments of \$155,217.

At June 30, 2019, the County leased equipment valued at:

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 1,901,729	\$ 909,565	\$ 992,164



**Person County, North Carolina**  
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For Person County, the future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Year Ending June 30</u>	
2020	\$ 420,959
2021	184,805
2022	156,769
2023	<u>155,217</u>
Total minimum lease payments	917,750
Less: amount representing interest	<u>21,110</u>
Total	<u>\$ 896,640</u>

**c. Installment Purchases**

***Re-roofing, Paving and Person High School Projects***

On May 16, 2006, the County entered into an installment purchase contract with RBC Centura Bank to finance a portion of the cost of re-roofing, paving and repaving certain school, community college and other public facilities and re-floor the gymnasium and construct new tennis courts at Person High School (Collaterallized by Woodland Elementary School). The financing contract requires a 30 year term with semiannual payments ranging from \$155,106 to \$243,948 beginning on December 1, 2006 and ending on June 1, 2021 including interest at 3.86%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property."

\$ 800,000

***Courthouse Renovation and Re-roofing Capital Project Fund***

On July 15, 2010, the County entered into an installment purchase contract with RBC Centura Bank to finance the engineering and construction costs associated with the renovation of the Courthouse and some various re-roofing for certain school, community college and other public facilities (Collaterallized by Person County Courthouse). The financing contract requires a 20 year term with semi-annual payments ranging from \$153,060 to \$470,380 beginning on February 1, 2011 and ending on August 1, 2020 including a taxable interest rate at 4.08%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

450,000

***Southern Middle School and Person High School Re-roofing Capital Project Fund***

On September 20, 2012, the County entered into an installment purchase contract with BB&T to finance the engineering and construction costs associated with the re-roofing of Southern Middle School and Person High School facilities (Collaterallized by Southern Middle School). The financing contract requires a 15 year term with semi-annual payments ranging from \$106,470 to \$163,920 beginning on February 1, 2013 and ending on August 1, 2027 including a taxable interest rate at 3.93%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

1,775,104

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**c. Installment Purchases, Continued**

***Person County Recycling Center & Various Roofing Improvements Capital Projects Fund***

On November 6, 2014, the County entered into an installment purchase contract with BB&T to finance a portion of the cost of acquisition land improvement of the Person County Recycling Center, the re-roofing of the Earl Bradsher Preschool, and the re-Roofing of the Kirby Civic Auditorium (Collaterallized by Earl Bradsher Preschool). The financing contract requires a 29 year term with semi-annual payments ranging from \$50,700 to \$231,640 beginning on June 1, 2015 and ending on June 1, 2029 including a taxable interest rate at 2.80%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

1,400,000

***Roxplex and Various Improvements Fund***

On February 11, 2016, the County entered into an installment purchase contract with BB&T to finance a portion of the cost of acquisition and improvement of land and facilities of the recreational facilities known as the Roxplex Property; the re-roofing of the South Elementary School, Woodland Elementary School and Oak Lane Elementary School; the replacement of windows at North End Elementary School; the replacement of the chiller equipment at Southern Middle School, and the re-Roofing of the Huck Sansbury Recreation Complex (Collaterallized by North End Elementary School). The financing contract requires a 29 year term with semi-annual payments ranging from \$50,000 to \$147,500 beginning on September 1, 2016 and ending on March 1, 2026 including a taxable interest rate at 2.22%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

1,304,000

***Public Safety Towers & Broadband Fund***

On May 10, 2018, the County entered into an installment purchase contract with BB&T to finance a portion of the improvement of real and personal property at Northern Middle School, Early Intervention & Family Services, Helena Elementary School, Stories Creek Elementary School and South Elementary School (Collaterallized by Northern Middle School). The financing contract requires a 15 year term with semi-annual payments ranging from \$50,878 to \$271,955 beginning on November 1, 2018 and ending on May 1, 2033 including a taxable interest rate at 3.51%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

4,300,000

***Total installment purchases remaining balance***

\$ 10,029,104

**Person County, North Carolina**  
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**d. General Obligation Indebtedness**

Future minimum payments for Installment Purchases:

	<b>Principal</b>	<b>Interest</b>
2020	\$ 1,308,836	\$ 326,173
2021	1,438,836	275,983
2022	1,262,836	229,778
2023	1,103,836	191,865
2024	958,836	158,419
2025 - 2029	3,230,924	392,034
2030 - 2033	725,000	43,656
Total	<u>\$ 10,029,104</u>	<u>\$ 1,617,908</u>

**e. General Obligation Bonds**

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. In the case of default the county would be required to levy additional Ad Valorem Taxes as necessary to pay principal and interest payments when they became due. Principal and interest payments are appropriated when due. As of June 30, 2019, the County's general obligation bonds consist of the following:

***Public Safety Towers & Broadband Fund***

\$2,285,000 2017 Recreation Facilities Bonds due on September 1 and March 1 in 15 installments of \$152,333 through March 1, 2032; interest at 2.59%.

\$ 1,980,334

Future minimum payments for General Obligation Bonds:

	<b>Principal</b>	<b>Interest</b>
2020	\$ 152,333	\$ 51,291
2021	152,333	51,291
2022	152,333	43,400
2023	152,333	39,454
2024	152,333	35,508
2025 - 2029	761,665	118,363
2030 - 2033	457,004	23,672
Total	<u>\$ 1,980,334</u>	<u>\$ 362,979</u>

At June 30, 2019, Person County had a legal debt margin of \$369,287,849.

**f. Debt Related to Capital Activities**

The County holds title to certain County Board of Education properties that have been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. Of the total Governmental

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

Activities debt \$4,416,157 relates to County Board of Education properties to which the County holds title. Restricted cash related to this debt amounts to \$193,739, and is recorded in various non-major capital project funds.

**g. 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, 2019:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
<i>Governmental activities:</i>					
General obligation bonds (direct borrowings)	\$ 2,132,667	\$ -	\$ 152,333	\$ 1,980,334	\$ 152,333
Installment purchases (direct borrowings)	11,357,940	-	1,328,836	10,029,104	1,308,836
Capital leases	551,207	776,086	430,653	896,640	404,869
Accrued post-closure care costs	85,560	-	15,599	69,961	-
Compensated absences	1,135,167	-	29,872	1,105,295	276,324
Net pension liability (LGERS)	3,840,085	1,999,672	-	5,839,757	-
Total pension liability (LEOSSA)	1,526,510	-	6,755	1,519,755	-
Other postemployment benefits	7,256,942	79,082	-	7,336,024	-
	<u>\$ 27,886,078</u>	<u>\$ 2,854,840</u>	<u>\$ 1,964,048</u>	<u>\$ 28,776,870</u>	<u>\$ 2,142,362</u>

Accrued post-closure care costs, net pension liability, total pension liability, other postemployment benefits liability and compensated absences for governmental activities typically have been liquidated in the general fund. Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

**8. Interfund Balances and Activity**

Transfers to/from other fund at June 30, 2019, consist of the following:

From the General Fund to the Person Industries Community Rehabilitation and Recovery Facility Fund to provide resources and payments of ongoing program activities and material recover facility equipment and operations	\$ 481,293
From the General Fund to Non-major Funds to supplement other funding sources and various capital projects	2,983,115
From the General Fund to the Insurance Fund to supplement contributions from employees	404,575
From the Non-major Funds to the General Fund to return funds to the IT Contingency Fund for costs initially transferred for the server expansion project.	40,000
Total	<u>\$ 3,908,983</u>

Transfers are used to move unrestricted revenues to finance various programs that the government must account for in other funds in accordance with budgetary authorizations, including amounts provided matching funds for various grant programs.

Balances due to/from other funds at June 30, 2019, consist of the following:

Due from the Person Industries Community Rehabilitation and Recovery Facility Fund to the General Fund for expenditures and capital equipment debt associated with the startup of the Material Recovery Facility operated by Person Industries	\$ 479,244
Total governmental activities	<u>\$ 479,244</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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Interfund balances result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**9. Net Investment in Capital Assets**

The following schedule provides information on the calculation of the net investment in capital assets:

Net capital assets	\$ 49,330,068
Capital debt calculation:	
Total debt, gross	12,906,078
Less:	
School debt for assets to which the County does not hold title	338,810
Community college debt for assets to which the County does not hold title	28,063
Unexpended proceeds	392,678
Total capital debt	<u>12,146,527</u>
Net investment in capital assets	<u>\$ 37,183,541</u>

**10. Fund Balance**

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

As mentioned earlier in Note I.D.11., Person County also has within their adopted resolution for the County Capital Reserve Fund a section on the Board's intent to maintain a minimum fund balance target for the General Fund so that available fund balance is at least equal to or greater than 18% of expenditures. Any portion of the General Fund balance in excess of 21% of expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

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	\$ 28,736,001
Less:	
Prepays	177,691
Stabilization by State Statute	6,067,770
Appropriated fund balance in 2019 budget	5,900,352
Register of Deeds	39,856
Public Safety	89,375
Tax Reappraisal	623,505
LEOSSA Pension	345,801
Remaining Fund Balance	<u>\$ 15,491,651</u>

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	<i>General Fund</i>	<i>Person Industries</i>	<i>Non-Major Funds</i>
<b>Encumbrances</b>	\$ 1,037,298	\$ 35,317	\$ 263,773

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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**III. Joint Ventures**

The County participates in a joint venture to operate the Hyconeechee Regional Library (Library) with two other local governments. Each participating government appoints three board members to the nine-member board of the Library, one of whom must be a member of the County's Board of Commissioners. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$430,449 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 300 West Tryon Street, Hillsborough, NC 27278.

The County, in conjunction with the State of North Carolina and the Person County Board of Education, participates in a joint venture to operate the Piedmont Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government association serves as a non-voting, ex officio member of the board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,190,900 to the community college for operating purposes during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at 1715 College Drive, Roxboro, NC 27573.

On April 1, 2012 the NC Division of Health and Human Services (DHHS) transferred management of all Medicaid and state funding for Mental Health, Intellectual/Developmental Disabilities, and Substance Abuse from Orange-Person-Chatham (OPC) Local Management Entity to Cardinal Innovations Health Care Solutions, a Managed Care Organization. Person County, in conjunction with Orange and Chatham Counties, contributes to Cardinal Innovations for Mental Health, Intellectual/Developmental Disabilities and Substance Abuse services to individuals in the Orange-Person-Chatham catchment area. Each participating government appoints representation on the Orange-Person-Chatham County Oversight Board. Orange-Person-Chatham also has representation on the Board of Directors of Cardinal Innovations. Person County appropriated \$168,782 to Cardinal Innovations for the year ended June 30, 2019. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

**IV. Jointly Governed Organization**

The County, in conjunction with four other counties and fifteen municipalities, established the Kerr-Tar Regional Council of Governments (KTRCOG). The participating governments established the KTRCOG to coordinate joint planning and joint ventures. Each county appoints two members to the Council's thirty-two member governing board. The County paid membership fees of \$18,352 to the KTRCOG during the fiscal year ended June 30, 2019. The County was the subrecipient of grants for \$365,621 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources and which were passed through the KTRCOG.

The County, in conjunction with fourteen other counties, is a member of the Multi-County Water Conservation and Infrastructure District. The District is a public authority established under NCGS 158-15.1. Each member county appoints one person to serve on the Multi-County Water Commission, the governing body of the District. All moneys received by the State of North Carolina for sale of water under the Roanoke River Basin Compact, if enacted, shall be paid to the District. Net revenues of the District are distributed to the member counties according to the following formula: 1) one-half pro-rata based on population and 2) one-half pro-rata based on land area. Person County received no funds from the District for fiscal year ended June 30, 2019. Member counties may use these funds for infrastructure and economic development and water conservation. Person County serves as trustee for all funds belonging to the District. The District did not have assets, liabilities, revenues or expenditures for the year ended June 30, 2019.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2019**

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As of June 30, 2019, no sales of water have occurred and all moneys received originally from the State of North Carolina have been distributed to member counties.

Person County provides support in the form of appropriations and pass-through grants from the State of North Carolina and the KTRCOG to the Person County Senior Center (PCSC), which is currently operated by Kerr-Tar whose intention it is of creating a non-profit for use by the counties within the region. The Senior Center provides services to senior citizens in Person County. The PCSC also receives support from the United Way, donations from the general public and program service fees. The organization leases its facilities from the City of Roxboro.

The Person County Business and Industrial Center, Inc. ("PCBIC") is a nonprofit organization created to promote business and industrial development in Person County. The governing board of the organization consists of the members of the board of directors of the Person County Economic Development Commission. There were no expenditures in the year ended June 30, 2019 due to the County having a full-time Economic Development Director on staff.

The Person Caswell Lake Authority regulates activities concerning Lake Hyco. Person County appoints three persons to serve on the seven member governing board of the Lake Authority. The Lake Authority is self-supporting and receives no funds from Person County. The County is not financially responsible for the Person Caswell Lake Authority and has no authority to approve the budget.

**V. 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.

**VI. Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2019 and December 9, 2019, which is the date the financial statements were available to be issued.

# Required Supplemental Information

This section contains additional information required by generally accepted accounting principals:

- ◆ Other Postemployment Benefits Schedule of Changes in Total OPEB Liability and Related Ratios (OPEB)
- ◆ Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)
- ◆ Schedule of County Contributions (LGERS)
- ◆ Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)
- ◆ Schedule of County's Contributions (ROD)
- ◆ Schedule of Changes in Total Pension Liability (LEOSSA)
- ◆ Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)



**Person County, North Carolina**  
**Other Postemployment Benefits**  
**Required Supplemental Information**  
**Schedule of Changes in Total OPEB**  
**Liability and Related Ratios**

**Exhibit A-1**

	<b>2019</b>
<b>Total OPEB Liability</b>	
Service cost	\$ 357,979
Interest	252,125
Differences between expected and actual experience	81,127
Changes of assumptions	(259,495)
Benefit payments	(352,654)
Net change in total OPEB liability	79,082
Total OPEB liability - beginning	7,256,942
Total OPEB liability - ending	<u>\$ 7,336,024</u>
 Covered payroll	 \$ 14,860,267
Total OPEB liability as a percentage of covered payroll	49.37%

**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:

<u><b>Fiscal year</b></u>	<u><b>Rate</b></u>
2018	3.56%
2019	3.89%

**Person County, North Carolina**  
**Schedule of County's Proportionate Share of the Net Pension Liability**  
**Local Governmental Employees' Retirement System**  
**Last Five Fiscal Years**

**Exhibit A-2**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.246%	0.251%	0.257%	0.269%	0.266%
County's proportionate share of the net pension liability (asset)	\$ 5,839,757	\$ 3,840,085	\$ 5,463,315	\$ 1,207,480	\$ (1,570,847)
County's covered- payroll during the measurement period	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799	\$ 15,479,514
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll during the measurement period	35.93%	23.70%	33.90%	7.54%	-10.15%
Plan fiduciary net position as a percentage of the total pension liability	91.63%	94.18%	91.47%	98.09%	102.64%

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

Information included above is intended to include ten years; however, only the years above have information available.  
Additional years will be included as information becomes available.

**Person County, North Carolina**  
**Schedule of County Contributions**  
**Local Governmental Employees' Retirement System**  
**Last Five Fiscal Years**

**Exhibit A-3**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contribution	\$ 1,325,452	\$ 1,245,106	\$ 1,206,010	\$ 1,099,065	\$ 1,017,439
Contributions in relation to the contractually required contribution	1,325,452	1,245,106	1,206,010	1,099,065	1,017,439
Contribution deficiency (excess)	-	-	-	-	-
County's covered payroll	\$ 16,800,789	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799
Contributions as a percentage of covered payroll	7.89%	7.66%	7.44%	6.82%	6.35%

Information included above is intended to include ten years; however, only the years above have information available.  
Additional years will be included as information becomes available.

**Person County, North Carolina**  
**Schedule of County's Proportionate Share of the Net Pension Liability (Asset)**  
**Register of Deed's Supplemental Pensions Fund**  
**Last Five Fiscal Years**

**Exhibit A-4**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>
County's proportion of the net pension liability (asset)	0.349%	0.345%	0.351%	0.354%	0.373%
County's proportionate share of the net pension liability (asset)	\$ (57,924)	\$ (58,832)	\$ (65,677)	\$ (82,140)	\$ (84,639)
County's covered- payroll during the measurement period	\$ 61,430	\$ 61,430	\$ 68,950	\$ 68,950	\$ 68,950
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll during the measurement period	-94.29%	-95.77%	-95.25%	-119.13%	-122.75%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

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

Information included above is intended to include ten years; however, only the years above have information available.  
Additional years will be included as information becomes available.

**Person County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deed's Supplemental Pension Fund**  
**Last Five Fiscal Years**

**Exhibit A-5**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 2,878	\$ 2,993	\$ 2,995	\$ 3,148	\$ 2,558
Contributions in relation to the contractually required contribution	<u>2,878</u>	<u>2,993</u>	<u>2,995</u>	<u>3,148</u>	<u>2,558</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
County's covered payroll	\$ 60,311	\$ 61,430	\$ 61,430	\$ 68,950	\$ 68,950
Contributions as a percentage of covered payroll	4.77%	4.87%	4.88%	4.57%	3.71%

Information included above is intended to include ten years; however, only the years above have information available.  
Additional years will be included as information becomes available.

**Person County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2019**

**Exhibit A-6**

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 1,526,510	\$ 1,395,651
Service Cost	68,578	57,617
Interest on the total pension liability	47,389	52,959
Difference between expected and actual experience	(9,694)	(28,783)
Changes of assumptions or other inputs	(59,313)	96,356
Benefit payments	(53,715)	(47,290)
Ending balance of the total pension liability	<u>\$ 1,519,755</u>	<u>\$ 1,526,510</u>

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

**Person County, North Carolina**

**Exhibit A-7**

**Schedule of Total Pension Liability as a Percentage of Covered Payroll  
Law Enforcement Officers' Special Separation Allowance  
For the Year Ended June 30, 2019**

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	<u>2019</u>	<u>2018</u>
Total pension liability	1,519,755	\$ 1,526,510
Covered payroll	2,425,376	2,359,987
Total pension liability as a percentage of covered payroll	62.66%	64.68%

Notes to the schedules:

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

# Supplemental Information

This section is provided to show details about the County's major governmental funds, which includes the General Fund, and non-major governmental funds. Budgetary information is also found in this part of the statements.



## Major Governmental Funds

### General Fund

The general fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund. The Reappraisal Fund has been consolidated in the General Fund and is displayed in a separate statement for reporting purposes in accordance with GASB Statement No. 54 guidelines.

### Special Revenue Fund

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for specific purposes.

♦**Person Industries Community Rehabilitation Program and Material Recovery Facility Fund:** accounts for revenues and expenditures generated from Person Industries, a community rehabilitation program and a newly formed Material Recovery Facility operated by program workers associated with the Person Industries Community Rehabilitation Program. (Not included in this section since it exceeded the limits that categorizes it as a Major Fund. This is not a Capital Project, and therefore all associated financial statements are included in the Basic Financial Statements Section.)

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original	Amended	Actual	Positive
	Budget	Budget		(Negative)
<b>REVENUES</b>				
<u>Ad valorem taxes</u>				
Current year levy	\$ 31,225,250	\$ 31,225,250	\$ 32,081,884	\$ 856,634
Prior year levy	350,650	350,650	382,907	32,257
Penalties and interest	140,500	140,500	163,496	22,996
Advertising	26,000	26,000	45,201	19,201
Total ad valorem taxes	31,742,400	31,742,400	32,673,488	931,088
<u>Local option sales taxes</u>				
Article 39 one per cent	3,670,000	3,670,000	3,923,373	253,373
Article 40 one-half per cent	2,070,000	2,070,000	2,235,888	165,888
Article 42 one-half per cent	1,895,000	1,895,000	1,930,594	35,594
Article 44 one-half per cent	580,000	580,000	611,405	31,405
Total local option sales taxes	8,215,000	8,215,000	8,701,260	486,260
<u>Other taxes</u>				
Deed stamp excise tax	105,000	105,000	167,884	62,884
Occupancy tax	210,000	270,000	8,490	(261,510)
Gross receipts tax	14,000	14,000	15,595	1,595
Animal taxes	15,500	15,500	15,954	454
Privilege licenses tax	2,500	2,500	2,465	(35)
Total other taxes	347,000	407,000	210,388	(196,612)
<u>Fees</u>				
Planning and zoning fees	30,000	30,000	53,170	23,170
Register of Deeds fees	162,700	162,700	163,279	579
Inspection fees	276,650	276,650	379,540	102,890
Special Use permit fees	350	350	503	153
Total fees	469,700	469,700	596,492	126,792
<u>Intergovernmental revenues</u>				
State and Federal Funds				
Public Health Services	1,480,887	1,507,036	1,109,916	(397,120)
Environmental Health Services	-	9,757	-	(9,757)
Social Services	4,998,364	5,128,850	4,958,234	(170,616)
Home and Community Care	310,500	340,500	331,116	(9,384)
Elderly and handicapped transportation	14,000	13,976	13,977	1
Community Alternatives	244,385	245,404	124,232	(121,172)
Beer and Wine Tax	140,000	140,000	136,866	(3,134)
Video Programming	65,000	65,000	60,578	(4,422)
DWI Revenues	3,700	3,700	3,504	(196)
Court Facilities fees	55,000	55,000	57,514	2,514
Sheriff's Grants	39,000	112,810	85,810	(27,000)
Inmate cost reimbursement	240,000	298,114	439,922	141,808
Federal Inmate cost reimbursement	1,000	14,105	9,974	(4,131)
Drug Enforcement-Related Revenues	29,600	29,600	100,646	71,046
Emergency Management	138,642	190,536	191,159	623

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
Federal Interest Subsidy	79,272	79,272	81,079	1,807
Lottery Proceeds	-	320,702	70,971	(249,731)
Library Grants	96,381	97,096	96,538	(558)
Soil and Water Conservation	28,600	28,600	29,254	654
Transportation Grant	435,325	385,304	482,771	97,467
Veterans Services	-	2,176	2,216	40
Subtotal State and Federal funds	8,399,656	9,067,538	8,386,277	(681,261)
Local Funds				
E-911 City Participation	132,811	132,811	149,107	16,296
Subtotal Local funds	132,811	132,811	149,107	16,296
Total Intergovernmental revenues	8,532,467	9,200,349	8,535,384	(664,965)
Investment income	100,650	335,310	545,804	210,494
Charges for services				
Sheriff and Jail fees	209,200	222,551	233,033	10,482
School Resource Officer Contract	120,000	160,265	157,194	(3,071)
ABC Officer Contract	28,000	28,000	28,000	-
PCC Officer Contract	60,000	60,000	60,000	-
Solid waste and recycling fees	545,000	545,000	581,324	36,324
EMS fees	1,415,200	1,415,200	1,751,161	335,961
Animal fees	31,000	31,000	34,064	3,064
Cooperative Extension Fees	5,350	17,350	18,510	1,160
Library fines and fees	23,100	23,100	18,326	(4,774)
Recreation fees	319,429	334,593	337,777	3,184
Map fees	500	500	444	(56)
GIS fees	400	400	899	499
EDC reimbursement from other governments	7,500	7,500	7,500	-
IT services to other governments	83,400	83,400	84,457	1,057
Stormwater Admin Fees	75,894	75,894	75,894	-
Transportation Services	370,831	323,831	339,142	15,311
Tax Collection Fees	68,000	68,000	66,789	(1,211)
Arts Council Reimbursement	20,000	20,000	25,900	5,900
Health fees	703,250	703,250	580,750	(122,500)
Environmental Health fees	155,000	155,000	137,176	(17,824)
DSS Fees	1,000	1,000	550	(450)
Total charges for services	4,242,054	4,275,834	4,538,890	263,056
Other revenues				
Rents and leases	125,869	125,369	157,674	32,305
ABC Board distributions	251,800	251,800	305,718	53,918
Miscellaneous	14,150	354,727	353,885	(842)
Donations	25,000	81,441	81,506	65
Total other revenues	416,819	813,337	898,783	85,446
Total general revenues	54,066,090	55,458,930	56,700,489	1,241,559

## General Fund

## Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
EXPENDITURES				
General government				
Governing Body				
Personnel expenses			93,641	
Operating expenses			69,799	
ABC profits to City of Roxboro			84,588	
Total	229,902	243,218	248,028	(4,810)
Administration				
Personnel expenses			370,057	
Operating expenses			13,064	
Total	390,996	390,996	383,121	7,875
Information Technology				
Personnel expenses			581,062	
Operating expenses			208,942	
Capital outlay			61,926	
Total	895,897	913,337	851,930	61,407
Human Resources				
Personnel expenses			582,158	
Operating expenses			285,109	
Capital outlay			1,833	
Total	663,366	905,590	869,100	36,490
Fleet Sales Management				
Operating expenses			8,911	
Total	779,254	28,242	8,911	19,331
Elections				
Personnel expenses			148,498	
Operating expenses			79,954	
Total	286,094	286,094	228,452	57,642
Finance				
Personnel expenses			440,704	
Operating expenses			139,945	
Capital outlay			1,923	
Total	561,227	604,538	582,572	21,966
Tax Administration				
Personnel expenses			672,069	
Operating expenses			199,377	
Total	896,859	897,962	871,446	26,516
Reappraisal Reserve				
Operating expenses			-	
Total	194,033	194,033	-	194,033
Legal				
Personnel expenses			57,521	
Operating expenses			5,241	
Total	68,573	69,923	62,762	7,161
Register of Deeds				
Personnel expenses			215,196	
Operating expenses			49,062	
Capital outlay			5,540	
Total	277,274	282,814	269,798	13,016
Courts				
Operating expenses	5,600	5,600	5,093	507

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
General Services				
Personnel expenses			821,810	
Operating expenses			1,471,255	
Capital outlay			39,511	
Total	2,290,466	2,515,507	2,332,576	182,931
Total general government	7,539,541	7,337,854	6,713,789	624,065
<u>Public Safety</u>				
Sheriff				
Personnel expenses			3,580,922	
Operating expenses			445,708	
Capital outlay			316,192	
Total	3,959,876	4,547,398	4,342,822	204,576
Jail				
Personnel expenses			1,749,183	
Operating expenses			1,035,320	
Capital outlay			80,710	
Total	2,865,035	2,975,976	2,865,213	110,763
Judicial				
Personnel expenses			414,822	
Operating expenses			4,281	
Total	433,618	433,618	419,103	14,515
JCPC Administration				
Personnel expenses			2,268	
Operating expenses			2,612	
Total	5,000	4,842	4,880	(38)
Roots & Wings				
Operating expenses	61,408	75,734	75,734	-
4H YES				
Personnel expenses			55,555	
Operating expenses			4,468	
Total	60,166	60,198	60,023	175
Very Important Parents				
Personnel expenses			11,680	
Operating expenses			(254)	
	121,172	108,683	11,426	97,257

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
Emergency Management				
Personnel expenses			127,281	
Operating expenses			77,332	
Total	227,472	266,635	204,613	62,022
Fire and Rescue				
VFD annual appropriation			389,072	
Total	389,072	389,072	389,072	-
Ambulance Service				
Personnel expenses			2,687,633	
Operating expenses			452,228	
Capital outlay			801,188	
Total	3,262,368	4,293,143	3,941,049	352,094
Code Enforcement				
Personnel expenses			391,559	
Operating expenses			83,192	
Capital outlay			25,863	
Total	466,819	520,300	500,614	19,686
Emergency Communications				
Personnel expenses			896,436	
Operating expenses			19,657	
Total	1,029,462	1,031,566	916,093	115,473
Medical Examiner	55,000	55,000	33,050	21,950
Animal Control				
Personnel expenses			333,224	
Operating expenses			67,274	
Total	392,393	424,387	400,498	23,889
Total public safety	13,328,861	15,186,552	14,164,190	1,022,362
<u>Transportation</u>				
Airport Operations				
Operating expenses			34,134	
Total	48,000	48,578	34,134	14,444
Public Transportation				
Personnel expenses			618,026	
Operating expenses			312,693	
Capital outlay			247,736	
Total	1,036,197	1,200,852	1,178,455	22,397
Total transportation	1,084,197	1,249,430	1,212,589	36,841

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
<u>Human Services</u>				
Public Health				
Personnel expenses			1,625,901	
Operating expenses			934,960	
Capital outlay			41,619	
Total	3,548,271	3,695,959	2,602,480	1,093,479
Environmental Health				
Personnel expenses			371,513	
Operating expenses			40,553	
Total	415,714	433,884	412,066	21,818
Mental Health				
Operating expenses	537,625	621,156	565,132	56,024
Social Services				
Personnel expenses			5,461,369	
Operating expenses			983,452	
Capital outlay			8,129	
Public assistance			1,907,847	
Total	9,160,027	9,603,917	8,360,797	1,243,120
Veterans Services				
Personnel expenses			13,943	
Operating expenses			1,669	
Total	16,459	20,961	15,612	5,349
Special Appropriations				
Group Home			1,996	
Total	2,000	1,996	1,996	-
Senior Center				
Operating expenses			441,265	
Total	425,971	455,951	441,265	14,686
Total human services	14,106,067	14,833,824	12,399,348	2,434,476
<u>Education</u>				
Public Schools				
Current expense			9,546,984	
Capital outlay			691,669	
Terrell Fund			18,000	
Total	10,216,827	10,610,001	10,256,653	353,348
Community College				
Operating expenses			1,214,351	
Total	1,215,400	1,215,400	1,214,351	1,049
Total education	11,432,227	11,825,401	11,471,004	354,397

General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Environmental Protection</u>				
Landfill Maintenance				
Operating expenses			15,625	
Total	18,000	43,250	15,625	27,625
Soil and Water Conservation				
Personnel expenses			91,461	
Operating expenses			8,289	
Capital outlay			846	
Total	123,583	139,712	100,596	39,116
Total environmental protection	141,583	182,962	116,221	66,741
<u>Economic and Physical Development</u>				
Economic Development				
Personnel expenses			83,289	
Operating expenses			81,205	
Capital outlay			1,735	
Total	246,455	301,626	166,229	135,397
Planning and Zoning				
Personnel expenses			197,707	
Operating expenses			9,673	
Total	216,796	218,866	207,380	11,486
GIS				
Personnel expenses			146,124	
Operating expenses			26,710	
Total	174,623	176,443	172,834	3,609
Cooperative Extension Service				
Operating expenses			189,265	
Total	191,206	207,854	189,265	18,589
Forestry Services				
Operating expenses	71,226	71,226	69,562	1,664
Total economic and physical development	900,306	976,015	805,270	170,745
<u>Cultural and Recreational</u>				
Library				
Personnel expenses			434,060	
Operating expenses			133,650	
Total	569,495	575,080	567,710	7,370
Recreation, Arts and Parks				
Personnel expenses			826,150	
Operating expenses			426,886	
Capital outlay			10,341	
Total	1,191,304	1,297,791	1,263,377	34,414
Museum of History				
Operating expenses	46,065	51,465	52,235	(770)
Total cultural and recreational	1,806,864	1,924,336	1,883,322	41,014



General Fund

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Debt Service</u>				
Principal retirement	1,677,456	1,677,456	1,658,120	19,336
Interest and fees	433,642	433,642	428,185	5,457
Debt issuance costs	9,209	9,209	6,924	2,285
Total debt service	2,120,307	2,120,307	2,093,229	27,078
<u>Contingency</u>	950,839	366,466	-	366,466
Total expenditures	53,410,792	56,003,147	50,858,962	5,144,185
Revenues over (under) expenditures	655,298	(544,217)	5,841,527	6,385,744
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Capital project funds	-	40,000	40,000	-
Transfers out				
Special revenue funds	(1,261,500)	(1,380,959)	(1,110,960)	269,999
Capital project funds	(2,305,856)	(2,353,448)	(2,353,448)	-
Internal service funds	(474,575)	(474,575)	(404,575)	70,000
Sale of capital assets	16,500	29,192	23,577	(5,615)
Debt proceeds	776,086	776,086	776,086	-
Total other financing sources (uses)	(3,249,345)	(3,363,704)	(3,029,320)	334,384
Revenues and other financing sources over (under) expenditures and other financing uses	(2,594,047)	(3,907,921)	2,812,207	6,720,128
<b>APPROPRIATED FUND BALANCE</b>	2,594,047	3,907,921	-	(3,907,921)
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ -	2,812,207	\$ 2,812,207
Fund balance, beginning of year			25,494,322	
Fund balance end of year			<u>\$ 28,306,529</u>	

**Person County, North Carolina**

**Exhibit B-2**

**Reappraisal Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual**

For the fiscal year ended June 30, 2019

	<b>2019</b>			<b>VARIANCE</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>EXPENDITURES</b>				
General Government				
Operating expenses	<u>194,033</u>	<u>194,033</u>	<u>44,953</u>	<u>149,080</u>
Total expenditures	<u>194,033</u>	<u>194,033</u>	<u>44,953</u>	<u>149,080</u>
Excess (deficiency) of revenues over expenditures	<u>(194,033)</u>	<u>(194,033)</u>	<u>(44,953)</u>	<u>149,080</u>
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General Fund	<u>194,033</u>	<u>194,033</u>	<u>194,033</u>	<u>-</u>
Total other financing sources (uses)	<u>194,033</u>	<u>194,033</u>	<u>194,033</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>149,080</u>	<u>\$ 149,080</u>
Fund balance beginning of year			<u>474,425</u>	
Fund balance end of year			<u>\$ 623,505</u>	

## Nonmajor Governmental Funds

### Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for specific purposes.

- ◆ **Fire Tax District Fund:** accounts for property tax collections for distribution to the county's nine fire service districts.
- ◆ **Emergency Telephone System Fund:** accounts for revenues from a surcharge on County resident's phone services and the use of those revenues to establish and maintain electronic capacity to determine the location of an emergency when citizens telephone 911 which will allow emergency services to more quickly and accurately respond.
- ◆ **Revolving Loan Fund:** accounts for revenues received from the Multi-County Water Infrastructure Fund and the use of those revenues for loans to develop small business enterprises.
- ◆ **Economic Catalyst Fund:** revenues associated with private and state economic development grant funding and general fund support for the purpose of providing expansion incentives to local industries.
- ◆ **Water and Sewer Construction Reserve Fund:** accounts for revenues representing a portion of certain water service rates charged by the City of Roxboro to be held in reserve for future water and sewer extensions.
- ◆ **Museum Trust Fund:** accounts for assets held for the sole use of the Museum.
- ◆ **Mattie Maude Williams Library Development Trust Fund:** accounts for assets held for the sole use of the Person County Public Library under the direction of the will of the late Mattie Maude Williams of Person County.

### Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities and equipment.

- ◆ **Airport Capital Projects Fund:** accounts for revenues and expenditures relative to the construction projects of Person County Executive Airport.
- ◆ **Capital Improvement Projects Fund:** accounts for revenues and expenditures relative to capital improvement projects for the County, Schools and Community College.
- ◆ **CDBG Fund:** Accounts for revenues and expenditures related to CDBG grants.
- ◆ **Person County Recycling Center & Various Roofing Improvements Capital Projects Fund:** accounts for revenues and expenditures relative to the purchase and renovation of current existing facilities associated with the Person County Recycling Center and re-roofing construction for various county and school buildings.
- ◆ **Roxplex and Various Improvements Project Fund:** accounts for revenues and expenditures relative to the purchase and renovation of facilities associated with Roxplex and construction for various county and school buildings.
- ◆ **Waterline Extension RRSF:** accounts for revenues and expenditure related to construction of a waterline extension that will serve the Person County Mega Park.
- ◆ **Public Safety Towers and Broadband Fund:** accounts for revenues and expenditures related to the construction of two communication towers and installation of broadband equipment, as well as the purchase of hand-held and vehicular radios for improved public safety communications.

**Person County, North Carolina**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**

June 30, 2019

**Special Revenue Funds**

	<b>Fire Tax District Fund</b>	<b>Emergency Telephone System Fund</b>	<b>Revolving Loan Fund</b>	<b>Economic Catalyst Fund</b>	<b>Water and Sewer Construction Reserve Fund</b>	<b>Museum Trust Fund</b>	<b>Mattie Maude Williams Library Development Trust Fund</b>
<b>ASSETS</b>							
Cash and cash equivalents	\$ 7,191	\$ -	\$ 16,987	\$ 1,221,363	\$ 135,285	\$ 269	\$ -
Restricted cash	-	81,525	-	-	-	-	-
Accounts receivable, net	-	46,364	36,709	-	15,333	-	-
Total assets	<u>\$ 7,191</u>	<u>\$ 127,889</u>	<u>\$ 53,696</u>	<u>\$ 1,221,363</u>	<u>\$ 150,618</u>	<u>\$ 269</u>	<u>\$ -</u>
<b>LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 2,557	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>2,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS</b>							
Deferred revenue	-	-	36,709	-	-	-	-
Fund balances:							
Restricted:							
Stabilization by State Statute	-	46,364	36,709	-	15,333	-	-
Public safety	-	78,066	-	-	-	-	-
Culture and recreation	-	-	-	-	-	269	-
Capital projects	-	-	-	-	-	-	-
Committed:							
Economic development	-	-	-	599,663	-	-	-
Environmental protection	-	-	-	-	135,285	-	-
Public safety	7,191	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	-
Assigned:							
Subsequent year's expenditures	-	902	-	621,700	-	-	-
Unassigned:	-	-	(19,722)	-	-	-	-
Total fund balances	<u>7,191</u>	<u>125,332</u>	<u>16,987</u>	<u>1,221,363</u>	<u>150,618</u>	<u>269</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 7,191</u>	<u>\$ 127,889</u>	<u>\$ 53,696</u>	<u>\$ 1,221,363</u>	<u>\$ 150,618</u>	<u>\$ 269</u>	<u>\$ -</u>

Capital Project Funds									
Total Nonmajor Special Revenue Funds	Airport Capital Projects Fund	Capital Improvement Projects Fund	CDBG Fund	Person County Recycling Center & Various Roofing Improvements Capital Projects Fund	Roxplex & Various Improvements Project Fund	Waterline Extension RRSF	Public Safety Towers and Broadband Capital Project Ordinance	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 1,381,095	\$ -	\$ 1,528,383	\$ -	\$ 17,603	\$ 32,321	\$ 384,139	\$ 278,807	\$ 2,241,253	\$ 3,622,348
81,525	1,633,622	-	-	121,668	-	-	271,010	2,026,300	2,107,825
98,406	6,024	-	235,296	-	-	-	-	241,320	339,726
<u>\$ 1,561,026</u>	<u>\$ 1,639,646</u>	<u>\$ 1,528,383</u>	<u>\$ 235,296</u>	<u>\$ 139,271</u>	<u>\$ 32,321</u>	<u>\$ 384,139</u>	<u>\$ 549,817</u>	<u>\$ 4,508,873</u>	<u>\$ 6,069,899</u>
\$ 2,557	\$ -	\$ 1,193	\$ 235,296	\$ 107,359	\$ -	\$ 30,141	\$ -	\$ 373,989	\$ 376,546
2,557	-	1,193	235,296	107,359	-	30,141	-	373,989	376,546
36,709	-	-	-	-	-	-	-	-	36,709
98,406	6,024	-	235,296	-	-	-	-	241,320	339,726
78,066	-	-	-	-	-	-	-	-	78,066
269	-	-	-	-	-	-	-	-	269
-	1,633,622	-	-	121,668	-	-	271,010	2,026,300	2,026,300
599,663	-	-	-	-	-	-	-	-	599,663
135,285	-	-	-	-	-	-	-	-	135,285
7,191	-	-	-	-	-	-	-	-	7,191
-	-	1,527,190	-	(89,756)	32,321	353,998	278,807	2,102,560	2,102,560
622,602	-	-	-	-	-	-	-	-	622,602
(19,722)	-	-	(235,296)	-	-	-	-	(235,296)	(255,018)
<u>1,521,760</u>	<u>1,639,646</u>	<u>1,527,190</u>	<u>-</u>	<u>31,912</u>	<u>32,321</u>	<u>353,998</u>	<u>549,817</u>	<u>4,134,884</u>	<u>5,656,644</u>
<u>\$ 1,561,026</u>	<u>\$ 1,639,646</u>	<u>\$ 1,528,383</u>	<u>\$ 235,296</u>	<u>\$ 139,271</u>	<u>\$ 32,321</u>	<u>\$ 384,139</u>	<u>\$ 549,817</u>	<u>\$ 4,508,873</u>	<u>\$ 6,069,899</u>

**Person County, North Carolina**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**

For the fiscal year ended June 30, 2019

	Special Revenue Funds						
	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserve Fund	Museum Trust Fund	Mattie Maude Williams Library Development Trust Fund
<b>REVENUES</b>							
Ad valorem taxes	\$ 377,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	556,363	-	-	83,313	-	-
Investment earnings	-	1,766	1,012	34,636	1,879	269	1,189
Other revenues	-	-	4,766	-	-	-	-
Total revenues	<u>377,526</u>	<u>558,129</u>	<u>5,778</u>	<u>34,636</u>	<u>85,192</u>	<u>269</u>	<u>1,189</u>
<b>EXPENDITURES</b>							
Current:							
General government	-	-	-	-	-	-	140,655
Public safety	1,003,949	355,811	-	-	-	-	-
Economic and physical development	-	-	-	339,480	-	-	-
Capital outlay	-	-	-	-	-	-	-
Issuance cost	-	-	-	-	-	-	-
Debt service:							
Principal	-	226,798	-	-	-	-	-
Interest and other charges	-	26,627	-	-	-	-	-
Total expenditures	<u>1,003,949</u>	<u>609,236</u>	<u>-</u>	<u>339,480</u>	<u>-</u>	<u>-</u>	<u>140,655</u>
Excess (deficiency) of revenues over expenditures	<u>(626,423)</u>	<u>(51,107)</u>	<u>5,778</u>	<u>(304,844)</u>	<u>85,192</u>	<u>269</u>	<u>(139,466)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers from other funds	629,666	-	-	(401,032)	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Total other financing sources and uses	<u>629,666</u>	<u>-</u>	<u>-</u>	<u>(401,032)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in funds balances	3,243	(51,107)	5,778	(705,876)	85,192	269	(139,466)
Fund balances (deficit) - beginning	<u>3,948</u>	<u>176,439</u>	<u>11,209</u>	<u>1,927,239</u>	<u>65,426</u>	<u>-</u>	<u>139,466</u>
Fund balances - ending	<u>\$ 7,191</u>	<u>\$ 125,332</u>	<u>\$ 16,987</u>	<u>\$ 1,221,363</u>	<u>\$ 150,618</u>	<u>\$ 269</u>	<u>\$ -</u>

Capital Project Funds									
Total Nonmajor Special Revenue Funds	Airport Capital Projects Fund	Capital Improvement Projects Fund	CDBG Fund	Person County Recycling Center & Various Roofing Improvements Capital Projects Fund	Roxplex & Various Improvements Project Fund	Waterline Extension RRSG	Public Safety Towers and Broadband Capital Project Ordinance	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 377,526	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 377,526
639,676	201,245	-	336,326	-	-	50,151	-	587,722	1,227,398
40,751	32,313	28,656	-	9	-	-	146	61,124	101,875
4,766	-	-	-	-	-	-	-	-	4,766
1,062,719	233,558	28,656	336,326	9	-	50,151	146	648,846	1,711,565
140,655	-	-	-	-	-	-	-	-	140,655
1,359,760	-	-	-	-	-	-	-	-	1,359,760
339,480	-	-	-	-	-	-	-	-	339,480
-	229,469	2,971,064	336,326	142,170	54,663	97,185	2,055,500	5,886,377	5,886,377
-	-	-	-	102,570	-	-	-	102,570	102,570
226,798	-	-	-	-	-	-	-	-	226,798
26,627	-	-	-	-	-	-	-	-	26,627
2,093,320	229,469	2,971,064	336,326	244,740	54,663	97,185	2,055,500	5,988,947	8,082,267
(1,030,601)	4,089	(2,942,408)	-	(244,731)	(54,663)	(47,034)	(2,055,354)	(5,340,101)	(6,370,702)
228,634	200,000	2,153,449	-	-	-	401,032	-	2,754,481	2,983,115
-	-	(40,000)	-	-	-	-	-	(40,000)	(40,000)
228,634	200,000	2,113,449	-	-	-	401,032	-	2,714,481	2,943,115
(801,967)	204,089	(828,959)	-	(244,731)	(54,663)	353,998	(2,055,354)	(2,625,620)	(3,427,587)
2,323,727	1,435,557	2,356,149	-	276,643	86,984	-	2,605,171	6,760,504	9,084,231
\$ 1,521,760	\$ 1,639,646	\$ 1,527,190	\$ -	\$ 31,912	\$ 32,321	\$ 353,998	\$ 549,817	\$ 4,134,884	\$ 5,656,644

**Person County, North Carolina**  
**Fire Tax District Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-3

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>REVENUES</b>				
Ad valorem taxes	\$ 370,334	\$ 370,334	\$ 377,526	\$ 7,192
Total revenues	370,334	370,334	377,526	7,192
<b>EXPENDITURES</b>				
VFD & Rescue Squad capital payments	1,000,000	1,003,949	1,003,949	-
Total expenditures	1,000,000	1,003,949	1,003,949	-
Excess (deficiency) of revenues over expenditures	(629,666)	(633,615)	(626,423)	7,192
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
Revolving Loan Fund	629,666	629,666	629,666	-
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	-	(3,949)	3,243	7,192
<b>APPROPRIATED FUND BALANCE</b>	-	3,949	-	(3,949)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	3,243	\$ 3,243
Fund balance beginning of year			3,948	
Fund balance end of year			\$ 7,191	



**Person County, North Carolina**  
**Emergency Telephone System Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

**Exhibit C-4**

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>REVENUES</b>				
Intergovernmental revenues	\$ 556,362	\$ 556,362	\$ 556,363	\$ 1
Investment earnings	-	-	1,766	1,766
Total revenues	556,362	556,362	558,129	1,767
<b>EXPENDITURES</b>				
Implemental functions	31,622	31,622	18,310	13,312
Telephone	192,336	191,162	174,795	16,367
Software maintenance	46,980	46,980	42,566	4,414
Hardware maintenance	17,100	15,900	11,859	4,041
Training	5,000	6,200	5,428	772
Capital outlay	78,040	116,441	102,853	13,588
Debt Service				
Principal retirement	226,799	226,799	226,798	1
Interest and fees	26,628	26,628	26,627	1
Total debt service	253,427	253,427	253,425	2
Total expenditures	624,505	661,732	609,236	52,496
Excess (deficiency) of revenues over expenditures	(68,143)	(105,370)	(51,107)	54,263
<b>APPROPRIATED FUND BALANCE</b>	68,143	105,370	-	(105,370)
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	\$ -	\$ -	(51,107)	\$ (51,107)
Fund balance beginning of year			176,439	
Fund balance end of year			\$ 125,332	

**Person County, North Carolina**  
**Revolving Loan Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-5

For the fiscal year ended June 30, 2019

	<b>2019</b>		<b>VARIANCE</b>
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>			
Investment earnings	\$ 928	\$ 1,012	\$ 84
Miscellaneous revenues			
Loan principle received	4,767	4,766	(1)
Total revenues	5,695	5,778	83
<b>EXPENDITURES</b>	5,695	-	5,695
Excess (deficiency) of revenues over expenditures	\$ -	5,778	\$ 5,778
Fund balance beginning of year		11,209	
Fund balance end of year		\$ 16,987	

**Person County, North Carolina**  
**Economic Catalyst Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-6

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>REVENUES</b>				
Investment earnings	\$ -	\$ -	\$ 34,636	\$ 34,636
Total revenues	-	-	34,636	34,636
<b>EXPENDITURES</b>	630,000	631,094	339,480	291,614
Excess (deficiency) of revenues over expenditures	(630,000)	(631,094)	(304,844)	326,250
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out				
Old Helena school improvement fund	-	(401,032)	(401,032)	-
Total Other Financing Sources	-	(401,032)	(401,032)	-
Excess (deficiency) of revenues and other financing sources over expenditures	(630,000)	(1,032,126)	(705,876)	326,250
<b>APPROPRIATED FUND BALANCE</b>	630,000	1,032,126	-	(1,032,126)
Excess (deficiency) of revenues, other financing sources and appropriated fund balance over expenditures and other uses	\$ -	\$ -	(705,876)	\$ (705,876)
Fund balance beginning of year			1,927,239	
Fund balance end of year			\$ 1,221,363	

**Person County, North Carolina**  
**Water and Sewer Construction Reserve Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-7

For the fiscal year ended June 30, 2019

	2019			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
<b>REVENUES</b>				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ 83,313	\$ 53,313
Investment earnings	-	-	1,879	1,879
Total revenues	30,000	30,000	85,192	55,192
<b>EXPENDITURES</b>				
Water and sewer construction	30,000	30,000	-	30,000
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	85,192	<u>\$ 85,192</u>
Fund balance beginning of year			65,426	
Fund balance end of year			<u>\$ 150,618</u>	

**Person County, North Carolina**

Exhibit C-8

**Museum Trust Fund****Schedule of Revenues, Expenditures and Changes in Fund Balances****Actual**

For the fiscal year ended June 30, 2019

	<u>Actual</u>
<b>REVENUES</b>	
Investment earnings	<u>\$ 269</u>
Total revenues	<u>269</u>
<b>EXPENDITURES</b>	
Public buildings and grounds	
Operating	<u>-</u>
Excess (deficiency) of revenues over expenditures	269
Fund balance beginning of year	<u>-</u>
Fund balance end of year	<u><u>\$ 269</u></u>

**Person County, North Carolina**  
**Mattie Maude Williams Library Development Trust Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Actual**

Exhibit C-9

For the fiscal year ended June 30, 2019

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	<u>Actual</u>
<b>REVENUES</b>	
Investment earnings	\$ 1,189
Total revenues	<u>1,189</u>
<b>EXPENDITURES</b>	
Public buildings and grounds	
Operating	<u>140,655</u>
Excess (deficiency) of revenues over expenditures	(139,466)
Fund balance beginning of year	<u>139,466</u>
Fund balance end of year	<u><u>\$ -</u></u>

**Person County, North Carolina**  
**Airport Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**Exhibit C-10**

From inception and for the fiscal year ended June 30, 2019

		<b>Actual</b>			<b>Variance</b>
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>					
Restricted intergovernmental	\$ 11,802,332	\$ 1,206,083	\$ 201,245	\$ 1,407,328	\$ (10,395,004)
Investment earnings	-	18,899	32,313	51,212	51,212
Other revenues	988,372	129,790	-	129,790	(858,582)
Total revenues	<u>12,790,704</u>	<u>1,354,772</u>	<u>233,558</u>	<u>1,588,330</u>	<u>(11,202,374)</u>
<b>EXPENDITURES</b>					
Construction	<u>13,113,704</u>	<u>1,342,215</u>	<u>229,469</u>	<u>1,571,684</u>	<u>11,542,020</u>
Excess (deficiency) of revenues over expenditures	(323,000)	12,557	4,089	16,646	339,646
<b>OTHER FINANCING SOURCES</b>					
Operating transfers-in General fund	<u>323,000</u>	<u>1,423,000</u>	<u>200,000</u>	<u>1,623,000</u>	<u>1,300,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 1,435,557</u>	204,089	<u>\$ 1,639,646</u>	<u>\$ 1,639,646</u>
Fund balance beginning of year			<u>1,435,557</u>		
Fund balance end of year			<u>\$ 1,639,646</u>		

**Person County, North Carolina**  
**Capital Improvement Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

Exhibit C-11

From inception and for the fiscal year ended June 30, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
REVENUES					
Other revenues	\$ -	\$ 39,270	\$ -	\$ 39,270	\$ 39,270
Investment earnings	25,000	32,740	28,656	61,396	36,396
Total revenues	25,000	72,010	28,656	100,666	75,666
EXPENDITURES					
County	3,728,662	1,154,696	2,238,341	3,393,037	335,625
Schools	694,856	525,645	245,143	770,788	(75,932)
PCC	715,776	107,410	487,580	594,990	120,786
Total expenditures	5,139,294	1,787,751	2,971,064	4,758,815	380,479
Excess (deficiency) of revenues over expenditures	(5,114,294)	(1,715,741)	(2,942,408)	(4,658,149)	456,145
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	4,824,294	4,171,890	2,153,449	6,325,339	1,501,045
Transfers out				-	
General Fund	(40,000)	(100,000)	(40,000)	(140,000)	(100,000)
Total Other Financing Sources	4,784,294	4,071,890	2,113,449	6,185,339	1,401,045
Excess (deficiency) of revenues and other financing sources over expenditures	(330,000)	2,356,149	(828,959)	1,527,190	1,857,190
APPROPRIATED FUND BALANCE					
	330,000	-	-	-	(330,000)
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	\$ -	\$ 2,356,149	(828,959)	\$ 1,527,190	\$ 1,527,190
Fund balance beginning of year			2,356,149		
Fund balance end of year			\$ 1,527,190		



CDBG Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

From inception and for the fiscal year ended June 30, 2019

		Actual			Variance
	Project	Prior	Current	Total	Positive
	Authorization	Years	Year	To Date	(Negative)
<b>REVENUES</b>					
Intergovernmental	\$ 1,000,000	\$ -	\$ 336,326	\$ 336,326	\$ (663,674)
Total revenues	<u>1,000,000</u>	<u>-</u>	<u>336,326</u>	<u>336,326</u>	<u>(663,674)</u>
<b>EXPENDITURES</b>					
Construction	1,000,000	-	336,326	336,326	663,674
Total expenditures	<u>1,000,000</u>	<u>-</u>	<u>336,326</u>	<u>336,326</u>	<u>663,674</u>
Excess (deficiency) of revenues and other					
financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance beginning of year			-		
Fund balance end of year			<u>\$ -</u>		

**Person County Recycling Center & Various Roofing Improvements Capital Projects Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

From inception and for the fiscal year ended June 30, 2019

		<b>Actual</b>			<b>Variance</b>
	<b>Project</b>	<b>Prior</b>	<b>Current</b>	<b>Total</b>	<b>Positive</b>
	<b>Authorization</b>	<b>Years</b>	<b>Year</b>	<b>To Date</b>	<b>(Negative)</b>
<b>REVENUES</b>					
Investment earnings	\$ -	\$ 243	\$ 9	\$ 252	\$ 252
Total revenues	-	243	9	252	252
<b>EXPENDITURES</b>					
Professional services - architect and engineering	74,162	116,914	-	116,914	(42,752)
Building purchase	852,204	852,204	-	852,204	-
Construction	965,948	1,076,395	142,170	1,218,565	(252,617)
Issuance cost	163,220	60,650	102,570	163,220	-
Contingency	23,918	-	-	-	23,918
Public schools	303,110	-	-	-	303,110
Other	8,913	8,912	-	8,912	1
Total expenditures	2,391,475	2,115,075	244,740	2,359,815	31,660
Excess (deficiency) of revenues over expenditures	(2,391,475)	(2,114,832)	(244,731)	(2,359,563)	31,912
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
General Fund	1,475	1,475	-	1,475	-
CIP Project Fund	30,000	30,000	-	30,000	-
Installment purchase obligations issued	2,360,000	2,360,000	-	2,360,000	-
Total Other Financing Sources	2,391,475	2,391,475	-	2,391,475	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 276,643	(244,731)	\$ 31,912	\$ 31,912
Fund balance beginning of year			276,643		
Fund balance end of year			\$ 31,912		

**Person County, North Carolina**  
**Roxplex & Various Improvements Project Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-14

From inception and for the fiscal year ended June 30, 2019

		<u>Actual</u>			
	<b>Project Authorization</b>	<b>Prior Years</b>	<b>Current Year</b>	<b>Total To Date</b>	<b>Variance Positive Negative</b>
<b>REVENUES</b>					
Investment earnings	\$ -	\$ 133	\$ -	\$ 133	\$ 133
Total revenues	-	133	-	133	133
<b>EXPENDITURES</b>					
County	1,029,757	918,041	54,663	972,704	57,053
Schools	854,533	854,533	-	854,533	-
Issuance Costs	-	54,575	-	54,575	(54,575)
Contingency	29,710	-	-	-	29,710
Total expenditures	1,914,000	1,827,149	54,663	1,881,812	32,188
Excess (deficiency) of revenues over expenditures	(1,914,000)	(1,827,016)	(54,663)	(1,881,679)	32,321
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in					
General Fund	30,000	30,000	-	30,000	-
Installment purchase obligations issued	1,884,000	1,884,000	-	1,884,000	-
Total other financing sources	1,914,000	1,914,000	-	1,914,000	-
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ 86,984	(54,663)	\$ 32,321	\$ 32,321
Fund balance beginning of year			86,984		
Fund balance end of year			\$ 32,321		

**Person County, North Carolina**  
**Public Safety Towers and Broadband Capital Project Ordinance**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance**  
**Budget and Actual**

**Exhibit C-15**

From inception and for the fiscal year ended June 30, 2019

		<b>Actual</b>			<b>Variance</b>
	<b>Project</b>	<b>Prior</b>	<b>Current</b>	<b>Total</b>	<b>Positive</b>
	<b>Authorization</b>	<b>Years</b>	<b>Year</b>	<b>To Date</b>	<b>(Negative)</b>
<b>REVENUES</b>					
Investment earnings	\$ -	\$ 47	\$ 146	\$ 193	\$ 193
<b>EXPENDITURES</b>					
County	3,539,070	2,045,266	1,211,369	3,256,635	282,435
Schools	1,153,453	90,830	844,131	934,961	218,492
Issurance costs	53,780	53,780	-	53,780	-
Contingency funds	48,697	-	-	-	48,697
Total expenditures	<u>4,795,000</u>	<u>2,189,876</u>	<u>2,055,500</u>	<u>4,245,376</u>	<u>549,624</u>
Excess (deficiency) of revenues over expenditures	(4,795,000)	(2,189,829)	(2,055,354)	(4,245,183)	549,817
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in					
CIP Projects Fund	395,000	395,000	-	395,000	-
Installment purchase obligations issued	<u>4,400,000</u>	<u>4,400,000</u>	-	<u>4,400,000</u>	-
Total Other Financing Sources	<u>4,795,000</u>	<u>4,795,000</u>	-	<u>4,795,000</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 2,605,171</u>	(2,055,354)	<u>\$ 549,817</u>	<u>\$ 549,817</u>
Fund balance beginning of year			<u>2,605,171</u>		
Fund balance end of year			<u>\$ 549,817</u>		

**Person County, North Carolina**  
**Waterline Extension RRS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

Exhibit C-16

From inception and for the fiscal year ended June 30, 2019

		Actual			Variance
	Project Authorization	Prior Years	Current Year	Total To Date	Positive (Negative)
<b>REVENUES</b>					
Intergovernmental	\$ 1,604,124	\$ -	\$ 50,151	\$ 50,151	\$ (1,553,973)
Total revenues	<u>1,604,124</u>	<u>-</u>	<u>50,151</u>	<u>50,151</u>	<u>(1,553,973)</u>
<b>EXPENDITURES</b>					
Schools	2,005,156	-	97,185	97,185	1,907,971
Total expenditures	<u>2,005,156</u>	<u>-</u>	<u>97,185</u>	<u>97,185</u>	<u>1,907,971</u>
Excess (deficiency) of revenues over expenditures	(401,032)	-	(47,034)	(47,034)	353,998
<b>OTHER FINANCING SOURCES (USES):</b>					
Transfers in					
General Fund	401,032	-	401,032	401,032	-
Total other financing sources	<u>401,032</u>	<u>-</u>	<u>401,032</u>	<u>401,032</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	353,998	<u>\$ 353,998</u>	<u>\$ 353,998</u>
Fund balance beginning of year			-		
Fund balance end of year			<u>\$ 353,998</u>		

# Enterprise Fund

## Enterprise Fund

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 government's council is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

- ♦ **Stormwater Fund:** accounts for the operations of the County's stormwater activities

**Person County, North Carolina**  
**Stormwater Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget and Actual**

**Exhibit D-1**

For the fiscal year ended June 30, 2019

	<b>2019</b>			<b>VARIANCE</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Positive (Negative)</b>
<b>REVENUES</b>				
Charge for services	\$ 250,000	\$ 480,000	\$ 278,791	\$ (201,209)
Investment earnings	-	-	2,208	2,208
Total revenues	<u>250,000</u>	<u>480,000</u>	<u>280,999</u>	<u>(199,001)</u>
<b>EXPENDITURES</b>				
Environmental Protection				
Operating expenses	250,000	250,000	168,596	81,404
Capital outlay	-	230,000	-	230,000
Total expenditures	<u>250,000</u>	<u>480,000</u>	<u>168,596</u>	<u>311,404</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	112,403	<u>\$ 112,403</u>
Fund balance beginning of year			<u>415,658</u>	
Fund balance end of year			<u>\$ 528,061</u>	

# Internal Service Fund

## Internal Service Fund

Internal Service funds are used to account for the financing of goods and services provided by one department or other departments of the County.

- ♦ **Insurance Fund:** accounts for the County's health insurance transactions



**Insurance Fund**

**Schedule of Revenues, Expenditures and Changes in Fund Balances**

**Budget and Actual (Non-GAAP)**

For the fiscal year ended June 30, 2019

	2019			VARIANCE
	Original Budget	Final Budget	Actual	Positive (Negative)
<b>REVENUES</b>				
Contributions from employees	\$ 3,079,425	\$ 3,079,425	\$ 3,391,836	\$ 312,411
Insurance settlements	-	-	58,958	58,958
Investment earnings	1,000	1,000	12,927	11,927
Miscellaneous	295,000	295,000	356,600	61,600
Total revenues	<u>3,375,425</u>	<u>3,375,425</u>	<u>3,820,321</u>	<u>444,896</u>
<b>EXPENDITURES</b>				
Health insurance administration	580,000	580,000	558,941	21,059
Claims	3,200,000	3,200,000	3,081,036	118,964
Total expenditures	<u>3,780,000</u>	<u>3,780,000</u>	<u>3,639,977</u>	<u>140,023</u>
Excess (deficiency) of revenues over expenditures	(404,575)	(404,575)	180,344	584,919
<b>OTHER FINANCING SOURCES</b>				
Transfers in				
General Fund	<u>404,575</u>	<u>404,575</u>	<u>404,575</u>	-
Total other financing sources (uses)	<u>404,575</u>	<u>404,575</u>	<u>404,575</u>	-
Excess (deficiency) of revenues and other financing sources over expenditures and other sources	<u>\$ -</u>	<u>\$ -</u>	584,919	<u>\$ 584,919</u>
Fund balance beginning of year			(236,233)	
Fund balance end of year			<u>\$ 348,686</u>	

Agency funds are used to account for assets held by the county as an agent for individuals, private organizations, other governments and/or other funds.

## **AGENCY FUNDS:**

- ◆ **Social Services Trust Fund:** accounts for receipts and disbursements made by the County on behalf of individuals for whom the County serves as or is, in fact, their legal guardian or custodian.
- ◆ **Sheriff's Executions and Commissions Fund:** accounts for collections by the Sheriff of small claims remitted to the Clerk of Court and collection of commissions remitted to the County Finance Director.
- ◆ **City of Roxboro Property and Vehicle Tax Fund:** accounts for registered motor vehicle property taxes that are billed and collected by the County for the City of Roxboro. This fund also includes the 3% additional first month's interest charged on delinquent motor vehicle tax bills remitted to the State Treasurer.
- ◆ **Inmate Fund:** accounts for cash held for inmates who are serving time in the Person County Detention Center.
- ◆ **Person County Tourism Development Authority Fund:** accounts for the revenues and expenditures of occupancy tax received from the County.
- ◆ **Fines and Forfeitures and 4-H Program Fund:** accounts for fines and forfeitures that are passed through the County from the Clerk of Courts Office to the Board of Education, and for monies held for future 4-H program expenses.

**Person County, North Carolina**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**

**Exhibit F-1**

For the fiscal year ended June 30, 2019

	<b>Balance 6/30/18</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance 6/30/19</b>
<b><u>Social Services Trust</u></b>				
Assets				
Cash and cash equivalents	\$ 84,730	\$ 614,665	\$ 630,786	\$ 68,609
Liabilities				
Due to individuals	\$ 84,730	\$ 614,665	\$ 630,786	\$ 68,609
<b><u>Sheriff's Executions and Commissions</u></b>				
Assets				
Cash and cash equivalents	\$ 25,183	\$ 151,536	\$ 147,088	\$ 29,631
Liabilities				
Accounts payable and accrued liabilities	\$ 25,183	\$ 151,536	\$ 147,088	\$ 29,631
<b><u>City of Roxboro Property Tax and Vehicle Tax</u></b>				
Assets				
Taxes receivable	205,189	5,398,432	5,398,659	204,962
Total assets	\$ 205,189	\$ 5,398,432	\$ 5,398,659	\$ 204,962
Liabilities				
Due for taxes receivable	\$ 205,189	\$ 5,398,432	\$ 5,398,659	\$ 204,962
Total liabilities	\$ 205,189	\$ 5,398,432	\$ 5,398,659	\$ 204,962
<b><u>Inmate</u></b>				
Assets				
Cash and cash equivalents	\$ 21,141	\$ 462,748	\$ 458,434	\$ 25,455
Liabilities				
Accounts payable and accrued liabilities	\$ 11,759	\$ 140,689	\$ 140,487	\$ 11,961
Due to inmates	9,382	322,059	317,947	13,494
Total liabilities	\$ 21,141	\$ 462,748	\$ 458,434	\$ 25,455
<b><u>Person County Tourism Development Authority</u></b>				
Assets				
Cash and cash equivalents	\$ 188,529	\$ 373,366	\$ 506,865	\$ 55,030
Due from Person County	-	118,043	-	118,043
Total assets	\$ 188,529	\$ 491,409	\$ 506,865	\$ 173,073
Liabilities				
Accounts payable and accrued liabilities	\$ 188,529	\$ 491,409	\$ 506,865	\$ 173,073
<b><u>Fines and Forfeitures and 4H</u></b>				
Assets				
Cash and cash equivalents	\$ 39,563	\$ 121,047	\$ 118,638	\$ 41,972
Liabilities				
Accounts payable and accrued liabilities	\$ 99	\$ 118,677	\$ 118,638	\$ 138
Due to other governments - Person County Board of Education	-	100,437	100,437	-
Due to 4H	39,464	2,370	-	41,834
Total liabilities	\$ 39,563	\$ 221,484	\$ 219,075	\$ 41,972
<b><u>Total-All Agency Funds</u></b>				
Assets				
Cash and cash equivalents	\$ 359,146	\$ 1,723,362	\$ 1,861,811	\$ 220,697
Taxes receivable	205,189	5,398,432	5,398,659	204,962
Due from Person County	-	118,043	-	118,043
Total assets	\$ 564,335	\$ 7,239,837	\$ 7,260,470	\$ 543,702
Liabilities				
Accounts payable and accrued liabilities	\$ 225,570	\$ 801,874	\$ 812,641	\$ 214,803
Due to individuals	84,730	614,665	630,786	68,609
Due to inmates	9,382	322,059	317,947	13,494
Due to other governments	-	100,437	100,437	-
Due to 4H	39,464	2,370	-	41,834
Due for taxes receivable	205,189	5,398,432	5,398,659	204,962
Total liabilities	\$ 564,335	\$ 7,239,837	\$ 7,260,470	\$ 543,702

# Other Schedules

**This section contains additional information  
on property taxes.**

- ◆ **Schedule of Ad Valorem Taxes Receivable**
- ◆ **Analysis of Current Tax Levy**

**Person County, North Carolina**  
**Schedule of Ad Valorem Taxes Receivable**

**Exhibit G-1**

For the fiscal year ended June 30, 2019

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Uncollected Balance June 30, 2018</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2019</b>
2018-2019	2018	\$ -	\$ 32,502,013	\$ 32,127,669	\$ 374,344
2017-2018	2017	404,300	-	217,259	187,041
2016-2017	2016	176,089	-	68,479	107,610
2015-2016	2015	107,163	-	38,917	68,246
2014-2015	2014	72,430	-	22,953	49,477
2013-2014	2013	62,274	-	22,536	39,738
2012-2013	2012	42,754	-	8,232	34,522
2011-2012	2011	33,388	-	3,032	30,356
2010-2011	2010	27,781	-	1,697	26,084
2009-2010	2009	24,938	-	1,002	23,936
2008-2009	2008	22,643	-	22,643	-
Total		<u>\$ 973,760</u>	<u>\$ 32,502,013</u>	<u>\$ 32,534,419</u>	<u>\$ 941,354</u>
Less: allowance for uncollectible accounts					<u>193,277</u>
Ad valorem taxes receivable, net:					<u>\$ 748,077</u>
Reconciliation with Revenues:					
Taxes - Ad Valorem - General Fund					
Current year					\$ 32,081,884
Prior years					382,907
Penalties and interest					163,496
Advertising					45,201
Total Ad Valorem Taxes					<u>32,673,488</u>
Refunds					
Adjustments to prior years taxes					48,153
Amounts written off for tax year 2008 per statute of limitations					21,475
Subtotal					<u>32,743,116</u>
Less interest collected					163,496
Less advertising fees					45,201
Total collections and credits					<u>\$ 32,534,419</u>

**Person County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - wide Levy**

Exhibit G-2

For the fiscal year ended June 30, 2019

	<b>Property Valuation</b>	<b>Rate per \$100 Valuation</b>	<b>Amount of Levy</b>	<b>Property Excluding Registered Motor Vehicles</b>	<b>Registered Motor Vehicles</b>
Original Levy					
County Wide					
Property Taxes at Current Year's Rate	\$ 4,621,292,715	\$ 0.70	\$ 32,349,049	\$ 29,517,127	\$ 2,831,922
Late Listing Penalties	-		15,607	15,607	-
Total	<u>4,621,292,715</u>		<u>32,364,656</u>	<u>29,532,734</u>	<u>2,831,922</u>
Discoveries and Corrections					
Current Years' Taxes	22,763,000	0.70	159,341	159,341	-
Penalties	-		438	438	-
	<u>22,763,000</u>		<u>159,779</u>	<u>159,779</u>	<u>-</u>
Releases	<u>(3,203,429)</u>	0.70	<u>(22,424)</u>	<u>(22,424)</u>	<u>-</u>
Total for Year	<u>\$ 4,640,852,286</u>		<u>32,502,011</u>	<u>29,670,089</u>	<u>2,831,922</u>
Less Uncollected tax at June 30, 2018			<u>374,344</u>	<u>370,603</u>	<u>3,741</u>
Current year's taxes collected			<u>\$ 32,127,667</u>	<u>\$ 29,299,486</u>	<u>\$ 2,828,181</u>
Percent current year collected			<u>98.85%</u>	<u>98.75%</u>	<u>99.87%</u>

## Statistical Section

This part of the Person County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

<u>Contents</u>	<u>Page</u>
Financial Trends	121
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	130
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	138
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	143
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	146
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**Person County, North Carolina**  
**Schedule 1**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)

(Page 1 of 2)

	<b>Fiscal Year</b>			
	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>	<b><u>2013</u></b>
Governmental activities				
Net investment in capital assets	\$ 20,020,058	\$ 18,741,532	\$ 21,155,561	\$ 21,364,462
Restricted	4,018,047	8,563,948	8,219,339	8,869,798
Unrestricted	4,203,584	2,322,140	4,191,640	3,657,279
Total governmental activities net position	<u>28,241,689</u>	<u>29,627,620</u>	<u>33,566,540</u>	<u>33,891,539</u>
Business-type activities				
Unrestricted	-	-	-	-
Total business-type activities net position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary government				
Net investment in capital assets	20,020,058	18,741,532	21,155,561	21,364,462
Restricted	4,018,047	8,563,948	8,219,339	8,869,798
Unrestricted	4,203,584	2,322,140	4,191,640	3,657,279
Total primary governmental net position	<u>\$ 28,241,689</u>	<u>\$ 29,627,620</u>	<u>\$ 33,566,540</u>	<u>\$ 33,891,539</u>



Fiscal Year					
<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 23,065,359	\$ 31,664,023	\$ 38,358,826	\$ 32,964,043	\$ 36,548,803	\$ 37,183,541
7,729,273	7,043,470	8,700,798	9,036,709	11,648,228	9,600,668
4,533,912	9,074,436	10,855,661	14,010,974	13,433,622	17,860,289
<u>35,328,544</u>	<u>47,781,929</u>	<u>57,915,285</u>	<u>56,011,726</u>	<u>61,630,653</u>	<u>64,644,498</u>
71,668	144,184	237,204	322,258	415,658	528,061
<u>71,668</u>	<u>144,184</u>	<u>237,204</u>	<u>322,258</u>	<u>415,658</u>	<u>528,061</u>
23,065,359	31,664,023	38,358,826	32,964,043	36,548,803	37,183,541
7,729,273	7,043,470	8,700,798	9,036,709	11,648,228	9,600,668
4,605,580	9,218,620	11,092,865	14,333,232	13,849,280	18,388,350
<u>\$ 35,400,212</u>	<u>\$ 47,926,113</u>	<u>\$ 58,152,489</u>	<u>\$ 56,333,984</u>	<u>\$ 62,046,311</u>	<u>\$ 65,172,559</u>

**Person County, North Carolina**  
**Schedule 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

(Page 1 of 4)

	Fiscal Year				
	2010	2011	2012	2013	2014
<b>Expenses</b>					
Governmental activities					
General government	\$ 5,014,727	\$ 4,828,349	\$ 4,655,404	\$ 5,806,008	\$ 6,055,901
Public safety	11,381,743	11,468,186	11,437,656	11,961,190	12,476,577
Transportation	1,494,361	1,454,342	1,435,983	1,415,053	1,286,978
Human services	15,891,412	15,440,313	15,746,664	16,333,971	16,563,554
Environmental protection	832,951	1,228,807	891,073	1,088,616	649,147
Economic and physical development	898,345	1,470,929	1,753,033	2,103,294	1,404,663
Cultural and recreation	1,781,842	1,511,796	1,466,125	1,587,995	1,592,550
Education	10,705,681	11,460,882	10,269,913	13,043,761	12,096,514
Capital Outlay	-	-	1,014,882	385,929	1,560,160
Interest on long term debt	712,074	703,782	669,146	534,264	530,279
Total governmental activities expenses	<u>48,713,136</u>	<u>49,567,386</u>	<u>49,339,879</u>	<u>54,260,081</u>	<u>54,216,323</u>
Business-type activities					
Stormwater Department	-	-	-	-	199,674
Total primary government expenses	<u>\$ 48,713,136</u>	<u>\$ 49,567,386</u>	<u>\$ 49,339,879</u>	<u>\$ 54,260,081</u>	<u>\$ 54,415,997</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General government	\$ 420,971	\$ 383,400	\$ 388,611	\$ 350,744	\$ 396,260
Public safety	1,889,029	1,937,117	2,047,710	1,717,878	1,842,884
Transportation	268,113	245,332	240,965	322,797	294,459
Human services	4,006,896	3,916,676	4,027,375	4,023,486	2,728,473
Environmental protection	868,952	731,989	932,314	796,321	822,423
Economic and physical development	43,545	99,364	90,001	6,956	11,433
Cultural and recreation	276,533	322,708	341,512	358,138	345,570
Operating grants and contributions:					
General government	-	52,398	65,114	14,492	2
Public safety	966,832	905,318	1,055,904	1,024,467	1,208,057
Transportation	236,930	235,717	225,765	310,036	362,452
Human services	6,973,325	7,033,549	7,100,930	6,926,407	8,392,466
Environmental protection	106,835	119,917	118,497	113,343	114,204
Economic and physical development	39,410	361,743	499,604	1,148,118	392,042
Cultural and recreation	162,052	156,210	120,282	117,926	100,281
Education	493,209	189,873	17,862	1,534,817	-
Capital grants and contributions:					
General Government	-	6,571	140,641	6,227	19
Transportation	417,819	111,955	157,454	454,726	231,347
Environmental Protection	668,046	566,260	54,587	55,737	4,510
Economic and physical development	25,500	37,000	1,500	2,638	171,039
Cultural and recreation	317,496	5,000	4,000	20,500	12,269
Education	-	-	-	-	72,465
Total governmental activities program revenues	<u>18,181,493</u>	<u>17,418,097</u>	<u>17,630,628</u>	<u>19,305,754</u>	<u>17,502,655</u>

	Fiscal Year				
	2010	2011	2012	2013	2014
Business-type activities					
Charges for services:					
Stormwater Department	-	-	-	-	271,342
Total primary government program revenues	\$ 18,181,493	\$ 17,418,097	\$ 17,630,628	\$ 19,305,754	\$ 17,773,997
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (30,531,643)	\$ (32,149,289)	\$ (31,709,251)	\$ (34,954,327)	\$ (36,713,668)
Business-type activities	-	-	-	-	71,668
Total primary government net expenses	\$ (30,531,643)	\$ (32,149,289)	\$ (31,709,251)	\$ (34,954,327)	\$ (36,642,000)
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Property taxes	\$ 27,606,040	\$ 27,291,587	\$ 27,393,771	\$ 28,772,219	\$ 30,883,915
Local option sales tax	5,758,729	5,542,646	6,045,749	6,092,052	6,430,850
Other taxes and licenses	260,617	237,858	305,012	493,228	462,739
Unrestricted intergovernmental	-	-	-	-	-
Investment earnings	49,125	24,950	14,619	13,715	508
Miscellaneous, unrestricted	-	-	-	-	-
Loss on disposal of capital asset	-	-	-	-	-
Contributed capital	-	-	-	-	-
Other miscellaneous	681,770	438,179	1,889,020	(498,552)	372,661
Total governmental activities	34,356,281	33,535,220	35,648,171	34,872,662	38,150,673
Business-type activities					
Investment earnings	-	-	-	-	-
Total primary government general revenues, special items and transfers	\$ 34,356,281	\$ 33,535,220	\$ 35,648,171	\$ 34,872,662	\$ 38,150,673
<b>Change in Net Position</b>					
Governmental activities	\$ 3,824,638	\$ 1,385,931	\$ 3,938,920	\$ (81,665)	\$ 1,437,005
Business-type activities	-	-	-	-	71,668
Total primary government	\$ 3,824,638	\$ 1,385,931	\$ 3,938,920	\$ (81,665)	\$ 1,508,673

**Person County, North Carolina**  
**Schedule 2**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

(Page 3 of 4)

	Fiscal Year				
	2015	2016	2017	2018	2019
<b>Expenses</b>					
Governmental activities					
General government	\$ 6,688,836	\$ 6,377,104	\$ 7,092,146	\$ 6,510,042	\$ 9,741,738
Public safety	12,475,439	12,818,151	13,843,079	13,040,023	14,574,861
Transportation	1,277,326	1,333,946	1,339,616	1,291,899	1,611,457
Human services	14,335,792	14,535,066	15,048,142	16,273,304	14,662,401
Environmental protection	2,510,486	2,469,444	3,083,626	648,644	657,940
Economic and physical development	1,433,353	1,246,837	1,608,085	1,443,587	1,127,571
Cultural and recreation	1,615,447	1,800,505	1,812,818	1,745,964	1,942,027
Education	11,626,709	12,987,242	12,404,456	10,633,360	11,427,138
Capital Outlay	460,869	212,752	601,225	2,000,965	1,462,416
Interest on long term debt	242,746	436,753	370,388	363,297	545,966
Total governmental activities expenses	<u>52,667,003</u>	<u>54,217,800</u>	<u>57,203,581</u>	<u>53,951,085</u>	<u>57,753,515</u>
Business-type activities					
Stormwater Department	196,024	175,115	182,996	183,136	168,596
Total primary government expenses	<u>\$ 52,863,027</u>	<u>\$ 54,392,915</u>	<u>\$ 57,386,577</u>	<u>\$ 54,134,221</u>	<u>\$ 57,922,111</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General government	\$ 415,643	\$ 394,378	\$ 421,621	\$ 719,193	\$ 756,078
Public safety	1,987,725	1,968,436	2,047,699	1,876,352	2,263,955
Transportation	419,617	449,196	381,887	332,338	339,142
Human services	2,522,871	3,139,853	3,388,953	3,712,493	2,461,438
Environmental protection	761,116	754,409	819,123	715,722	718,500
Economic and physical development	14,731	16,063	15,688	83,041	94,404
Cultural and recreation	323,353	368,606	409,525	412,458	382,003
Operating grants and contributions:					
General government	-	3,276	-	185,470	199,660
Public safety	1,323,629	1,277,367	1,650,012	1,199,209	1,718,231
Transportation	271,196	506,589	494,012	242,456	482,771
Human services	8,560,360	8,031,774	8,141,712	6,972,508	6,918,742
Environmental protection	118,251	125,363	126,967	91,576	81,079
Economic and physical development	166,357	277,603	259,959	53,027	112,567
Cultural and recreation	514,960	141,363	104,096	120,048	96,538
Education	-	-	-	-	-
Capital grants and contributions:					
General Government	-	-	-	-	-
Transportation	188,211	65,488	194,607	486,117	201,245
Environmental Protection	-	6,000	1,998	-	-
Economic and physical development	110,925	-	-	-	336,326
Cultural and recreation	15,877	14,513	7,750	-	-
Education	229,808	198,948	142,569	6,487,181	121,122
Total governmental activities program revenues	<u>17,944,630</u>	<u>17,739,225</u>	<u>18,608,178</u>	<u>23,689,189</u>	<u>17,283,801</u>

	Fiscal Year				
	2015	2016	2017	2018	2019
Business-type activities					
Charges for services:					
Stormwater Department	268,540	268,135	268,050	274,882	278,791
Total primary government program revenues	<u>\$ 18,213,170</u>	<u>\$ 18,007,360</u>	<u>\$ 18,876,228</u>	<u>\$ 23,964,071</u>	<u>\$ 17,562,592</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (34,722,373)	\$ (36,478,575)	\$ (38,595,403)	\$ (30,261,896)	\$ (40,469,714)
Business-type activities	72,516	93,020	85,054	91,746	110,195
Total primary government net expenses	<u>\$ (34,649,857)</u>	<u>\$ (36,385,555)</u>	<u>\$ (38,510,349)</u>	<u>\$ (30,170,150)</u>	<u>\$ (40,359,519)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Property taxes	\$ 31,358,952	\$ 31,272,619	\$ 32,103,402	\$ 32,143,716	\$ 32,985,331
Local option sales tax	6,732,660	7,058,217	7,571,089	8,075,831	8,701,260
Other taxes and licenses	563,360	698,818	566,446	454,676	210,388
Unrestricted intergovernmental	208,437	-	-	-	-
Investment earnings	(32,398)	52,812	132,958	216,223	680,640
Miscellaneous, unrestricted					
Loss on disposal of capital asset	15,325	163,861	60,478	(560,899)	-
Contributed capital	10,363,160	6,392,856	-	-	-
Other miscellaneous	88,262	519,861	(2,400,589)	694,671	905,940
Total governmental activities	<u>49,297,758</u>	<u>46,159,044</u>	<u>38,033,784</u>	<u>41,024,218</u>	<u>43,483,559</u>
Business-type activities					
Investment earnings	-	-	-	1,654	2,208
Total primary government general revenues, special items and transfers	<u>\$ 49,297,758</u>	<u>\$ 46,159,044</u>	<u>\$ 38,033,784</u>	<u>\$ 41,025,872</u>	<u>\$ 43,485,767</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 14,575,385	\$ 9,680,469	\$ (561,619)	\$ 10,762,322	\$ 3,013,845
Business-type activities	72,516	93,020	85,054	93,400	112,403
Total primary government	<u>\$ 14,647,901</u>	<u>\$ 9,773,489</u>	<u>\$ (476,565)</u>	<u>\$ 10,855,722</u>	<u>\$ 3,126,248</u>

**Person County, North Carolina**  
**Schedule 3**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Total</b>
2010	\$ 27,606,040	\$ 5,758,729	\$ 260,617	\$ 33,625,386
2011	27,291,587	5,542,646	237,858	33,072,091
2012	27,393,771	6,045,749	305,012	33,744,532
2013	28,772,219	6,092,052	493,228	35,357,499
2014	30,883,915	6,430,850	462,739	37,777,504
2015	31,358,952	6,732,660	563,360	38,654,972
2016	31,272,619	7,058,217	698,818	39,029,654
2017	32,103,402	7,571,089	566,446	40,240,937
2018	32,143,716	8,075,831	454,676	40,674,223
2019	32,985,331	8,701,260	210,388	41,896,979

**Person County, North Carolina**  
**Schedule 4**  
**Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

(Page 1 of 2)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund				
Reserved	\$ 5,237,082	\$ -	\$ -	\$ -
Unreserved	13,582,453	-	-	-
Nonspendable	-	-	-	99,956
Restricted	-	3,409,571	4,134,503	5,227,556
Committed	-	63,057	88,995	143,466
Assigned	-	2,403,817	4,493,237	3,611,857
Unassigned	-	14,967,838	12,631,079	9,936,607
Total general fund	<u>\$ 18,819,535</u>	<u>\$ 20,844,283</u>	<u>\$ 21,347,814</u>	<u>\$ 19,019,442</u>
All Other Governmental Funds				
Reserved	\$ 408,959	\$ -	\$ -	\$ -
Unreserved	4,269,403	-	-	-
Nonspendable	-	-	-	-
Restricted	-	1,732,534	1,098,020	3,642,242
Committed	-	2,428,100	1,829,907	2,971,430
Assigned	-	55,801	30,000	86,474
Unassigned	-	(115,553)	-	(711,840)
Total all other governmental funds	<u>\$ 4,678,362</u>	<u>\$ 4,100,882</u>	<u>\$ 2,957,927</u>	<u>\$ 5,988,306</u>

**Note:** GASB Statement 54, Fund Balance Reporting and Governmental Fund Type Definitions, is designed to better convey the restrictions upon the fund balance of a governmental fund. Restatement of previous fund balances reported cannot be done with certainty, due to a lack of detailed records. Accordingly, prior year amounts have not been restated for the implementation of Statement 54. The change in the classifications of fund balance is discussed in the Notes to the Financial Statements.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
305,868	101,957	183,550	108,934	145,382	177,691
6,226,227	4,696,872	5,508,761	5,981,436	6,279,373	6,197,001
204,718	264,569	645,154	726,480	726,481	969,306
3,284,997	2,721,258	3,471,017	2,734,736	2,594,047	5,900,352
9,644,006	13,163,785	13,599,981	14,172,971	16,223,464	15,491,651
<u>\$ 19,665,816</u>	<u>\$ 20,948,441</u>	<u>\$ 23,408,463</u>	<u>\$ 23,724,557</u>	<u>\$ 25,968,747</u>	<u>\$ 28,736,001</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
90,000	70,000	-	-	-	-
1,503,046	2,346,598	3,192,037	3,055,273	5,368,855	3,403,667
1,941,502	1,785,342	1,787,660	4,341,003	3,968,392	2,844,699
11,700	-	-	-	698,143	627,602
(852,204)	(217,136)	-	(483,469)	(30,266)	(255,018)
<u>\$ 2,694,044</u>	<u>\$ 3,984,804</u>	<u>\$ 4,979,697</u>	<u>\$ 6,912,807</u>	<u>\$ 10,005,124</u>	<u>\$ 6,620,950</u>



**Person County, North Carolina**  
**Schedule 5**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

(Page 1 of 2)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>Revenues</b>				
Property	\$ 27,612,262	\$ 27,343,883	\$ 27,396,888	\$ 28,723,333
Sales	5,758,729	5,542,646	6,045,749	6,092,052
Other	260,617	237,858	305,012	296,809
Total taxes	<u>33,631,608</u>	<u>33,124,387</u>	<u>33,747,649</u>	<u>35,112,194</u>
Fees	391,545	455,138	395,910	424,018
Intergovernmental	10,682,900	10,113,506	9,772,122	11,838,130
Investment earnings	56,387	35,938	18,812	6,700
Charges for services	7,034,129	6,903,459	7,525,686	7,044,549
Other	829,927	475,576	590,762	756,298
Total Revenues	<u>52,626,496</u>	<u>51,108,004</u>	<u>52,050,941</u>	<u>55,181,889</u>
<b>Expenditures</b>				
General government	4,651,524	6,888,873	5,564,747	5,502,071
Public safety	10,942,744	11,264,076	11,444,411	11,806,617
Transportation	803,490	788,605	811,686	876,455
Human services	15,550,866	15,665,919	15,444,531	15,949,674
Environmental protection	184,414	679,100	698,015	1,023,852
Economic and physical development	909,161	1,446,775	1,746,977	2,109,044
Cultural and recreational	1,985,887	1,411,403	1,490,524	1,474,427
Education	10,705,681	11,460,882	10,285,241	13,043,761
Capital projects	1,100,109	687,377	1,222,621	1,762,976
Debt service:				
Principal	3,033,268	3,183,655	3,381,057	3,527,943
Interest and other charges	696,247	689,919	654,346	575,576
Total expenditures	<u>50,563,391</u>	<u>54,166,584</u>	<u>52,744,156</u>	<u>57,652,396</u>
Excess of revenues over (under) expenditures	<u>2,063,105</u>	<u>(3,058,580)</u>	<u>(693,215)</u>	<u>(2,470,507)</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	8,134,781	7,501,588	1,109,158	3,921,216
Transfers out	(8,134,781)	(7,501,588)	(1,109,158)	(3,921,216)
Installment purchase obligations issued	-	4,500,000	-	3,132,538
Capital lease obligations issued	-	-	-	-
Sale of capital assets	13,260	5,849	53,791	39,976
Total other financing sources (uses)	<u>13,260</u>	<u>4,505,849</u>	<u>53,791</u>	<u>3,172,514</u>
Net change in fund balances	\$ <u>2,076,365</u>	\$ <u>1,447,269</u>	\$ <u>(639,424)</u>	\$ <u>702,007</u>
Debt service as a percentage of noncapital expenditures	7.56%	7.63%	8.01%	7.39%

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 31,076,698	\$ 30,915,707	\$ 31,276,307	\$ 32,078,642	\$ 32,141,941	\$ 33,051,014
6,430,850	6,732,660	7,058,217	7,571,089	8,075,831	8,701,260
326,400	348,207	477,014	356,461	454,676	210,388
<u>37,833,948</u>	<u>37,996,574</u>	<u>38,811,538</u>	<u>40,006,192</u>	<u>40,672,448</u>	<u>41,962,662</u>
424,116	516,700	433,330	573,352	578,565	596,492
11,244,979	11,457,497	11,046,450	11,598,701	10,312,203	10,268,281
(47,531)	(32,398)	52,401	131,895	346,990	667,713
5,951,527	5,751,890	6,404,761	6,550,975	7,273,032	6,419,028
622,808	998,161	604,799	493,568	699,355	910,706
<u>56,029,847</u>	<u>56,688,424</u>	<u>57,353,279</u>	<u>59,354,683</u>	<u>59,882,593</u>	<u>60,824,882</u>
5,993,331	6,020,465	5,849,007	5,756,073	5,944,581	6,796,127
12,133,878	12,748,522	13,834,037	13,461,794	13,014,359	14,325,860
918,658	863,199	1,007,835	1,016,508	858,553	1,212,589
16,338,419	14,534,583	14,694,995	14,806,037	15,749,375	14,681,146
675,440	2,500,386	2,446,162	3,045,427	649,558	627,054
1,395,811	1,442,248	1,258,242	1,653,788	1,479,461	1,144,750
1,583,278	2,117,676	1,731,294	1,688,993	1,784,228	1,883,322
12,096,514	11,021,422	12,085,890	11,266,416	10,520,135	10,779,335
3,589,154	1,461,191	2,169,724	4,259,925	6,538,982	7,937,483
3,685,110	3,563,836	1,979,648	1,826,474	1,796,246	1,884,918
522,599	423,876	408,585	394,432	370,618	564,306
<u>58,932,192</u>	<u>56,697,404</u>	<u>57,465,419</u>	<u>59,175,867</u>	<u>58,706,096</u>	<u>61,836,890</u>
<u>(2,902,345)</u>	<u>(8,980)</u>	<u>(112,140)</u>	<u>178,816</u>	<u>1,176,497</u>	<u>(1,012,008)</u>
2,190,561	1,200,989	2,170,034	4,666,974	3,141,905	3,504,408
(2,190,561)	(1,200,989)	(2,195,123)	(4,942,064)	(3,468,841)	(3,908,983)
-	2,360,000	1,884,000	2,285,000	4,400,000	776,086
223,532	207,040	1,099,125	-	-	-
30,925	15,325	156,131	60,478	86,946	23,577
<u>254,457</u>	<u>2,582,365</u>	<u>3,114,167</u>	<u>2,070,388</u>	<u>4,160,010</u>	<u>395,088</u>
\$ <u>(2,647,888)</u>	\$ <u>2,573,385</u>	\$ <u>3,002,027</u>	\$ <u>2,249,204</u>	\$ <u>5,336,507</u>	\$ <u>(616,920)</u>
7.56%	7.34%	4.31%	4.08%	4.00%	4.42%

**Person County, North Carolina**  
**Schedule 6**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)

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<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Total</b>
2010	\$ 27,612,262	\$ 5,758,729	\$ 260,617	\$ 33,631,608
2011	27,343,883	5,542,646	237,858	33,124,387
2012	27,396,888	6,045,749	305,012	33,747,649
2013	28,723,333	6,092,052	296,809	35,112,194
2014	31,076,698	6,430,850	326,400	37,833,948
2015	30,915,707	6,732,660	348,207	37,996,574
2016	31,276,307	7,058,217	477,014	38,811,538
2017	32,078,642	7,571,089	356,461	40,006,192
2018	32,141,941	8,075,831	454,676	40,672,448
2019	33,051,014	8,701,260	210,388	41,962,662

**Person County, North Carolina**  
**Schedule 7**  
**Assessed Value and Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

(Page 1 of 2)

Fiscal Year	Real Property			Present-use Value (1)	Personal Property
	Residential Property	Commercial and Industrial Property (6)	Industrial Property (6)		
2010	\$ 2,022,745,364	\$ 347,248,645	\$ -	\$ 85,219,209	\$ 589,008,474
2011	2,017,610,282	348,220,349	-	85,789,028	604,180,027
2012	2,115,957,821	350,088,048	-	88,159,285	552,081,607
2013 (5)	2,046,536,959	389,719,494	-	91,468,827	725,549,333
2014	2,309,609,512	416,429,268	-	110,582,155	730,291,185
2015	2,317,684,346	426,682,434	-	112,156,063	666,236,563
2016	2,206,654,052	426,359,519	-	122,245,652	814,937,206
2017	2,227,240,421	428,570,249	-	123,815,353	883,731,276
2018	2,260,294,438	417,808,197	-	127,826,715	881,797,478
2019	2,099,071,038	527,044,234	111,069,448	125,314,460	900,763,236

**Source:** Annual County Report of Valuation and Property Tax Levies

**Notes:**

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value.
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (5) Property revaluation is typically performed every four years. However, the last reassessment was implemented on January 1, 2012, meeting the eight year minimum time period for property revaluation. This was the basis for fiscal 2013 taxes.
- (6) The current tax office software does not differentiate between Commercial and Industrial Property value, therefore, this column is presented as a sum of the two.

<b>Public Service Companies (2)</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate (3)</b>	<b>Estimated Actual Taxable Value (4)</b>	<b>Assessed Value as a Percentage of Actual Value (4)</b>
\$ 883,874,459	\$ 3,928,096,151	0.700	\$ 4,097,742,699	96%
808,999,923	3,864,799,609	0.700	4,108,866,265	94%
775,604,593	3,881,891,354	0.700	3,885,388,203	100%
822,660,836	4,075,935,449	0.700	4,079,607,095	100%
810,293,511	4,377,205,631	0.700	4,306,154,089	102%
848,831,812	4,371,591,218	0.700	4,328,308,137	101%
865,247,565	4,435,443,994	0.700	4,525,963,259	98%
888,270,969	4,551,628,268	0.700	4,713,294,261	97%
889,051,094	4,576,777,922	0.700	5,009,989,997	91%
877,589,870	4,640,852,286	0.700	5,156,502,540	90%

**Person County, North Carolina**  
**Schedule 8**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

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Fiscal Year Ended June 30	<u>County of Person Direct Rates</u>			<u>Overlapping Rates Levied by Municipality</u>	
	County Basic Rate	Fire District Tax Rate (1)	Total Direct Rate	City of Roxboro (2)	
2010	\$ 0.700	\$ -	\$ 0.700	\$	0.614
2011	0.700	-	0.700		0.614
2012	0.700	-	0.700		0.614
2013	0.700	-	0.700		0.630
2014	0.700	-	0.700		0.660
2015	0.700	-	0.700		0.660
2016	0.700	-	0.700		0.670
2017	0.700	-	0.700		0.670
2018	0.700	-	0.700		0.670
2019	0.700	0.010	0.710		0.670

**Notes:**

- (1) Established in FY2019 to assist fire departments that have limited resources available for funding  
 (2) Municipality is excluded from paying the Fire District Tax

**Person County, North Carolina**  
**Schedule 9**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

(Page 1 of 2)

Taxpayer	Type of Business	Fiscal Year 2019		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Public utility	\$ 821,738,855	1	17.71%
Spuntech	Manufacturer	75,428,367	2	1.63%
CertainTeed	Manufacturer	70,900,318	3	1.53%
GKN Automotive, Inc.	Manufacturer	55,767,187	4	1.20%
Eaton Corporation	Manufacturer	52,091,148	5	1.12%
US Flue Cured Tobacco Growers	Manufacturer	41,540,631	6	0.90%
Lousiana Pacific Corp	Manufacturer	40,433,426	7	0.87%
Piedmont EMC	Public utility	28,181,351	8	0.61%
Altec Capital	Finance Company	27,781,720	9	0.60%
DLP Person Memorial Hospital	Service Provider	25,939,404	10	0.56%
NC Eastern Municipal Power Agency	Public utility			
North Park Drive, LLC	Manufacturer			
Georgia Pacific Corporation	Manufacturer			
Central Telephone Co of NC	Public utility			
Totals		\$ <u>1,239,802,407</u>		26.71%

**Source:** Person County Tax Department

**Fiscal Year 2010**

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<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
\$ 766,064,686	1	19.50%
42,198,194	4	1.07%
55,829,768	3	1.42%
34,652,540	6	0.88%
42,123,065	5	1.07%
23,962,496	8	0.61%
63,118,857	2	1.61%
33,775,333	7	0.86%
17,827,501	9	0.45%
<u>16,307,892</u>	10	0.42%
\$ <u><u>1,095,860,332</u></u>		27.90%



**Person County, North Carolina**  
**Schedule 10**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

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Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Net Collections and Adjustments in Subsequent Years (Note 1)	Total Net Collections and Adjustments to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2010	\$ 27,082,062	\$ 26,376,266	97.39%	\$ 691,419	\$ 27,067,685	99.95%
2011	27,504,654	26,789,298	97.40%	602,604	27,391,902	99.59%
2012	27,077,081	26,448,394	97.68%	614,237	27,062,631	99.95%
2013	27,206,121	26,561,528	97.63%	620,470	27,181,998	99.91%
2014	28,565,618	27,910,626	97.71%	451,989	28,362,615	99.29%
2015	30,622,680	30,227,699	98.71%	345,504	30,573,203	99.84%
2016	31,084,929	30,737,959	98.88%	278,723	31,016,682	99.78%
2017	31,882,532	31,506,743	98.82%	268,179	31,774,922	99.66%
2018	32,070,704	31,666,404	98.74%	-	31,666,404	98.74%
2019	32,502,011	32,127,667	98.85%	-	32,127,667	98.85%

**Source:** Person County Tax Department

**Note 1:** Figure includes credits and other adjustments not significant to the total subsequent years' collections.

**Person County, North Carolina**  
**Schedule 11**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**

Fiscal Year	Governmental Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Purchase Agreements	Capital Leases			
2010	\$ -	\$ 16,625,000	\$ 369,510	\$16,994,510	\$ 431	1.46%
2011	-	18,030,000	280,856	18,310,856	463	1.49%
2012	-	14,740,000	189,798	14,929,798	381	1.21%
2013	-	14,438,120	96,273	14,534,393	370	1.12%
2014	-	10,849,283	223,532	11,072,815	283	0.82%
2015	-	9,645,448	343,175	9,988,623	255	0.72%
2016	-	9,870,612	1,121,487	10,992,099	280	0.76%
2017	2,285,000	8,351,776	801,284	11,438,060	291	0.76%
2018	2,132,667	11,357,940	551,207	14,041,814	357	0.93%
2019	1,980,334	10,029,104	896,640	12,906,078	327	N/A*

\* Information not yet available

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

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**Person County, North Carolina**  
**Schedule 12**  
**Ratios of Net General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>Per Capita (1)</u>
2010	\$ -	0.00%	0.00%	\$ -
2011	-	0.00%	0.00%	-
2012	-	0.00%	0.00%	-
2013	-	0.00%	0.00%	-
2014	-	0.00%	0.00%	-
2015	-	0.00%	0.00%	-
2016	-	0.00%	0.00%	-
2017	2,285,000	0.16%	0.05%	58
2018	2,132,667	0.14%	0.05%	54
2019	1,980,334	N/A*	0.04%	50

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

\* Information not yet available

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

(2) See Schedule 7 for property value data.

**Person County, North Carolina**  
**Schedule 13**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
(dollars in thousands)

(Page 1 of 2)

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Assessed Value of Property	\$ 3,928,096	\$ 3,864,800	\$ 3,881,891	\$ 4,075,935
Debt Limit, 8% of Assessed Value (Statutory Limitation)	314,248	309,184	310,551	326,075
Amount of Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 314,248</u>	<u>\$ 309,184</u>	<u>\$ 310,551</u>	<u>\$ 326,075</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

**Note:** NC Statute G.S.159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The legal debt margin is the difference between the debt limit and the county's debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$ 4,377,206	\$ 4,371,591	\$ 4,435,444	\$ 4,551,628	\$ 4,576,778	4,640,852
350,176	349,727	354,836	364,130	366,142	371,268
-	-	-	2,285	2,133	1,980
<u>\$ 350,176</u>	<u>\$ 349,727</u>	<u>\$ 354,836</u>	<u>\$ 361,845</u>	<u>\$ 364,010</u>	<u>369,288</u>
0.00%	0.00%	0.00%	0.63%	0.58%	0.53%

**Legal Debt Margin Calculation:**

Assessed value subject to taxation	\$ <u>4,640,852</u>
Debt limitation (8% of assessed value subject to taxation)	371,268
Debt applicable to the limit	
General Obligation bonds	<u>1,980</u>
Legal debt margin	\$ <u><u>369,288</u></u>

**Person County, North Carolina**  
**Schedule 14**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2018**

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<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes:</b>			
City of Roxboro	\$ -	na	\$ -
<b>Other debt</b>			
City of Roxboro			
Capitalized leases	847,109	14.14%	119,808
Installment purchase obligations	2,454,447	14.14%	347,136
Subtotal, overlapping debt			<u>466,944</u>
Person County direct debt			<u>12,009,438</u>
Total direct and overlapping debt			<u><u>\$ 12,476,382</u></u>

**Sources:** Assessed value data used to estimate applicable percentages provided by the Person County Tax Office. Debt outstanding data provided by each governmental unit.

**Notes:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Person County. This process recognizes that, when considering the County's ability to issue and repay long term debt, the entire burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident - and therefore responsible for repaying the debt - of each overlapping government.

For other debt the percentage of overlapping debt applicable is estimated using the City of Roxboro's property tax levy divided by Person County's property tax levy. This is the same ratio used to allocate sales tax revenues, which are levied by Person County and collected by the State of North Carolina, between the City and County.

**Person County, North Carolina**  
**Schedule 15**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (2) (thousands of dollars)</b>	<b>Per Capita Personal Income (2)</b>	<b>Public &amp; Charter Schools Enrollment (3)</b>	<b>Unemployment Rate (4)</b>	<b>Number of Building Inspections Performed (5)</b>
2010	39,472	\$ 1,155,133	\$ 29,282	4,992	11.25%	6,970
2011	39,406	1,164,775	29,386	4,877	10.12%	6,597
2012	39,512	1,226,622	31,237	5,742	10.40%	5,259
2013	39,176	1,234,358	31,428	5,631	10.00%	5,223
2014	39,240	1,295,779	33,113	5,637	6.20%	5,859
2015	39,117	1,356,681	34,557	5,611	7.20%	6,630
2016	39,191	1,389,038	35,359	5,671	5.50%	6,422
2017	39,283	1,445,743	36,722	5,590	4.30%	6,569
2018	39,370	1,509,255	38,202	4,370	4.40%	7,232
2019	39,507	N/A*	N/A*	5,494	5.00%	8,116

\* Information not yet available.

**Notes:**

- (1) NC Office of Budget and Management. Certified population estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year.
- (3) Person County Board of Education, Bethel Hill Charter School, and Roxboro Community School. Figures prior to 2012 represent the school enrollment for the Public Schools only.
- (4) NC Department of Commerce, Annual Average for ending fiscal year.
- (5) Total number of inspections performed by Person County Inspections Department. Does not include inspections by municipalities.

(1)  
<https://factfinder.census.gov/faces/tableservices/jsf/pages/productview.xhtml?src=bkmk>

(2)  
<https://apps.bea.gov/regional/bearfacts/action.cfm>

(4)  
[https://files.nc.gov/nccommerce/press-release/files/Jun\\_2019\\_county\\_release-combined.pdf](https://files.nc.gov/nccommerce/press-release/files/Jun_2019_county_release-combined.pdf)

**Person County, North Carolina**  
**Schedule 16**  
**Principal Employers**  
**Current Year and Nine Years Ago**

<b>Employer</b>	<b>2019</b>			<b>2010</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
GKN Automotive Components	648	1	3.64%	320	5	1.64%
Person County Board of Education	583	2	3.27%	705	1	3.62%
Person County Government	379	3	2.13%	381	4	1.96%
Duke Energy Progress	328	4	1.84%	400	2	2.06%
Person Memorial Hospital	288	5	1.62%	270	7	1.39%
Eaton Corporation	247	6	1.39%	198	9	1.02%
Spuntech	193	7	1.08%	-	-	-
Wal-Mart Associates, Inc.	170	8	0.95%	300	6	1.54%
Louisiana-Pacific	152	9	0.85%	-	-	-
Piedmont Community College	137	10	0.77%	226	8	1.16%
North American Aerodynamics	-	-	-	385	3	1.95%
US Flue Cured Tobacco	-	-	-	121	10	0.62%

**Source:** Person County Economic Development Authority



**Person County, North Carolina**  
**Schedule 17**  
**Full-time Equivalent County Government Employees by Function**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	44	43	42	47	49	53	54	57	59	60
Public safety	138	134	134	140	162	141	149	174	181	195
Transportation	10	11	12	12	12	10	11	14	14	15
Human services										
Social Services	86	82	83	83	92	97	99	95	101	101
Public Health	44	42	41	50	50	48	47	43	36	33
Other	31	30	32	27	25	25	23	28	25	27
Environmental protection	2	2	2	2	2	2	2	2	2	2
Economic and physical development	5	5	5	8	4	5	5	7	9	6
Cultural and recreation	16	14	16	16	27	25	28	33	29	28
Total	<u>376</u>	<u>363</u>	<u>367</u>	<u>385</u>	<u>423</u>	<u>406</u>	<u>418</u>	<u>453</u>	<u>456</u>	<u>467</u>

**Source:** County Finance Department

**Note:** This schedule represents number of persons employed as of June 30 of each year. Vacant positions are not included in the above numbers. Full time personnel work 1,950 or 2,080 hours per year depending on job classification (less vacation and sick leave).

**Person County, North Carolina**  
**Schedule 18**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

(Page 1 of 2)

<b>Function</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
Public Safety/Sheriff's Department & Jail				
Incident Reports	1,992	1,954	1,865	1,695
Calls for Service	18,234	23,281	17,393	20,447
Criminal Papers	5,376	3,412	5,316	3,510
Arrest Reports	1,705	2,755	3,001	2,949
Civil Papers	5,346	5,031	4,646	3,595
Gun Permits	690	529	563	947
Jail bookings	2,200	2,303	2,163	2,167
Average daily population	88	90	105	111
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	56,273	47,376	58,095	62,019
Public Safety/Code Enforcement				
Number of Building Permits Issued	312	277	312	281
Number of Mobile Home Permits Issued	36	46	22	36
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	307	636	582	632
Community Services/Library				
Items Added to Collection	5,238	4,800	5,215	4,790
Circulation	212,362	182,708	191,249	191,775
Internet Use	23,567	23,287	22,507	19,148
Program Attendance	6,217	5,864	6,910	6,399
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	2,331	2,412	2,478	2,542
Average # Family & Child Medicaid Cases	3,034	2,971	3,020	3,220
Average # Households Receiving Food Stamps	2,929	3,468	3,761	3,902
Average \$ Fraud Collections per Month	5,409	4,470	5,205	5,759
Education				
Public Schools enrollment	4,992	4,877	4,775	4,625
Charter Schools enrollment	903	956	967	1,006
Culture and Recreation				
Total park acreage	183	187	187	187
Number of parks	9	10	10	10

**Sources:**

Sheriff's Department  
Jail  
Emergency Communications  
Code Enforcement  
Public Library  
Department of Social Services  
Public Schools  
Recreation, Arts & Parks

2014	2015	2016	2017	2018	2019
1,550	3,442	1,403	1,467	1,404	2,588
23,417	19,054	16,177	18,598	14,931	14,310
6,466	6,790	4,851	3,093	2,622	2,903
2,208	2,097	1,858	2,444	3,426	1,762
4,012	3,119	4,031	3,719	3,936	4,170
645	693	742	677	642	537
2,116	2,162	1,795	2,005	1,892	2,093
124	127	95	106	102	104
57,016	54,367	47,967	48,070	46,307	43,529
282	334	325	382	423	406
33	36	39	47	53	45
593	601	628	555	550	590
5,123	4,700	5,585	5,621	5,417	5,118
201,275	213,539	188,564	191,170	154,924	140,751
21,566	18,421	23,139	24,159	12,944	12,014
6,090	8,227	12,606	11,913	7,630	7,864
2,598	4,288	3,806	3,757	3,916	3,873
3,265	4,492	3,435	3,408	3,647	3,755
3,980	3,969	3,906	3,511	3,295	3,158
4,727	6,064	4,675	3,739	4,823	5,018
4,567	4,562	4,550	4,470	4,350	4,370
1,070	1,049	1,121	1,120	1,108	1,124
187	187	222	222	222	222
10	11	12	12	12	12

**Person County, North Carolina**  
**Schedule 19**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Function</b>										
Public Safety										
Sheriff/Police (Stations)	2	2	2	2	2	3	3	3	3	3
Correction facility capacities	136	136	136	136	136	136	136	136	136	136
Fire stations	14	14	14	14	14	15	15	15	15	15
Highways and streets										
Paved	723	723	724	725	726	676*	676	677	677	677
Unpaved	50	50	49	48	47	34*	34	34	34	34
Culture and recreation										
Parks	9	10	10	10	10	11	12	12	12	12
Libraries	1	1	1	1	1	1	1	1	1	1
Education										
Schools	10	10	10	10	10	10	10	10	10	10

**Sources:**

Sheriff's Department  
Jail  
Inspections  
NC Department of Transportation  
Recreation, Arts & Parks  
Public Library  
Public Schools

\*FY15 information shows a decrease in road miles due to previously inflated numbers reported by NCDOT.

# COMPLIANCE SECTION

## COMPLIANCE SECTION

**Independent Auditor's Report on Internal Control over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with  
*Government Auditing Standards***

The Board of County Commissioners  
Person County  
Roxboro, North Carolina

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Person County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated December 9, 2019. Our report includes a reference to other auditors who audited the financial statements of the Person County ABC Board as described in our report on Person County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Person County ABC Board were not audited in accordance with *Government Auditing Standards*.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting ("internal control") to determine the 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 the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

internal control that we consider 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 County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

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

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
December 9, 2019

**Independent Auditor's 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**

The Board of County Commissioners  
Person County  
Roxboro, North Carolina

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

We have audited Person County, North Carolina's (the "County") 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 the County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the County's compliance.



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

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2019.

## **Other Matters**

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Uniform Guidance and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items 2019-002 and 2019-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The 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.

## **Report on Internal Control over Compliance**

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We and other auditors did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

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 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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as item 2019-004 to be a material weakness.

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 deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as items 2019-001, 2019-002, and 2019-003 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The 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.

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 OMB Uniform Guidance and the State Single Audit Implementation Act. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina  
December 9, 2019

**Independent Auditor's Report on Compliance for Each Major State Program;  
Report on Internal Control over Compliance; In Accordance with  
OMB the Uniform Guidance; and the State Single Audit Implementation Act**

The Board of County Commissioners  
Person County  
Roxboro, North Carolina

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

We have audited Person County, North Carolina's (the "County") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2019. The County's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of compliance requirements referred to above. 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 applicable sections of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina* and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the County's compliance.

**Opinion on Each Major State Program**

In our opinion, the County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

## Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with applicable sections of the Uniform Guidance as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying *Schedule of Findings and Questioned Costs* as items 2019-002 and 2019-003. Our opinion on each major federal program is not modified with respect to this matter.

The County's response to the noncompliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs*. The 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.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, significant deficiencies or material weaknesses may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*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 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. We consider the deficiency in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as item 2019-004 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a 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. We consider the deficiencies in internal control over compliance described in the accompanying *Schedule of Findings and Questioned Costs* as items 2019-001, 2019-002, and 2019-003 to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompanying *Schedule of Findings and Questioned Costs*. The 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.

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.

*Elliott Davis, PLLC*

Raleigh, North Carolina  
December 9, 2019

**Person County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2019***

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**I. SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

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

Internal control over financial reporting:

Material weakness(es) identified? ☐ Yes ☒ No

Significant deficiency(ies) identified? ☐ Yes ☒ None reported

Noncompliance material to the financial statements noted? ☐ Yes ☒ No

***Federal Awards***

Internal control over major programs:

Material weakness(es) identified? ☒ Yes ☐ No

Significant deficiency(ies) identified? ☒ Yes ☐ None reported

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

Any audit findings disclosed that are required to be reported in accordance  
2 CFR 200.516(a): ☒ Yes ☐ No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.563	Child Support Enforcement
93.568	Low-Income home Energy Assistance (LIHEAP CIP)
93.778	Medicaid Cluster

Dollar threshold used to distinguish between type A and type B programs: \$ 750,000

Auditee qualified as low-risk auditee? No

***State Awards***

Internal control over major programs:

Material weakness(es) identified? ☒ Yes ☐ No

Significant deficiency(ies) identified? ☒ Yes ☐ None reported

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

Any audit findings disclosed that are required to be reported in accordance  
with the State Single Audit Implementation Act: ☒ Yes ☐ No

Identification of major state programs:

State Aid to Public Libraries	School Nurse Funding Initiative
Public School Building Capital Fund	Juvenile crime Prevention Program
DOT Cluster	State Grant-in-Aid – OSBM Special Appropriations

Other major state programs include Medical Assistance Program (Medicaid) which has a state match on the federal programs. Therefore, these programs have been included in the list of major federal programs above.

**Person County, North Carolina**  
*Schedule of Findings and Questioned Costs*  
*For the year ended June 30, 2019*

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**II. FINANCIAL STATEMENT FINDINGS**

None Reported

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## Person County, North Carolina

### *Schedule of Findings and Questioned Costs*

*For the year ended June 30, 2019*

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#### III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

##### **Finding 2019-001, Significant Deficiency over Eligibility**

**Information on the federal program:** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

**Criteria or specific requirement:** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- verifications of United States citizenship
- accurate record of household members and relationships
- verification of social security number
- accurate computation of countable income
- verification of earned income
- verification of unearned income

**Conditions:** We noted that in five instances, the case record did not contain evidence that the household and relationship information to verify household composition. In two instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In four instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income. In two instances, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In eight instances, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In ten instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In three instances, the case record did not contain evidence that the SOLIC was completed to verify the individual's citizenship or alien status.

**Context:** We sampled 93 of 691,840 payments made to the participants during the fiscal year. We noted the above condition in 17 of the 93 case files inspected for applicable payments.

**Effect:** Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.



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**Person County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2019***

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***Recommendation:*** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Finding 2019-002, Significant Deficiency over Eligibility and Non-Material Noncompliance**

***Information on the federal program:*** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

***Criteria or specific requirement:*** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), to be eligible to receive benefits under this program the individual must have countable resources below the MAGI Medicaid income limits associated with the individual's household composition.

***Condition:*** Two individuals received benefits when their countable income exceeded the MAGI Medicaid income limits.

***Questioned cost:*** The known questioned cost was \$5.

***Context:*** We sampled 93 of 691,840 payments. We noted the conditions above were contained in 2 of the 93 case files inspected.

***Effect:*** Individuals with countable income over the MAGI Medicaid income limit were incorrectly deemed eligible to receive Medicaid. The known questioned cost was \$5.

***Cause:*** Incorrect countable income was entered into NCFast.

***Recommendation:*** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures to ensure countable income is verified and accurately recorded in NC FAST during the eligibility determination process.

**Finding 2019-003, Significant Deficiency over Eligibility and Non-Material Noncompliance**

***Information on the federal program:*** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance.

***Criteria or specific requirement:*** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), after Supplemental Security Income (SSI) is terminated, the individual must be determined eligible for other Medicaid programs. Within 4 months of the month the SSI terminated, the County DSS must complete the evaluation of ongoing eligibility and notify the recipient about their ongoing eligibility for Medicaid.

***Condition:*** We noted in one instance, an individual was determined not to be eligible for SSI in November 2017 and the Ex Parte review was not done until 8/14/19.

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**Person County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2019***

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***Questioned cost:*** The known questioned cost totaled \$104.

***Context:*** We sampled 93 of 691,840 payments. We noted the conditions above were contained in 1 of the 93 case files inspected.

***Effect:*** The County provided services to an individual not eligible to participate in such services resulting in claims paid on behalf of an ineligible participant. The known questioned cost totaled \$104.

***Cause:*** The Ex Parte review was not performed within 120 days after conversion.

***Recommendation:*** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all Ex Parte review is completed timely to determine Medicaid eligibility.

**Finding 2019-004, Material Weakness over Special Test and Provisions**

***Information on the federal program:*** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

***Criteria or specific requirement:*** Per the North Carolina Low-Income Home Energy Assistance Compliance Supplement and Energy Programs Manual published by the Division of Social Services, households denied assistance or do not receive reasonably prompt assistance must have an opportunity for a hearing. NC FAST policy acknowledges denials to be marked sent to confirm notice delivered.

***Condition:*** We noted that in eleven instances the Denial Notice form DSS-8107 was not marked sent in NC Fast.

***Context:*** We sampled 20 of 37 total denied applications. We noted the above condition in 11 of the 20 inspected files.

***Effect:*** Case files containing a Denial Notice form 8107 that is not sent to applicants results in a risk that the denied or approved applicants are not receiving timely communication or an opportunity for a hearing.

***Cause:*** Internal controls were not in place to ensure the Approval/ Denial Notice for DSS 8107 is completed, reviewed and sent in NC FAST.

***Recommendation:*** We recommend that the County implement adequate training and monitoring of employees on NCFast to ensure notifications are appropriately sent by the DSS caseworker.

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**Person County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2019***

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**IV. STATE AWARD FINDINGS AND QUESTIONED COSTS**

Findings 2019-001, 2019-002, 2019-003, and 2019-004 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.



## Person County – Corrective Action Plan

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### **Finding 2019-001, Significant Deficiency over Eligibility**

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Corrective Action Plan:** Management concurs with the finding and recommendation. Management has held individual conferences with employees who were noted to have errors. Management also has held unit meetings and trainings to address and avoid future errors. Management collaborated with other supervisors to discuss training techniques. Supervisor has implemented an evidence management protocol tool to avoid future errors. Management has made it mandatory to use a documentation outline for applications and a separate outline for recertification. Supervisor has also implemented a workflow guide that is step by step on how to process recertifications.

**Completion Date:** October 31, 2019

**Name of Contact Persons:** Carlton Paylor, DSS Director & Antionetta Royster, Program Manager

### **Finding 2019-002, Significant Deficiency over Eligibility and Non-Material Noncompliance**

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures to ensure countable income is verified and accurately recorded in NC FAST during the eligibility determination process.

**Corrective Action Plan:** Management concurs with the finding and recommendation. Management has held individual conferences with the employees who were noted to have errors. Management also has held unit meetings and trainings to ensure that second party reviews are completed on the eligibility determination process, as well as to ensure countable income is verified and accurately recorded in NC FAST during the eligibility determination process. Management has implemented mandatory use of documentation outlines, one for applications and one for recertifications.

**Proposed Completion Date:** October 31, 2019

**Name of Contact Persons:** Carlton Paylor, DSS Director & Antionetta Royster, Program Manager

### **Finding 2019-003, Significant Deficiency over Eligibility and Non-Material Noncompliance**

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all Ex Parte review is completed timely to determine Medicaid eligibility.

**Corrective Action Plan:** Management concurs with the finding and recommendation. Management has held individual conferences with the employees who were noted to have errors. Management also has held unit meetings and trainings to retrain employees on the audit findings to avoid future errors.

Management has implemented an evidence management protocol tool to ensure that all redeterminations and application evidence is managed appropriately.

**Proposed Completion Date:** October 31, 2019

**Name of Contact Persons:** Carlton Paylor, DSS Director & Antionetta Royster, Program Manager

**Finding 2019-004, Material Weakness over Special Test and Provisions**

**Recommendation:** We recommend that the County implement adequate training and monitoring of employees on NCFAS to ensure notifications are appropriately sent by the DSS caseworker.

**Corrective Action Plan:** Management concurs with the finding and recommendation. Management has held individual conferences with the employees who were noted with errors. Management also has held unit meetings and trainings to retrain employees on the audit findings to avoid future errors. Supervisor held trainings to make sure that employees were aware of what to do and to make sure that all employees have been trained properly.

**Proposed Completion Date:** September 10, 2019

**Name of Contact Persons:** Carlton Paylor, DSS Director & Antionetta Royster, Program Manager



## Person County – Summary Schedule of Prior Audit Findings

### **Finding 2018-001, Failure to Complete to Pre-Audit Certification**

Condition: There were four instances where purchase orders did not have the pre-audit certification.

Current status: Procedures have been implemented with the County's accounting software vendor to provide a pre-audit statement and signature field for the Finance Director's authorization that now complies with the pre-audit certification requirements provided by N.C.G.S. § 159-28.

### **2018-002: Segregation of Duties – Person Industries**

Condition: There was only one individual with access to the QuickBooks file used to track receivables and payments. In addition, this individual collected payments, had access to stored cash, prepared the bank deposit and was responsible for providing supporting documentation to Finance.

Current status: An additional person was given access to the QuickBooks file and assists in collecting payments and preparing the deposit so that duties are appropriately segregated.

### **2018-003: Person Industries Deposits**

Condition: Monies collected from Vocational Rehab for services provided (donations, electronics brought into the Recycling Center, etc.) were not recorded in a sub-ledger.

Current status: All services invoiced for are recorded in a sub-ledger and a reconciliation is performed. Any monies collected that are not recorded in a sub-ledger are recorded in County receipt books and reviewed by Finance.

### **2018-004: Claims Incurred but Not Reported**

Condition: The County did not record incurred but not reported claims in the amount of \$484,945 at June 30, 2017.

Current status: The Finance Director worked directly with the benefits administrator to obtain this information and record the IBNR entries for June 30, 2018 and 2019 as recommended.

**PERSON COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

<u>Grantor/Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>Federal Awards:</b>					
<b>U.S. Department of Agriculture:</b>					
Passed-Through N.C. Department of Health and Human Services Division of Social Services:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	403, 404, 405	\$ 513,804	\$ -	\$ -
Passed-Through N.C. Department of Health and Human Services Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infant, & Children	10.557		221,332	-	-
<b>Total U.S. Department of Agriculture</b>			<u>735,136</u>	<u>-</u>	<u>-</u>
<b>Department of Homeland Security</b>					
Passed-Through NC Department of Public Safety: Emergency Management Performance Grants	97.042		38,524	-	-
<b>Total U.S. Department of Homeland Security</b>			<u>38,524</u>	<u>-</u>	<u>-</u>
<b>U.S. Department of Transportation:</b>					
<b>Federal Transit Administration (FTA)</b>					
Passed through the N.C. Department of Transportation:					
Formula Grants for Rural Areas	20.509		161,539	10,096	-
Bus and Bus Facilities Formula Program	20.526		96,508	12,064	-
Enhanced Mobility of Seniors and Individuals with Disabilities	20.513		95,796	11,974	-
<b>Federal Aviation Administration (FAA)</b>					
Passed through the N.C. Department of Transportation:					
Airport Improvement Program	20.106		197,698	-	-
<b>Total U.S. Department of Transportation</b>			<u>551,541</u>	<u>34,134</u>	<u>-</u>
<b>U.S. Department of Health and Human Services:</b>					
<u>Division of Aging and Adult Services</u>					
Passed through Kerr Tar Council of Governments:					
<u>Aging Cluster:</u>					
Special Programs for the Aging-Title III B Grants for Supportive Services and Senior Centers	93.044		104,441	194,146	298,587
Special Programs for the Aging-Title III C Nutrition Services	93.045		37,513	2,207	39,720
Family Caregiver Support	93.052		4,826	-	4,826
Nutrition Services Incentive Program	93.053		7,808	-	7,808
Total Aging Cluster			<u>154,588</u>	<u>196,353</u>	<u>350,941</u>
Passed-Through the N.C. Department of Health and Human Services Division of Social Services:					
<u>Foster Care and Adoption Cluster: (Note 3)</u>					
Foster Care - Title IV-E Administration	93.658		186,413	18,169	-
Adoption Assistance Administration	93.659		1,723	-	-
Foster Care - Title IV-E	93.658		294,949	84,558	-
Total Foster Care and Adoption Cluster (Note 3)			<u>483,085</u>	<u>102,727</u>	<u>-</u>
<u>Temporary Assistance for Needy Families Cluster:</u>					
Temporary Assistance for Needy Families (TANF/Work First)	93.558		276,632	-	-
Child Support Enforcement	93.563		478,527	-	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568		185,446	-	-
Administration	93.568		30,937	-	-
Energy Assistance Program-Direct Benefit Payments	93.568		221,147	-	-
Total Low-Income Home Energy Assistance			<u>437,530</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning-Families for Kids	93.645		10,321	-	-

<b>Grantor/Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Identifying Number</b>	<b>Federal (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Passed-through to Subrecipients</b>
Social Service Block Grant (SSGB)					
Adult Day Care (Division of Adult and Aging Services)	93.667		10,865	13,374	-
In-Home Services	93.667		8,918	-	-
Adult Protective Services	93.667		24,489	-	-
Child Protective Services - TANF to SSBG	93.667		73,111	-	-
Social Services Block Grant Administration	93.667		285,770	-	-
Total Social Service Block Grant (SSGB)			403,153	13,374	-
Chafee Foster Care Independence Program	93.674		16,767	-	-
Family Preservation	93.556		33,836	-	-
Total Division of Social Services			2,139,851	116,101	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Child Development and Early Education:					
Subsidized Child Care (Note 3)					
<u>Child Care Development Fund Cluster:</u>					
Division of Social Services:					
Child Care and Development Mandatory and Match Fund - Administration	93.596		80,000	-	-
Total Child Care Development Fund Cluster			80,000	-	-
Total Subsidized Childcare Cluster (Note 3)			80,000	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Division of Social Services</u>					
Administration:					
State Children's Health Insurance Program - N.C. Health Choice	93.767		34,479	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Division of Social Services</u>					
Administration					
Medical Assistance Program Cluster	93.778		1,379,269	5,932	-
<u>Center for Disease Control and Prevention</u>					
Passed-Through N.C. Department of Health and Human Services:					
<u>Division of Public Health:</u>					
Hospital Preparedness Program (HPP) and Public Health Emergency					
Preparedness (PHEP) Aligned Cooperative Agreements	93.074		28,884	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-
Preventive Health and Health Services Block Grant funded solely with					
Prevention and Public Health Funds (PPHF)	93.758		35,809	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization					
Infrastructure and Performance financed in part by Prevention and					
Public Health Funds	93.268		10,446	-	-
Preventive Health Services Sexually Transmitted Diseases Control Grants	93.977	609, 825	100	-	-
Total Centers for Disease Control and Prevention			75,289	-	-
Health Resources and Service Administration:					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		30,374	-	-
Office of Population Affairs:					
Passed-Through the N.C. Department of Health and Human Services:					
Family Planning Services	93.217		29,124	-	-
<b>Total U.S. Department of Health and Human Services</b>			3,922,974	318,386	350,941
<b>U.S. Department of Justice:</b>					
<u>Criminal Division</u>					
Equitable Sharing Program	16.922		88,477	-	-
<b>Total U.S. Department of Justice</b>			88,477	-	-



<b>Grantor/Pass-Through Grantor / Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-through Identifying Number</b>	<b>Federal (Direct &amp; Pass-through) Expenditures</b>	<b>State Expenditures</b>	<b>Passed-through to Subrecipients</b>
<b>U.S. Office of Library Services:</b>					
Institute of Museum and Library Services					
Library Services and Technology Act (LSTA) Program	45.310		2,814	-	-
<b>Total U.S. Office of Library Services</b>			2,814	-	-
<b>Total Federal Awards</b>			5,339,466	352,520	350,941
<b>State Awards:</b>					
<b>N.C. Department of Administration:</b>					
Veterans Affairs			-	2,216	-
<b>N.C. Department of Cultural and Natural Resources:</b>					
Division of State Library					
State Aid to Public Libraries			-	95,596	-
<b>N.C. Department of Public Instruction</b>					
Public School Building Capital Fund			-	70,971	-
<b>N.C. Department of Health and Human Services:</b>					
<u>Division of Social Services:</u>					
SFHF Maximization - Direct			-	72,751	-
Foster Care at Risk - Direct			-	4,464	-
State Foster Care Benefits Program - Direct			-	64,358	-
CWS - Direct Benefits Payments			-	87,597	-
Energy Program			-	15,995	-
Incent/Program Integrity			-	33	-
CPS Expansion			-	78,185	-
Total Division of Social Services			-	323,383	-
<b>Division of Public Health:</b>					
General Aid to Counties		110	-	85,814	-
General Communicable Disease Control		715, 510	-	4,398	-
Tuberculosis		551	-	8,718	-
Breast Cancer and Cervical Cancer Control			-	-	-
TB Medical Services			-	540	-
School Nurse Funding Initiative			-	150,000	-
Food and Lodging Fees			-	9,757	-
Child Health			-	7,557	-
Sexually Transmitted Diseases			-	100	-
Healthy Communities Activities			-	4,137	-
Maternal Health (HMHC)			-	11,000	-
HMHC - Family Planning			-	45,001	-
WHSF			-	7,043	-
HIV/STD State			-	400	-
HIV/STD SSBG Aid			-	100	-
Total Division of Public Health			-	334,565	-
<b>Total N.C. Department of Health and Human Resources</b>			-	826,731	-
<b>N.C. Department of Public Safety</b>					
Governor's Crime Commission					
JCPC Funds		692	-	124,006	124,006
<b>N.C. Department of Transportation:</b>					
State Aid to Airports			-	-	-
DOT Cluster					
ROAP - Elderly and Disabled Transportation Assistance Program		827T	-	63,059	13,976
ROAP - Work First		828T	-	11,297	-
ROAP - Rural General Public Program		829T	-	72,387	-
Total DOT Cluster			-	146,743	13,976
<b>Total N.C. Department of Transportation</b>			-	146,743	13,976

<u>Grantor/Pass-Through Grantor / Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-through Identifying Number</u>	<u>Federal (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
<b>N.C. Department of Environmental Quality:</b>					
<u>Division of Soil and Water Conservation:</u>					
Soil and Water Distribution Grant			-	29,254	-
<u>Division of Waste Management:</u>					
Electronics Management Program			-	2,491	-
<b>Total N.C. Department of Environmental Quality</b>			-	31,745	-
<b>N.C. Department of Information Technology:</b>					
Emergency Telephone System Fund			-	10,345	-
<b>Total N.C. Department of Information Technology</b>			-	10,345	-
<b>Office of State Budget and Management</b>					
State Grant-In-Aid			-	100,000	-
<b>Total N.C. Department of Information Technology</b>			-	100,000	-
<b>Total State Awards</b>			-	1,239,570	137,982
<b>Total Federal and State Awards</b>			<b>\$ 5,339,466</b>	<b>\$ 1,592,090</b>	<b>\$ 488,923</b>

**Notes to the Schedule of Expenditures of Federal and State 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 Person County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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 Person County, it is not intended to and does not present the financial position, changes in net position or cash flows of Person 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. Person County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3: Cluster of Programs**

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