

**Annual Comprehensive
Financial Report**

For the Year Ended

June 30, 2021



Prepared by the
Person County Finance Department
Issued October 2021

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

Person County, North Carolina

Annual Comprehensive 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
October 29, 2021

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, 2021.

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, 2021, 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, 2021, 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.

Description of the 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.

Local Economy

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.

Like the rest of the country, at the start of FY21, Person County, NC, was still experiencing the effects of the COVID-19 pandemic. Unemployment rose as employers from all sectors struggled to find workers. Despite this, average annual wages for Person County rose from \$42,249 in 2020 to \$42,446 in 2021. Some data lost as a result of a cyber attack on Person County in 2020 prohibits comparisons in building permits from 2020 to 2021.

FY 2021 Economic Development efforts in Person County focused on the following:

- Product development – The Person County Economic Development Department and Economic Development Commission received a 404 permit from the US Army Corps of Engineers for clearing and grading impacts on the Person County Mega Park. Waterline construction to the megasite was also completed. Due diligence was done on the Person County North Park including Phase I ESA, wetland delineation, Geotech study, and permitting for wetland impacts, soil and erosion control, and driveway permits.
- Marketing, Recruitment, and Business Development – While travel was still on hold, virtual site selection visits and evaluations were conducted. Print advertisements were published in multiple organizations, and project activity saw a large spike, especially for large projects suited for the Person County Mega Park. Expansion services were provided for one local industry, and numerous developer inquiries were supported. (Loxreen building, Somerset Mills building, etc.)
- Existing Industry and Small Business Support – Person County ED staff partnered with Health Department staff to coordinate workforce vaccination with the manufacturers.
- Workforce Development – The ED Director served on the Person County Schools CTE Advisory Board and provided specialized data to PCS and Piedmont Community College and also participated in the Capital Area Workforce Study.
- Administrative – A Senior Administrative Support Specialist was hired for the department in August 2020, filling a vacancy that had spanned 13 months. The Director obtained the CEcD professional accreditation in October 2020 and real estate license in April of 2021. A request for an Assistant ED Director was included in the budget process.

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 generate over \$90 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, 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 state. Interest in industrial hemp has dropped off some, with a value-added processor currently established in the County. Improved marketing options may help make this a viable crop alternative for Person County growers.

Piedmont Community College (PCC) strives to be the leading contributor to the economic, educational, and cultural vitality of our communities by providing high-quality services and programs that ensure student success in personal development and professional achievement. Serving Person and Caswell counties for over 50 years, PCC is one of the youngest community colleges in the "Great 58" North Carolina Community College System. The College offers associate degrees, diplomas, and certificates in over 30 programs of study, and provides opportunities for short-term training, as well. Program areas include Agribusiness Technology, Electrical Power Production Technology, Associate Degree Nursing, Digital Effects and Animation Technology, Mechatronics Technology, and transfer programs. As an institution, PCC strives to be recognized nationally for achieving exceptional levels of success in student learning and completion, gainful employment, equity, and affordability.

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 2021, the Person County Capital Improvement Plan ("CIP") for the years 2022-2026 was presented and approved in May 2021, 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 entered 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. They made a presentation to the Board in Spring 2021 which revealed the financing capacity available for the general government and County school needs, and preparation of a comprehensive plan and financial model. DEC Associates will be assisting with preparation of a written financial policy with specific consideration of Local Government Commission requirements, rating agency impacts and future flexibility. Further discussion and policy development around the new debt model will continue into FY22 as the Board considers many of the funding options that were presented by DEC for the large amount of deferred projects for the Schools.

There were no new debt financings for Person County in FY21. In fact, Person County reduced their debt service obligation by \$1,772,505 which included the last scheduled debt service payments for the 2010 Courthouse Renovation & Roofing Project in August 2020 and the 2006 Roofing & Paving Project in June 2021. Although there were some discussions regarding capital needs for the public schools, the Board decided to delay any proposals to address their issues until the debt consultants had time to receive more information from the Schools and perform further analysis on their capital needs.

Relevant Financial Policies

Covid-19 Leave and FMLA Program

The Families First Coronavirus Response Act (FFCRA) established emergency paid sick leave and expanded family and medical leave from full and part-time employees from April 1, 2020 through December 31, 2020. However, Person County extended emergency paid sick leave to all employees who had not already exhausted their leave through January 31, 2021 due to the fact that the COVID-19 infection rate continued to rise. The total cost paid out to employees in FY21 who used this leave under the FFCRA was \$129,860.

Major Initiatives

Coronavirus Response

On May 7, 2020, NC Local Governments were informed by the State about available funding from the Coronavirus Relief Fund (CRF) established under the CARES Act. All counties were required to submit a plan on how they proposed to use its share of funds. The first allotment to Person County was received in June 2020 for \$892,515, and the second allotment was received in July 2020 for \$766,420. The plan submitted to the State included a portion to the City of Roxboro to assist with their pandemic response, expenditures for cleaning supplies, personal protective equipment, installation of barriers, salary and benefit costs for staffing that were significantly dedicated to Covid-19 response, and medical supplies, just to name a few. Funds had to be used for expenditures that were incurred between March 1, 2020 and December 30, 2020, although was later extended until the end of December 2021. Many other Covid stimulus funds became available through the CARES Act that provided various departments such as Elections, Person Area Transportation Systems (PATS), Parks and Recreation, EMS, and Economic Development, with the funding support to procure equipment and provide the services as necessary for the citizens of Person County.

Person County Health Department continued to lead the local COVID-19 response by investigating cases, performing contact tracing, administering 14,019 COVID-19 vaccinations, and providing educational resources and information to the community as well as numerous partners. During the third quarter of FY21, staff and volunteers responded to over 12,000 COVID-19 related telephone calls. PCHD partnered with Person County Economic Development to coordinate vaccinations for 13 of the largest employers in Person County.

The Person County Department of Emergency Services, consisting of the Divisions of Emergency Management, EMS and 911 Communications, has continued to face challenges over this past year. Many hours were spent related to the Coronavirus pandemic and recovery from the cyber-attack. The Office of Emergency Management continued to support various county departments and external partners in obtaining needed supplies for the pandemic response. EMS and 911 Communications both experienced staffing shortages all during a time when the county saw an increase in call volume for both divisions. EMS saw a significant increase in the cost of medical supplies mostly related to the supply and demand uncertainties during the pandemic. The higher call volume for EMS created an increase in fuel expenditures and maintenance cost. All three Divisions experienced increases in overtime to meet the demands placed upon the department.

American Recovery Response Act

On March 11, 2021, the American Rescue Plan Act (ARPA) was signed into law by President Biden, which provided funding to state and local governments to assist with the pandemic rescue and economic recovery efforts. This legislation included \$65.1 billion in direct, flexible aid to every county in America. Person County accepted funding from the ARPA estimated to be \$7.7 million. In May 2021, the County received its first portion of this allotment for \$3,835,235. No funding decisions have been made due to the anticipation that the State may also provide some recovery funds. Due to the uncertainty of what total funding resources will be at the County's disposal, the guidance from North Carolina local government oversight agencies such as the UNC School of Government is to delay any funding decisions until more is known about what the State is going to provide in the way of Covid-relief. All of this funding must be obligated by the end of calendar year 2024 and spent by the end of calendar year 2026. Once more information comes to light regarding the State's funding intentions, the Board of Commissioners shall review and approve specific programs and/or activities developed to carry out eligible activities. ARPA funds will be used in compliance with provisions of the ARPA and other directives issued by the US Treasury Department or other federal agencies.

Cybersecurity Response

On the evening of May 30, 2020, Person County suffered a ransomware attack. A State of Emergency was declared and an Emergency Operations Center was activated to manage the day-to-day operations. State and Federal agencies were brought in to assist at no cost to the County. A third-party vendor was selected to assist in the recovery efforts. The anti-virus solution was replaced as well as the email system. A Security Operations Center was contracted to perform network monitoring and provide assistance with the management of the County's cyber security system. Contractors were brought in to assist with data entry, server restoration, and machine imaging. The County's financial accounting system was re-activated by September 2021, and all financial data restoration was completed by the end of December 2021. The total cost to Person County for recovery from the cyber event was approximately \$680,000. It is anticipated that the County's insurance provider will cover a majority of these costs; however, only about \$160K has been received to date. Person County continues to invest in the improvement of its security posture and understands that this is an ever-evolving, ongoing responsibility.

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, Runway 6-24 Connector Taxiways & Apron Rehabilitation 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. Funding for this project was held up due to the Covid pandemic. This project has recently been bid out and it is currently in the awarding phase. The Runway, Taxiway, and Apron Rehabilitation Project involves the overlay of approximately two inches of asphalt to rehabilitate and re-enforce the existing pavement. This project is still in the design phase. The Corporate Hangar project was bid out in October 2020 and awarded to general contractor "Cooper Tacia" of Raleigh, NC. Ground breaking was held in July 2021 with expected completion in June 2022. Currently, this project is in the site preparation phase. 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 2029 due to planned NCDOT funding. 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 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 and Wireless Broadband Projects

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. RiverStreet, a public-private partner with Person County for broadband expansion, installed fixed wireless equipment on the four public safety towers. Mt. Tirzah, Woodland, Bethel Hill, and Bushy Fork towers were online and serving customers by June 30, 2021. Public hotspots were installed at each tower location. One additional public hotspot will be installed in Uptown Roxboro, serving the area around the Person County Courthouse and Merritt Commons. RiverStreet continues to market its service and add customers to its network in rural Person County.

Waste Management

For FY21, beginning September 21, 2020, the Board adopted a Seventh Amendment to the Agreement for Continued Development, Use, and Operation of the Upper Piedmont Regional Landfill between Person County and Republic Services, LLC, providing an extension through November 30th while Republic was awaiting necessary approval from the State for their new permit, through a sixty day appeal window. On November 16, 2020 the Board of Commissioners approved the Eighth Amendment which made the official newly negotiated deal points and State approved permit effective as of November 3, 2020. The new terms of the agreement

include an average maximum annual disposal rate of 780,000 tons; enhanced community litter clean-up by Republic; host fees paid to the County of \$2.75 per Ton of Waste; \$100,000 paid annually to the County for Community Development projects in collaboration with Republic; a one-time payment of \$30,000 towards the county's wireless service project; an allowance of free disposal for residents up to a total amount equivalent of \$5,000; Tipping fees to be adjusted annually in July in accordance with the CPI; and finally the term of the Agreement shall continue through July 1, 2032 or until such earlier time as the landfill is completely filled.

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. 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 actual cost for the departments in Phase II for FY21 was \$193,502.

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, 2019. This was the thirty-second consecutive year that the government has achieved this prestigious award. Due to the Person County's cyber incident in May 2020, the FY20's financial audit was delayed until its completion in June 2021. The audit report was submitted to the GFOA for consideration of this award, and is currently in pending review.

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 Debbie Whitfield and Tracy Clayton who assisted with providing auditors with much of the financial data, a significant challenge for FY21's audit process given the County's cyber incident in May 2020. 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

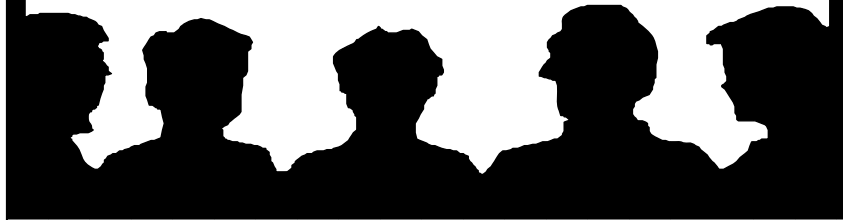
June 30, 2019

Christopher P. Morill

Executive Director/CEO

Note: The June 30, 2020 Comprehensive Annual Financial Report has been submitted to the GFOA, but at the time of issuance of the June 30, 2021 report the GFOA certificate had not been issued.

**COUNTY OF PERSON
LIST OF PRINCIPAL OFFICIALS**



Board of County Commissioners

Gordon Powell, Chairman
Kyle W. Puryear, Vice-Chairman
PJ Gentry
Charlie Palmer
Derek Sims

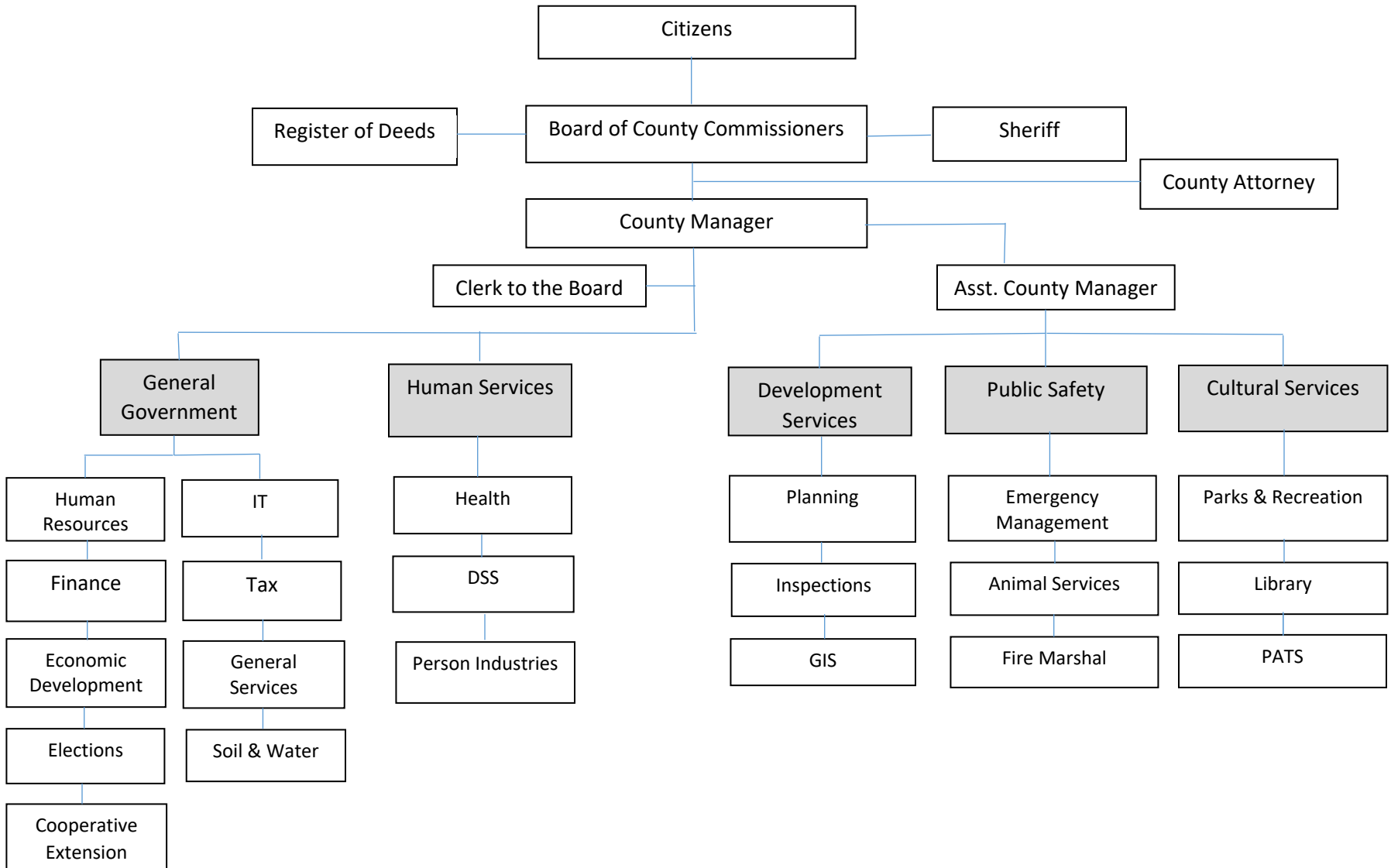
County Manager

Heidi York

Finance Director

Amy Wehrenberg

PERSON COUNTY GOVERNMENT



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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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 Tourism Development Authority or Person County ABC Board, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units. Those 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 Tourism Development Authority and 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 Tourism Development Authority and Person County ABC Board 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, 2021, 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.

Emphasis of Matter

As discussed in Note VI to the financial statements, effective July 1, 2021, the County adopted new accounting guidance promulgated in GASB Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 13 through 23, and the Local Government Employees' Retirement System's Schedules of the Proportionate Share of the Net Pension Liability and Contributions, on pages 74 and 75, respectively, and Register of Deed's Supplemental Pension Fund Schedules of County Proportionate Share of the Net Pension Asset and Contributions, on pages 76 and 77, respectively, and Law Enforcement Officers' Special Separation Allowance Schedules of the Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll on pages 78 and 78, respectively, and the Other Postemployment Benefits Schedule of Changes in the Total OPEB Liability and Related Ratios, on page 73 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 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 October 29, 2021 on our consideration of the 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.

A handwritten signature in cursive script that reads "Elliott Davis, PLLC".

Raleigh, North Carolina
October 29, 2021

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

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, 2021. 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 \$69,584,127 (*net position*).
- The government's total net position increased by \$791,492, primarily due to the increase in sales tax revenues, as well as the implementation of GASB Statement No. 84, Fiduciary Activities, which created two new special revenue funds that were once treated as agency funds. 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 \$41,644,027, after a net increase in fund balance of \$2,223,619. Approximately 33.5% of this total amount, or \$13,939,837, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,726,864, which represents 35% of total general fund expenditures and outgoing transfers for the fiscal year.
- Person County's total debt decreased by \$1,772,505 (2.8% of total governmental expenditures) during the current fiscal year. This reduction in debt is due to scheduled debt repayments during the year.
- 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.

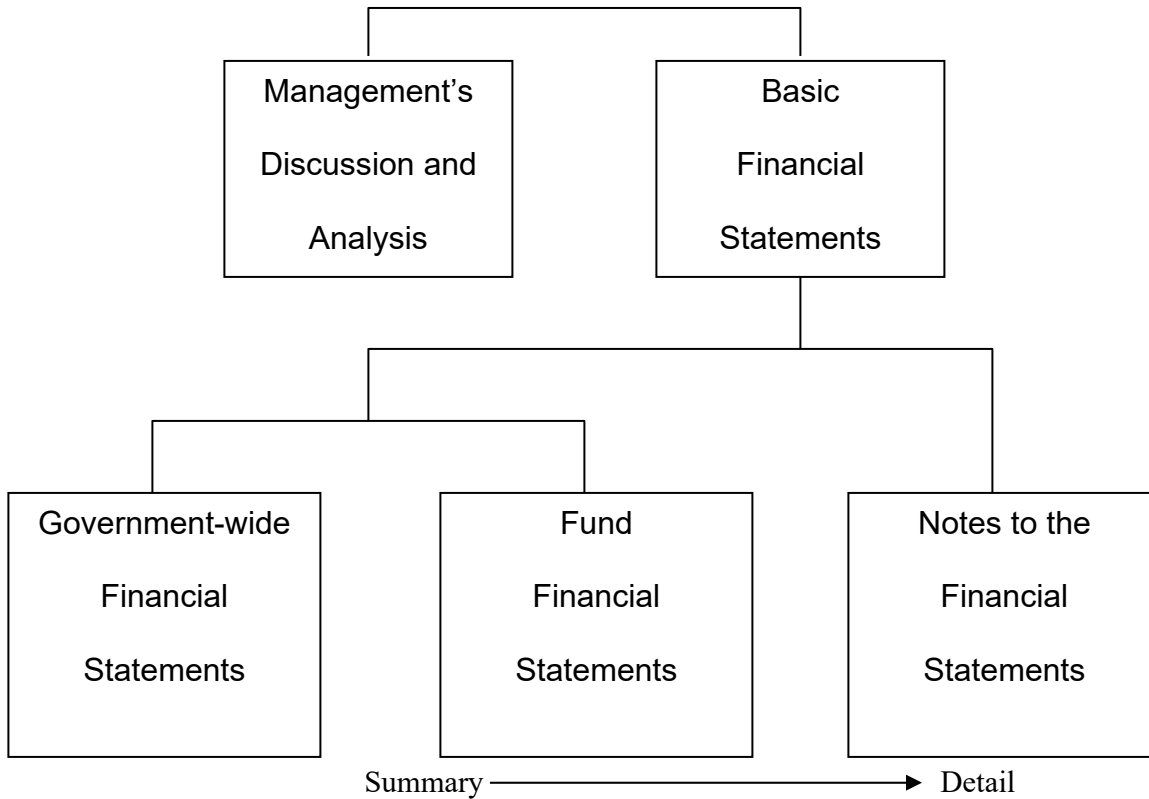
Overview of the Financial Statements

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, 2021

Required Components of Annual Financial Report



(Figure 1)

Basic Financial Statements

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

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

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

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

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2021

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 it has changed. Net position is the difference between the County's total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Measuring net position is one way to gauge the County's financial condition.

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 final 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; however, the County is financially accountable for the Board by appointing its members. Also, the ABC 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 resource focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is part of the fund financial statements.

Person County adopts an annual budget for its General Fund, as required by the General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

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. This fund is the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. The other proprietary fund is classified as an Internal Service Fund that accounts for the accumulation and allocation of costs associated with the County's self-insured group health insurance plan. Unlike the Enterprise Fund, this fund is included in governmental activities in the government-wide statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Person County has four fiduciary funds, one of which is a pension trust fund and three of which are custodial 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 38 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, 2021

Government-wide Financial Analysis

The following table summarizes Net Position at June 30, 2021 and 2020:

PERSON COUNTY'S NET POSITION

	PERSON COUNTY'S NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 49,364,380	\$ 42,654,559	\$ 673,658	\$ 596,456	\$ 50,038,038	\$ 43,251,015
Capital assets	47,593,182	49,135,285	-	-	47,593,182	49,135,285
Total assets	96,957,562	91,789,844	673,658	596,456	97,631,220	92,386,300
Total deferred outflows of resources	11,205,794	8,550,368	-	-	11,205,794	8,550,368
Long-term liabilities outstanding	31,541,152	28,557,602	-	-	31,541,152	28,557,602
Other liabilities	7,015,569	2,852,311	376	32,014	7,015,945	2,884,325
Total liabilities	38,556,721	31,409,913	376	32,014	38,557,097	31,441,927
Total deferred inflows of resources	695,790	701,839	-	-	695,790	701,839
Net position						
Net investment in capital assets	38,679,199	38,473,970	-	-	38,679,199	38,473,970
Restricted	13,813,793	12,595,100	-	-	13,813,793	12,595,100
Unrestricted	16,417,853	17,159,123	673,282	564,442	17,091,135	17,723,565
Total net position	\$ 68,910,845	\$ 68,228,193	\$ 673,282	\$ 564,442	\$ 69,584,127	\$ 68,792,635

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$69,584,127 as of June 30, 2021. The County's net position increased by \$791,492 for the fiscal year ended June 30, 2021. Net position of \$38,679,199 (56%) 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 \$13,813,793 (21%) at June 30, 2021. The remaining balance of \$17,091,135 (24%) 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 98.98% to 99.34%. The overall tax collections for current year's taxes increased by \$724,272.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

- Increase in sales tax collections, a major source of revenue for the County.
- Continued low cost of debt due to the County's high bond rating and history of capital planning.
- Increase in operating grants received, particularly in the Human Services departments.
- 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, 2021 and 2020 for governmental activities:

PERSON COUNTY'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 6,686,429	\$ 6,365,929	\$ 280,429	\$ 279,446	\$ 6,966,858	\$ 6,645,375
Operating grants and contributions	11,133,894	10,500,771	-	-	11,133,894	10,500,771
Capital grants and contributions	329,663	1,692,188	-	-	329,663	1,692,188
General revenues						
Property taxes	35,587,594	34,906,804	-	-	35,587,594	34,906,804
Local option sales taxes	10,507,215	9,013,933	-	-	10,507,215	9,013,933
Other taxes and licenses	247,726	177,306	-	-	247,726	177,306
Investment earnings, unrestricted	116,113	424,332	2,554	2,554	118,667	426,886
Miscellaneous, unrestricted	1,564,941	92,307	-	-	1,564,941	92,307
Total revenues	66,173,575	63,173,570	282,983	282,000	66,456,558	63,455,570
Expenses:						
General government	12,935,151	10,806,867	-	-	12,935,151	10,806,867
Public safety	17,240,103	15,716,935	-	-	17,240,103	15,716,935
Transportation	1,212,218	1,385,859	-	-	1,212,218	1,385,859
Human services	16,788,184	14,965,338	-	-	16,788,184	14,965,338
Environmental Protection	788,995	703,483	-	-	788,995	703,483
Economic and physical development	1,598,740	1,617,280	-	-	1,598,740	1,617,280
Cultural and recreation	2,109,894	2,122,952	-	-	2,109,894	2,122,952
Education	12,715,831	11,858,284	-	-	12,715,831	11,858,284
Interest on long-term debt	248,213	412,610	-	-	248,213	412,610
Stormwater	-	-	174,143	245,619	174,143	245,619
Total expenses	65,637,329	59,589,608	174,143	245,619	65,811,472	59,835,227
Change in net position	536,246	3,583,962	108,840	36,381	645,086	3,620,343
Net position, July 1, as originally reported	68,228,193	64,644,231	528,061	415,658	68,756,254	65,059,889
Restatement	146,406	-	-	-	146,406	-
Net position, July 1	68,374,599	64,644,231	564,442	528,061	68,939,041	65,172,292
Net position, June 30	\$ 68,910,845	\$ 68,228,193	\$ 673,282	\$ 564,442	\$ 69,584,127	\$ 68,792,635

Governmental Activities: Governmental activities resulted in an increase of the County's net position by \$682,652. Key elements of this increase are as follows:

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

- Operating grants and contributions increased by \$633,123, primarily due to higher amounts reported in Human Services departments.
- Sales tax revenues reflect growth showing an increase of \$1,493,282 over the prior fiscal year.
- Reduction in Transportation expenses due to disruption in services that were related to the pandemic response.

Business-type Activities: Business-type activities increased Person County's net position by \$108,840 in the Stormwater Fund. Key elements of this increase are as follows:

- Minimal increase of stormwater revenue collection over previous year; and
- Decrease in contracted services and administration 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 \$21,726,864, while total fund balance reached \$30,981,684. 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 35.4% of general fund expenditures and outgoing transfers, while total fund balance represents 50.5% 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 \$525,785 at June 30, 2021, a decrease of \$168,305 from last year. The decrease in fund balance is attributed primarily to a decrease in intergovernmental and fee revenues due to a reduction in services because of the pandemic.

The ARPA Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$29 at June 30, 2021. This is a new capital project fund for FY 2021 that accounts for revenue and expenditures for capital projects that were funded by the American Rescue Plan Act of 2021. Other than interest earnings for \$29, there were no other revenues or expenditures reported for FY 2021.

At June 30, 2021, the governmental funds of Person County reported a combined fund balance of \$41,644,027, an increase of \$2,223,619 (5.6%) from last year. The primary causes include an increase in property and sales tax revenues, as well as the other revenues reported in the two new special revenue funds as a result of the implementation of GASB Statement No. 84, Fiduciary Activities. Total governmental expenditures increased compared to the prior year by \$3.5M, mostly due to the increases reported in the

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

General Government, Public Safety and Human Services departments. This was driven by a higher demand in services caused by the public health crisis, as well as increases in expenditures for the Public Safety Towers Project. Although expenditures increased overall in total governmental funds, total revenues exceeded expenditures, causing a net surplus of \$3.4M for FY 2021.

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 \$6,454,686.

Ad valorem taxes exceeded budget by \$1,718,765 due to higher collections in FY 2021. Other impacts of this budget surplus include charges for services which were received over budget by \$833,315. This includes EMS Fees due to the higher call volume in response to the pandemic, and Solid Waste Host Fees as a result of the renegotiation of the landfill contract.

Appropriations within the General Fund covered actual expenditures by more than \$6.6 million. Approximately \$2.5 million of these remaining funds was the result of the timing differences in the State allocations for departments in the Human Services function. General Government departments report a remaining budget of approximately \$1.7 million, mostly due to incomplete contractual commitments in various departments, such as equipment purchases in Elections and Information Technology, audit services in the Finance Department, and building and ground maintenance projects in General Services. Remaining funds for almost \$1.3 million are also in Public Safety departments from lapse salary and associated benefits from vacant positions that occurred during the year.

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 \$673,282. The total growth in net position was \$108,840. 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, 2021, total \$47,593,182 (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

- Installation of airfield signs and taxiway improvements at the Person County Airport, skid steer equipment for the Person County Recycling Center, and two utility tractors for General Services

Public Safety

- Cardiac monitor for EMS, 11 vehicles, and security cameras for the Law Enforcement Center

**Person County, North Carolina
Management’s Discussion and Analysis**

For the Year Ended June 30, 2021

Transportation

- Two buses for PATS

Human Services

- Respiratory Protection Fit testing equipment and two Covid-19 vaccination tents for the Health Department

Culture and Recreation

- HVAC systems for Huck Sansbury gym, Museum of History, and Kirby Gallery, curtains for the Kirby Theater, and a lawn mower for the Recreation Department

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 4,187,547	\$ 4,187,547	\$ -	\$ -	\$ 4,187,547	\$ 4,187,547
Buildings	19,030,714	20,654,959	-	-	19,030,714	20,654,959
Improvements	11,294,932	10,902,225	-	-	11,294,932	10,902,225
Machinery and equipment	4,837,211	5,399,551	-	-	4,837,211	5,399,551
Infrastructure	3,554,733	531,753	-	-	3,554,733	531,753
Construction in progress	<u>4,688,046</u>	<u>7,459,250</u>	<u>-</u>	<u>-</u>	<u>4,688,046</u>	<u>7,459,250</u>
Total	<u>\$ 47,593,182</u>	<u>\$ 49,135,285</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 47,593,182</u>	<u>\$ 49,135,285</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, 2021, Person County had total bonded debt outstanding of \$1,675,668 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	
	2021	2020	2021	2020	2021	2020
Bonds Payable	\$ 1,675,668	\$ 1,828,001	\$ -	\$ -	\$ 1,675,668	\$ 1,828,001
Installment Purchases	7,281,432	8,720,268	-	-	7,281,432	8,720,268
Capital Leases	<u>310,435</u>	<u>491,771</u>	<u>-</u>	<u>-</u>	<u>310,435</u>	<u>491,771</u>
Total	<u>\$ 9,267,535</u>	<u>\$ 11,040,040</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,267,535</u>	<u>\$ 11,040,040</u>

Person County’s total debt decreased by \$1,772,505 (16.1%) during the past fiscal year, due to the repayment of debt. There were no new debt financings for FY2021.

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.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

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 \$378,421,082.

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 2 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, 2021, was 8.6%, an increase of 0.9% from last year's rate of 7.7%, but only 0.3% under the statewide average of 8.9%.
- 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 39,097 is slightly lower than in previous year.

Impact of Coronavirus on the County

During the fiscal year, the state and the nation were affected by the spread of a coronavirus. Various departmental operations were impacted, causing a temporary disruption in services such as in Person Industries, the Person County Recycling Center, Public Library, Person Area Transportation Services, and Parks and Recreation. Emergency Management, EMS, and 911 Communications experienced an increase in call volume, reduction in staffing resources, increase in overtime costs, increase in cost for medical supplies, and a shortage in supplies and equipment overall as a result of the supply and demand uncertainties during the pandemic. Service demands in the Health and Social Services departments dramatically increased, causing elevated expenditures in program delivery and contractual costs. The Health Department partnered with Person County Economic Development to coordinate vaccinations for 13 of the largest employers in Person County. Many small business and restaurants were financially challenged due to the changes they had to make in response to the State's mandated requirements. The Economic Development Department received State funding for a small loan program to assist struggling small businesses during this time. Several applied and were approved for funding that helped bridge the gap until they could fully re-open and return to normal business operations. On a positive note, the increases in sales tax revenues and the provision of Covid funding from the State helped to alleviate the financial constraints that were affected by the pandemic.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities: The Adopted Budget for Fiscal Year 2021-2022 is \$78,655,261 which includes all annually budgeted funds. The General Fund comprises \$66,460,497 which was an increase of \$4.7M, or 7.6% over the previous year's adopted budget. Although the Person County Board of Commissioners kept the tax rate flat at \$0.72 per \$100 of valuation, current property tax revenues were projected to increase by about \$3.5M. This is primarily due to the revaluation process and the growth in the housing market that was driven by a shortage in the supply of homes, along with increased costs in both material and labor. Sales tax was also projected to increase by almost \$3.2M, another major factor in the County's overall budget increase. The adopted projection for sales tax in FY 2021 was greatly reduced in anticipation of the negative impacts the pandemic would have on this significant revenue stream. However, Person County recognized a surplus in FY 2021 in sales tax, largely due to the transition of shopping locally, as well as the increase in demand for goods

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2021

as product shortages occurred in response to the pandemic. This, in addition to some minimal growth, caused the justification for the significant increase in sales tax projections for FY 2022. Operating revenues in the General Fund were estimated to improve in both inspections and environmental health departments due to the growth in the demands for those services. Solid waste host fees were also projected to increase by \$375K as a result of the renegotiation of the contract with Republic Services in FY 2021. State and Federal funding in the DSS and Health Departments also increased in response to the demands for public assistance and the services that are tied to Medicaid revenues. An appropriation of approximately \$966K in fund balance was adopted to sustain the county's operating funds, a significant reduction compared to the prior year for \$3.9M.

The majority of governmental funds reported a projected increase in their budgeted expenditures. The addition of five full-time positions (\$430K), health insurance rate hike for County employees (\$600K), twelve new vehicles (\$332K), EMS overtime costs for running an extra Quick Response Vehicle (\$93K), additional funding for Volunteer Fire Departments (\$214K), an increase in General Fund support to the Capital Investment Fund for future capital projects and debt service costs (\$1.9M), additional discretionary funds in the Economic Catalyst fund for future industrial recruitment incentives (\$250K), and increases in Elections due to possibility of conducting three elections in FY 2022 (\$159K) are the main cost drivers for expenditures.

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 increased by \$114,000 for a total of \$364,000 to accommodate participation in the Interim Alternative Implementation Approach (IAIA) program in order to meet Stage 1 compliance with the Falls Lake Watershed requirements.

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, 2021

	Primary Government			Component Units	
	Governmental Activities	Business Type Activity	Total	Person County Tourism Development Authority	Person County ABC Board
ASSETS					
Cash and cash equivalents	\$ 31,640,263	\$ 658,880	\$ 32,299,143	\$ 288,873	\$ 996,329
Taxes Receivable (net)	448,438	-	448,438	39,446	-
Other receivables (net)	5,240,414	14,778	5,255,192	-	-
Inventories	-	-	-	-	563,604
Prepaid items	126,044	-	126,044	-	14,615
Restricted cash and cash equivalents	11,836,899	-	11,836,899	-	-
Capital assets:					
Land, improvements, and construction in progress	8,875,593	-	8,875,593	-	184,576
Other capital assets, net of depreciation	38,717,589	-	38,717,589	14,282	946,812
Total capital assets	47,593,182	-	47,593,182	14,282	1,131,388
Net pension asset - Register of Deeds	72,322	-	72,322	-	-
Total assets	96,957,562	673,658	97,631,220	342,601	2,705,936
DEFERRED OUTFLOWS OF RESOURCES					
Pension deferrals - LGERS	4,882,841	-	4,882,841	-	59,174
Pension deferrals - LEOSSA	872,168	-	872,168	-	-
Pension deferrals - ROD	8,632	-	8,632	-	-
OPEB Deferrals	5,442,153	-	5,442,153	-	-
Total deferred outflows	11,205,794	-	11,205,794	-	59,174
LIABILITIES					
Accounts payable and accrued expenses	3,111,617	376	3,111,993	3,675	457,587
Accrued interest payable	68,717	-	68,717	-	-
Due to other governments	3,835,235	-	3,835,235	-	-
Noncurrent liabilities:					
Due within one year	1,887,899	-	1,887,899	-	79,275
Due in more than one year	8,701,393	-	8,701,393	-	557,565
Net pension liability - LGERS	8,677,708	-	8,677,708	-	50,385
Total pension liability - LEOSSA	2,685,736	-	2,685,736	-	-
Other postemployment benefits liability	9,588,416	-	9,588,416	-	-
Total Noncurrent liabilities	31,541,152	-	31,541,152	-	687,225
Total liabilities	38,556,721	376	38,557,097	3,675	1,144,812
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals - LGERS	151,894	-	151,894	-	-
Pension deferrals - LEOSSA	47,694	-	47,694	-	-
Pension deferrals - ROD	9,281	-	9,281	-	-
OPEB Deferrals	342,913	-	342,913	-	-
Other Deferrals	144,008	-	144,008	-	-
Total deferred inflows	695,790	-	695,790	-	-
NET POSITION					
Net investment in capital assets	38,679,199	-	38,679,199	14,282	494,546
Restricted for:					
Public safety	433,367	-	433,367	-	-
Culture and recreation	124,676	-	124,676	-	-
Human services	140,840	-	140,840	-	-
Environmental protection	161,784	-	161,784	-	-
Register of deeds	31,460	-	31,460	-	-
Stabilization by State Statute	7,380,950	-	7,380,950	-	-
Capital projects	5,540,716	-	5,540,716	-	100,000
Working capital	-	-	-	-	163,216
Unrestricted	16,417,853	673,282	17,091,135	324,644	862,536
Total net position	\$ 68,910,845	\$ 673,282	\$ 69,584,127	\$ 338,926	\$ 1,620,298

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, 2021

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Primary government:				
Governmental Activities:				
General government	\$ 12,935,151	\$ 1,077,017	\$ 189,523	\$ -
Public safety	17,240,103	2,879,774	1,415,887	-
Transportation	1,212,218	165,407	412,355	106,147
Human services	16,788,184	1,123,017	8,884,556	-
Environmental Protection	788,995	1,143,744	-	-
Economic and physical development	1,598,740	80,130	96,166	223,516
Cultural and recreation	2,109,894	217,340	135,407	-
Education	12,715,831	-	-	-
Interest on long-term debt	248,213	-	-	-
Total governmental activities	<u>65,637,329</u>	<u>6,686,429</u>	<u>11,133,894</u>	<u>329,663</u>
Business-Type Activity:				
Stormwater	174,143	280,429	-	-
Total primary government	<u>\$ 65,811,472</u>	<u>\$ 6,966,858</u>	<u>\$ 11,133,894</u>	<u>\$ 329,663</u>
Component unit:				
Person County Tourism				
Development Authority	\$ 144,086	\$ 318,087	\$ 18,000	\$ -
Person County ABC Board	5,244,579	5,491,123	-	-
Total Component Units	<u>\$ 5,388,665</u>	<u>\$ 5,809,210</u>	<u>\$ 18,000</u>	<u>\$ -</u>

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes

Investment earnings, unrestricted

Miscellaneous, unrestricted:

Loss on sale of capital asset

Contributed capital

Other miscellaneous

Total general revenue

Change in net position

Net position-beginning

Restatement - change in accounting principle

Net position-beginning, restated

Net position-ending

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
\$ (11,668,611)	\$ -	\$ (11,668,611)		
(12,944,442)	-	(12,944,442)		
(528,309)	-	(528,309)		
(6,780,611)	-	(6,780,611)		
354,749	-	354,749		
(1,198,928)	-	(1,198,928)		
(1,757,147)	-	(1,757,147)		
(12,715,831)	-	(12,715,831)		
(248,213)	-	(248,213)		
<u>(47,487,343)</u>	<u>-</u>	<u>(47,487,343)</u>		
-	106,286	106,286		
<u>(47,487,343)</u>	<u>106,286</u>	<u>(47,381,057)</u>		
\$ -	\$ -	\$ -	\$ 192,001	\$ -
-	-	-	-	246,544
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 192,001</u>	<u>\$ 246,544</u>
35,587,594	-	35,587,594	-	-
10,507,215	-	10,507,215	-	-
247,726	-	247,726	-	-
116,113	2,554	118,667	203	1,760
(133,252)	-	(133,252)	-	-
-	-	-	-	-
1,698,193	-	1,698,193	287	101,895
<u>48,023,589</u>	<u>2,554</u>	<u>48,026,143</u>	<u>490</u>	<u>103,655</u>
536,246	108,840	645,086	192,491	350,199
<u>68,228,460</u>	<u>564,442</u>	<u>68,792,902</u>	<u>146,435</u>	<u>1,270,099</u>
146,139	-	146,139	-	-
<u>68,374,599</u>	<u>564,442</u>	<u>68,939,041</u>	<u>146,435</u>	<u>1,270,099</u>
<u>\$ 68,910,845</u>	<u>\$ 673,282</u>	<u>\$ 69,584,127</u>	<u>\$ 338,926</u>	<u>\$ 1,620,298</u>

Person County, North Carolina
Balance Sheet
Governmental Funds

Exhibit 3

June 30, 2021

	<u>Major</u>			<u>Non-Major</u>	
	<u>General</u>	<u>Person Industries Community Rehabilitation Program and Material Recovery Facility Fund</u>	<u>ARPA Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 25,266,926	\$ 811,013	\$ -	\$ 4,283,176	\$ 30,361,115
Restricted cash and cash equivalents	1,849,700	-	3,835,264	6,151,935	11,836,899
Ad valorem taxes receivable, net	448,438	-	-	-	448,438
Other receivables, net	4,859,739	223,161	-	98,629	5,181,529
Due from other funds	479,244	-	-	-	479,244
Prepaid expenditures	126,044	-	-	-	126,044
Total assets	<u>\$ 33,030,091</u>	<u>\$ 1,034,174</u>	<u>\$ 3,835,264</u>	<u>\$ 10,533,740</u>	<u>\$ 48,433,269</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	\$ 1,448,641	\$ 29,145	\$ -	\$ 370,287	\$ 1,848,073
Miscellaneous liabilities	7,320	-	-	-	7,320
Due to other governments	-	-	3,835,235	-	3,835,235
Due to other funds	-	479,244	-	-	479,244
Total liabilities	<u>1,455,961</u>	<u>508,389</u>	<u>3,835,235</u>	<u>370,287</u>	<u>6,169,872</u>
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	144,008	-	-	-	144,008
Property taxes receivable	448,438	-	-	-	448,438
Notes receivable	-	-	-	26,924	26,924
Total deferred inflows of resources	<u>592,446</u>	<u>-</u>	<u>-</u>	<u>26,924</u>	<u>619,370</u>
Fund balances:					
Nonspendable:					
Prepays	126,044	-	-	-	126,044
Restricted:					
Stabilization by State Statute	6,968,218	223,161	-	189,571	7,380,950
Register of Deeds	31,460	-	-	-	31,460
Public safety	180,273	-	-	253,094	433,367
Culture and recreation	-	-	-	124,676	124,676
Environmental protection	-	161,784	-	-	161,784
Human services	-	140,840	-	-	140,840
Capital projects	-	-	29	5,540,687	5,540,716
Committed:					
Tax reappraisal	637,518	-	-	-	637,518
Economic development	-	-	-	911,183	911,183
Environmental protection	-	-	-	914,700	914,700
Public safety	-	-	-	157,043	157,043
LEOSSA Pension	345,801	-	-	-	345,801
Capital projects	-	-	-	1,403,459	1,403,459
Assigned:					
Subsequent year's expenditures	965,506	-	-	640,925	1,606,431
Unassigned:	21,726,864	-	-	1,191	21,728,055
Total fund balances	<u>30,981,684</u>	<u>525,785</u>	<u>29</u>	<u>10,136,529</u>	<u>41,644,027</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 33,030,091</u>	<u>\$ 1,034,174</u>	<u>\$ 3,835,264</u>	<u>\$ 10,533,740</u>	<u>\$ 48,433,269</u>

Person County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

Exhibit 3 (Cont)

June 30, 2021

Ending fund balance for Governmental Funds	\$ 41,644,027
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.	47,593,182
Net pension asset - Register of Deeds	72,322
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	81,809
Deferred inflows of resources for taxes receivable	448,438
Deferred inflows of resources for note receivable	26,924
Pension related deferrals, net	5,554,772
OPEB related deferrals, net	5,099,240
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	(68,717)
General Obligation Bonds	(1,675,668)
Installment purchases	(7,281,432)
Capital lease	(310,435)
Accrued post-closure care costs	(51,704)
Compensated absences	(1,270,053)
Net pension liability - LGERS	(8,677,708)
Net pension liability - LEOSSA	(2,685,736)
Other postemployment benefits	(9,588,416)
Total net position of governmental activities	<u>\$ 68,910,845</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, 2021

	Major			Non-Major	
	General Fund	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	ARPA Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Ad valorem taxes	\$ 34,703,380	\$ -	\$ -	\$ 1,123,732	\$ 35,827,112
Local options sales taxes	10,507,215	-	-	-	10,507,215
Other taxes and licenses	247,726	-	-	-	247,726
Fees	725,897	-	-	-	725,897
Intergovernmental	10,086,325	406,146	-	1,160,061	11,652,532
Investment earnings	6,009	130	29	109,702	115,870
Charges for services	4,895,564	875,993	-	-	5,771,557
Other	905,419	3,683	-	794,027	1,703,129
Total revenues	<u>62,077,535</u>	<u>1,285,952</u>	<u>29</u>	<u>3,187,522</u>	<u>66,551,038</u>
EXPENDITURES					
Current:					
General government	8,393,239	-	-	-	8,393,239
Public safety	14,264,582	-	-	1,629,929	15,894,511
Transportation	881,606	-	-	-	881,606
Human services	13,475,971	1,494,310	-	777,743	15,748,024
Environmental protection	145,800	555,140	-	-	700,940
Economic and physical development	1,088,052	-	-	413,009	1,501,061
Cultural and recreational	1,911,945	-	-	-	1,911,945
Intergovernmental:					
Education	11,759,077	-	-	-	11,759,077
Capital outlay	1,119,304	-	-	3,194,782	4,314,086
Debt service:					
Principal	-	-	-	1,772,505	1,772,505
Interest and other charges	-	-	-	272,126	272,126
Total expenditures	<u>53,039,576</u>	<u>2,049,450</u>	<u>-</u>	<u>8,060,094</u>	<u>63,149,120</u>
Excess (deficiency) of revenues over expenditures	<u>9,037,959</u>	<u>(763,498)</u>	<u>29</u>	<u>(4,872,572)</u>	<u>3,401,918</u>
OTHER FINANCING SOURCES (USES)					
Transfers from other funds	-	595,193	-	6,762,965	7,358,158
Transfers to other funds	(8,337,158)	-	-	(439,206)	(8,776,364)
Sale of capital assets	93,501	-	-	-	93,501
Total other financing sources and uses	<u>(8,243,657)</u>	<u>595,193</u>	<u>-</u>	<u>6,323,759</u>	<u>(1,324,705)</u>
Net change in fund balances	794,302	(168,305)	29	1,451,187	2,077,213
Fund balances-beginning	30,187,382	694,090	-	8,538,936	39,420,408
Restatement - change in accounting principle	-	-	-	146,406	146,406
Fund Balances-beginning (as retated)	30,187,382	694,090	-	8,685,342	39,566,814
Fund balances-ending	<u>\$ 30,981,684</u>	<u>\$ 525,785</u>	<u>\$ 29</u>	<u>\$ 10,136,529</u>	<u>\$ 41,644,027</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, 2021

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

Net changes in fund balances - total governmental funds	\$ 2,077,213
<p>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.</p>	
Capital outlay expenditures which were capitalized	2,496,256
Depreciation expense for governmental assets	(3,811,608)
Basis of assets disposed of	<u>(226,752)</u>
	(1,542,104)
<p>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.</p>	
	1,772,505
<p>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.</p>	
	(2,075,769)
<p>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.</p>	
	23,912
<p>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.</p>	
	524,943
<p>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.</p>	
	(4,936)
<p>Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.</p>	
	<u>(239,518)</u>
Total changes in net position of governmental activities	<u>\$ 536,246</u>

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, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget-- Positive (Negative)</u>
REVENUES				
Ad valorem taxes	\$ 32,984,615	\$ 32,984,615	\$ 34,703,380	\$ 1,718,765
Local option sales taxes	7,232,304	10,713,847	10,507,215	(206,632)
Other taxes and licenses	189,200	189,200	247,726	58,526
Fees	718,358	772,378	725,897	(46,481)
Intergovernmental	8,092,316	10,464,627	10,086,325	(378,302)
Investment earnings	-	7,200	6,009	(1,191)
Charges for services	3,977,403	4,062,249	4,895,564	833,315
Other	448,813	903,579	905,419	1,840
Total revenues	<u>53,643,009</u>	<u>60,097,695</u>	<u>62,077,535</u>	<u>1,979,840</u>
EXPENDITURES				
Current:				
General government	7,869,083	9,873,387	8,183,265	1,690,122
Public safety	14,712,251	16,307,548	15,019,950	1,287,598
Transportation	1,206,485	1,503,239	1,047,943	455,296
Human services	14,147,715	16,048,055	13,553,318	2,494,737
Environmental protection	182,584	210,988	145,800	65,188
Economic and physical development	1,262,386	1,253,154	1,092,660	160,494
Cultural and recreational	1,999,324	2,143,957	1,911,945	232,012
Contingency	385,220	169,260	-	169,260
Intergovernmental:				
Education	11,757,077	11,757,077	11,759,077	(2,000)
Total expenditures	<u>53,522,125</u>	<u>59,266,665</u>	<u>52,713,958</u>	<u>6,552,707</u>
Revenues over (under) expenditures	<u>120,884</u>	<u>831,030</u>	<u>9,363,577</u>	<u>8,532,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(4,019,484)	(8,518,022)	(8,337,158)	180,864
Sale of capital assets	-	-	93,501	93,501
Total other financing sources (uses)	<u>(4,019,484)</u>	<u>(8,518,022)</u>	<u>(8,243,657)</u>	<u>274,365</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,898,600)</u>	<u>(7,686,992)</u>	<u>1,119,920</u>	<u>8,806,912</u>
APPROPRIATED FUND BALANCE	<u>3,898,600</u>	<u>7,686,992</u>	<u>-</u>	<u>(7,686,992)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>1,119,920</u>	<u>\$ 1,119,920</u>
Fund balances-beginning			29,943,279	
Fund balances-ending			<u>\$ 31,063,199</u>	
Legally budgeted Tax Reappraisal expenditures have been consolidated into the General Fund for reporting purposes:				
Expenditures			\$ (325,618)	
Consolidated change in fund balance			794,302	
Fund balance-beginning			30,187,382	
Fund balance-ending			<u>\$ 30,981,684</u>	

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 - Person Industries Community Rehabilitation Program and Material Recovery
Facility Fund

Exhibit 6

For the fiscal year ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
Intergovernmental Revenues				
Adult vocation and rehabilitation program	\$ 429,500	\$ 429,500	\$ 300,313	\$ (129,187)
ROAP Transportation	29,000	-	-	-
NC DENR Grant	-	6,800	6,800	-
White goods disposal tax	16,000	16,000	10,171	(5,829)
Scrap tire disposal tax	55,000	55,000	58,267	3,267
Electronics management tax	2,400	2,400	-	(2,400)
Solid waste disposal tax	28,000	28,000	30,595	2,595
Total intergovernmental revenues	<u>559,900</u>	<u>537,700</u>	<u>406,146</u>	<u>(131,554)</u>
Charge for services				
Sales	1,550,000	1,550,000	403,442	(1,146,558)
Medicaid	581,000	581,000	325,896	(255,104)
Transportation	18,500	18,500	7,166	(11,334)
Local services	45,000	45,000	52,784	7,784
Recycling fee	25,000	25,000	50,000	25,000
Recycling sales	52,900	52,900	36,705	(16,195)
Total charge for services	<u>2,272,400</u>	<u>2,272,400</u>	<u>875,993</u>	<u>(1,396,407)</u>
Investment earnings	-	-	130	130
Other revenues				
Donations and miscellaneous	6,100	6,100	3,683	(2,417)
Total revenues	<u>2,838,400</u>	<u>2,816,200</u>	<u>1,285,952</u>	<u>(1,530,248)</u>
EXPENDITURES				
Human Services				
Personnel expenditures			1,161,886	
Operating expenditures			332,424	
Total	<u>2,701,301</u>	<u>2,667,208</u>	<u>1,494,310</u>	<u>1,172,898</u>
Environmental protection				
Personnel expenditures			296,405	
Operating expenditures			258,735	
Total	<u>698,566</u>	<u>749,423</u>	<u>555,140</u>	<u>194,283</u>
Total expenditures	<u>3,399,867</u>	<u>3,416,631</u>	<u>2,049,450</u>	<u>1,367,181</u>
Excess (deficiency) of revenues over expenditures	(561,467)	(600,431)	(763,498)	(163,067)
OTHER FINANCING SOURCES				
Transfers in				
General fund	561,467	572,424	572,424	-
Capital project fund	-	22,769	22,769	-
Total other financing sources	<u>561,467</u>	<u>595,193</u>	<u>595,193</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	-	(5,238)	(168,305)	(163,067)
APPROPRIATED FUND BALANCE				
Excess (deficiency) of revenues, other financing sources balance over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(168,305)</u>	<u>\$ (168,305)</u>
Fund balance beginning			694,090	
Fund balance end			<u>\$ 525,785</u>	

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, 2021

	<u>Non-Major Enterprise Fund Stormwater Fund</u>	<u>Internal Service Fund Insurance Fund</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 658,880	\$ 1,279,148
Receivables, net	14,778	58,885
Total current assets	<u>673,658</u>	<u>1,338,033</u>
Liabilities		
Current liabilities:		
Accounts payable and accrued expenses	<u>376</u>	<u>1,256,224</u>
Total current liabilities	<u>376</u>	<u>1,256,224</u>
Total liabilities	<u>376</u>	<u>1,256,224</u>
Net Position		
Unrestricted	<u>673,282</u>	<u>81,809</u>
Total net position	<u>\$ 673,282</u>	<u>\$ 81,809</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, 2021

	Non-Major Enterprise Fund Stormwater Fund	Internal Service Fund Insurance Fund
Operating revenues		
Charges for services	\$ 280,429	\$ 3,782,653
Miscellaneous income	-	447,335
Total operating revenues	<u>280,429</u>	<u>4,229,988</u>
Operating expenses		
Professional services	7,545	-
Dues and subscriptions	86,598	-
Stormwater administration	80,000	-
Health insurance administration	-	5,123,496
Total operating expenses	<u>174,143</u>	<u>5,123,496</u>
Operating income	<u>106,286</u>	<u>(893,508)</u>
Nonoperating revenues (expenses)		
Interest earnings	2,554	243
Total nonoperating revenue (expenses) - net	<u>2,554</u>	<u>243</u>
Income (loss) before transfers	<u>108,840</u>	<u>(893,265)</u>
Transfers		
Transfer from General fund	-	1,418,208
Change in net position	108,840	524,943
Total net position, beginning	564,442	(443,134)
Total net position, ending	<u>\$ 673,282</u>	<u>\$ 81,809</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, 2021

	<u>Non-Major Enterprise Fund Stormwater Fund</u>	<u>Internal Service Fund Insurance Fund</u>
Cash flows from operating activities		
Cash received from customers	\$ 284,033	\$ 4,233,407
Cash paid for goods and services	(205,781)	(4,885,748)
Net cash provided by (used for) operating activities	<u>78,252</u>	<u>(652,341)</u>
Cash flows from investing activities		
Interest on investments	<u>2,554</u>	<u>243</u>
Net increase in cash and cash equivalents	80,806	766,110
Cash and cash equivalents		
Beginning of year, July 1	578,074	513,038
End of year, June 30	<u>\$ 658,880</u>	<u>\$ 1,279,148</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	<u>\$ 106,286</u>	<u>\$ (893,508)</u>
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	3,604	3,419
Accounts payable and accrued liabilities	(31,638)	237,748
Total adjustments	<u>(28,034)</u>	<u>241,167</u>
Net cash provided by (used for) operating activities	<u>\$ 78,252</u>	<u>\$ (652,341)</u>

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, 2021

	Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 81,993
Taxes receivables, net	139,737
Total assets	<u>221,730</u>
LIABILITIES	
Accounts payable and accrued liabilities	222
Due to other governments	17,516
Total liabilities	<u>17,738</u>
NET POSITION	
Restricted for:	
Individuals, organizations, and other governments	203,992
Total net position	<u><u>\$ 203,992</u></u>

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

Person County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds

Exhibit 11

June 30, 2021

	Custodial Funds
ADDITIONS	
Ad valorem taxes for other governments	\$ 775,534
Collections on behalf of inmates	201,168
Collections on behalf of 4H	8,368
Total additions	<u>985,070</u>
DEDUCTIONS	
Tax distributions to other governments	819,628
Payments on behalf of inmates	176,604
Payments to 4H	10,587
Total deductions	<u>1,006,819</u>
Net increase (decrease) in fiduciary net position	(21,749)
Net position - beginning, as previously reported	-
Restatement - change in accounting principle	225,741
Net position - beginning, as restated	<u>225,741</u>
Net position - ending	<u>\$ 203,992</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, 2021

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).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
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 Law 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, North Carolina (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. 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

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

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.

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.

ARPA Fund: This capital project fund accounts for revenues and expenditures for capital projects to be funded by the American Rescue Plan Act of 2021.

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 fifteen 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 eight 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, Sheriff's Execution Fund, Social Services Representative Fund, and Capital Investment 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, Waterline Extension RRSF Fund, and Public Safety Towers and Broadband Fund.

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:

Custodial Funds: Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the 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 Inmate Fund, which accounts for moneys deposited with the Sheriff's

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

Department on behalf of inmates held in the Person County jail; the 4-H Program Fund which accounts for moneys to be spent for future 4-H programs.

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 custodial 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, 2021

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, Internal Service, and 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 NCCMT 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, Register of Deeds, Technology Fund, and the Law Enforcement and LEOSSA Pension 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, 2021

Restricted cash at June 30, 2021 consisted of the following:

Person County Restricted Cash			
Governmental activities:			
General Fund	Tax Revaluation	\$	637,519
General Fund	Information Technology		624,709
General Fund	Register of Deeds		60,969
General Fund	Law Enforcement		102,742
General Fund	LEOSSA Pension		423,761
ARPA Fund	Unexpended Grant Proceeds		3,835,264
Public Safety Tower and Broadband Fund	Unexpended Debt Proceeds		81,695
Airport Capital Projects Fund	Airport Construction		4,578,550
Emergency Telephone System Fund	Public Safety		259,573
Capital Investments Fund	Lottery Proceeds		1,232,117
Total restricted cash		\$	11,836,899

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, 2021**

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 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 net position will sometimes report a separate section for deferred outflows 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 net position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will be recognized as revenue until then. The County has three items that meet the criterion for this category – prepaid taxes, notes receivable and other OPEB or pension related deferrals.

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation 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, 2021 is recorded in the government-wide 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, 2021

Depending on length of service, the ABC Board's vacation policy is that 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 the 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 the determination of length of service for retirement benefit purposes.

Since the ABC 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 PCTDA 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 PCTDA provides for an unlimited accumulation of earned sick leave. Sick leave does not vest 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.

Prepays - 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, 2021

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 LEOSSA 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, 2021

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.

13. Stewardship, Compliance, and Accountability

Excess of Expenditures over Appropriations

In Exhibit C-10, expenditures were in excess of appropriation by \$377,743. This over expenditure occurred as a result of the first year of implementation of GASB 84. In future years this fund will be part of the original budget and monitored throughout the year for necessary amendments.

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, 2021, the County's deposits had a carrying amount of \$3,889,040 and a bank balance of \$4,535,777. Of the bank balance, \$1,000,000 was covered by federal depository insurance and \$3,535,777 in interest-bearing deposits was covered by collateral held under the Pooling Method.

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

At June 30, 2021, Person County had \$8,496 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2021, the Person County ABC Board's deposits had a carrying amount of \$992,179 and a bank balance of \$996,527. Of this balance, \$500,000 was covered by federal depository insurance. The balance in excess of FDIC coverage is covered by the Pooling Method of collateralization. At June 30, 2021 the Person County ABC Board also had cash on hand in the amount of \$4,150.

At June 30, 2021, the PCTDA's deposits had a carrying amount of \$288,873 and a bank balance of \$293,787. The total bank balance was covered by federal depository insurance.

2. Investments

At June 30, 2021, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less than 6 Months</u>
NC Capital Management Trust - Government Portfolio (Operating)	Fair Value - Level 1	\$ 36,258,972	\$ 36,258,972
NC Capital Management Trust - Government Portfolio (Home Health & Hospice)	Fair Value - Level 1	226,263	226,263
NC Capital Management Trust - Government Portfolio (American Rescue Plan)	Fair Value - Level 1	3,835,264	3,835,264
Total		<u>\$ 40,320,499</u>	<u>\$ 40,320,499</u>

* Because the NCCMT Government Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P.

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. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. 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, 2021, 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, 2021, 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, 2021. 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
For the Year Ended June 30, 2021

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>
2021	\$ 2,466,504	\$ -	\$ 2,466,504
2020	1,913,731	110,040	2,023,771
2019	1,896,805	279,779	2,176,584
2018	1,907,260	452,974	2,360,234
Total	<u>\$ 8,184,300</u>	<u>\$ 842,793</u>	<u>\$ 9,027,093</u>

4. Receivables

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

	<u>Other Accounts</u>	<u>Related Accrued Interest</u>	<u>Total</u>
Governmental activities:			
General Fund	\$ 4,859,739	\$ 617,712	\$ 5,477,451
Person industries community rehabilitation program and material recovery facilities fund	223,161	-	223,161
Non-major funds	98,629	-	98,629
Internal service fund	58,885	-	58,885
Total receivables	<u>5,240,414</u>	<u>617,712</u>	<u>5,858,126</u>
Less: allowance for doubtful accounts	-	169,274	169,274
Total governmental activities	<u>\$ 5,240,414</u>	<u>\$ 448,438</u>	<u>\$ 5,688,852</u>
Business-type activities			
Stormwater	\$ 14,778	-	\$ 14,778

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

5. Capital Assets

Primary Government

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated				
Land	\$ 4,187,547	\$ -	\$ -	\$ 4,187,547
Construction in progress	7,459,250	794,050	3,565,253	4,688,046
Total capital assets not being depreciated	<u>11,646,797</u>	<u>794,050</u>	<u>3,565,253</u>	<u>8,875,593</u>
Capital assets being depreciated				
Buildings	37,754,402	-	-	37,754,402
Improvements	19,443,416	1,244,146	57,739	20,629,824
Equipment	17,950,115	850,867	950,668	17,850,315
Infrastructure	12,138,777	3,172,446	-	15,311,223
Total capital assets being depreciated	<u>87,286,710</u>	<u>5,267,459</u>	<u>1,008,407</u>	<u>91,545,764</u>
Less accumulated depreciation for:				
Buildings	17,099,443	1,624,245		18,723,688
Improvements	8,541,191	798,514	4,812	9,334,893
Equipment	12,550,564	1,239,383	776,843	13,013,104
Infrastructure	11,607,024	149,466	-	11,756,490
Total accumulated depreciation	<u>49,798,222</u>	<u>3,811,608</u>	<u>781,655</u>	<u>52,828,175</u>
Total capital assets being depreciated, net	<u>37,488,488</u>			<u>38,717,589</u>
Governmental activities capital assets, net	<u>\$ 49,135,285</u>			<u>\$ 47,593,182</u>

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

General government	\$ 2,639,739
Public safety	227,837
Transportation	185,955
Human services	27,330
Environmental Protection	29,490
Economic and physical development	1,612
Cultural and recreation	51,842
Education	647,803
Total depreciation expense	<u>\$ 3,811,608</u>

Construction commitments

As of June 30, 2021, 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.

Project	Spent-to-date	Remaining Commitment
General fund	\$ 13,873	\$ 64,544
Airport Construction Projects	370,364	4,465,430
CIP	603,877	38,876
Total	<u>\$ 988,115</u>	<u>\$ 4,568,850</u>

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

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated				
Land	\$ 188,764	\$ -	\$ 4,188	\$ 184,576
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>188,764</u>	<u>-</u>	<u>4,188</u>	<u>184,576</u>
Capital assets being depreciated				
Buildings	1,099,736	9,840	32,904	1,076,672
Office furniture and fixtures	15,156	-	-	15,156
Store equipment	144,524	625	-	145,149
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	<u>1,275,998</u>	<u>10,465</u>	<u>32,904</u>	<u>1,253,559</u>
Less accumulated depreciation for:				
Buildings	146,369	31,769	24,003	154,135
Office furniture and fixtures	15,156	-	-	15,156
Store equipment	111,498	9,376	-	120,874
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	<u>289,605</u>	<u>\$ 41,145</u>	<u>\$ 24,003</u>	<u>306,747</u>
Total capital assets being depreciated, net	<u>986,393</u>			<u>946,812</u>
ABC capital assets, net	<u>\$ 1,175,157</u>			<u>\$ 1,131,388</u>

B. Liabilities

1. Payables

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

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities				
General	\$ 1,430,647	\$ 68,717	\$ 25,314	\$ 1,524,678
Person industries community rehabilitation program and material recovery facilities fund	29,145	-	-	29,145
Non-major funds	370,287	-	-	370,287
Internal service funds	1,256,224	-	-	1,256,224
Total governmental activities	<u>\$ 3,086,303</u>	<u>\$ 68,717</u>	<u>\$ 25,314</u>	<u>\$ 3,180,334</u>
Business-type activities				
Stormwater	\$ 376	-	-	\$ 376

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

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

establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2021, was 10.90% of covered payroll for law enforcement officers and 10.15% for general employees and firefighters. These were higher than the actuarially determined contributions rates of 10.22% for law enforcement officers and 8.56% for general employees and firefighters. Contributions to the pension plan from the County were \$27,659 for the year ended June 30, 2021.

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.

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

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

At June 30, 2021, the County reported a liability of \$8,677,708 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2021, the County's proportion was .243%, which was a decrease of .007% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$3,246,134. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,095,842	\$ -
Changes of assumptions	645,792	-
Net difference between projected and actual earnings on pension plan investments	1,221,154	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	151,894
County contributions subsequent to the measurement date	1,920,053	-
Total	\$ 4,882,841	\$ 151,894

\$1,920,053 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 781,521
2023	1,061,560
2024	606,414
2025	361,399
	\$ 2,810,894

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

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

Inflation	3.0 percent
Salary increases	3.5 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 actuary currently uses mortality rates based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an actuarial experience study 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, 2021 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 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 3.05%. 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

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

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)	\$ 17,606,123	\$ 8,677,708	\$ 1,257,566

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

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

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.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2020, the Separation Allowance's membership consisted of:

Retirees receiving benefits	
Inactive members currently receiving benefits	3
Active plan members	49
Total	52

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.

Person County, North Carolina
Notes to the Financial Statements
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3. Actuarial Assumptions

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

Inflation	1.93 percent
Salary increases	3.25 to 7.75 percent, including inflation and productivity factor
Discount rate	2.50 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, 2019.

Mortality Rate

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

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

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

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

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 \$49,062 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, 2021, the County reported a total pension liability of \$2,685,736. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$1,861,262. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 169,932	\$ 13,400
Changes of assumptions	659,955	34,294
County benefit payments and plan administrative expense made subsequent to the measurement date	42,281	-
Total	\$ 872,168	\$ 47,694

\$872,168 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 171,597
2023	173,285
2024	169,704
2025	172,298
2026	95,309
	\$ 782,193

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

	1% Decrease -0.93%	Discount Rate -1.93%	1% Increase -2.93%
Total pension liability	\$ 2,898,747	\$ 2,685,736	\$ 2,489,199

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

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement

Person County, North Carolina
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For the Year Ended June 30, 2021

Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. 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 \$900,209 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 Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$4,086 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$72,322 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2021, the County's proportion was .316%, which was an increase of .013% from its proportion measured as of June 30, 2020.

For the year ended June 30, 2021, the County recognized pension expense of \$(603). At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to the Financial Statements
For the Year Ended June 30, 2021**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,474
Net difference between projected and actual earnings on pension plan investments	-	6,188
Changes in proportion and differences between County contributions and proportionate share of contributions	4,546	1,619
County contributions subsequent to the measurement date	<u>4,086</u>	<u>-</u>
Total	<u>\$ 8,632</u>	<u>\$ 9,281</u>

\$4,086 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2022. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2022	\$ 389
2023	(772)
2024	(2,793)
2025	<u>(1,559)</u>
	<u>\$ (4,735)</u>

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

Inflation	3.0 percent
Salary increases	3.5 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, 2019 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. These projections are combined to produce the long-term expected rate of return by weighting the

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

expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2021 is 1.4%.

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

Discount rate. The discount rate used to measure the total pension liability was 3.26%. 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 3.26 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 (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease 2.26%	Discount Rate 3.26%	1% Increase 4.26%
County's proportionate share of the net pension liability (asset)	\$ (61,429)	\$ (72,322)	\$ (81,540)

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

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 June 30, 2020, 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, 2020 with an actuarial valuation date of December 31, 2019.

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

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

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	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 8,677,708	\$ (717,239)	n/a	\$ 7,960,469
Proportion of the Net Pension Liability (Asset)	0.243%	3.130%	n/a	
Total Pension Liability	-	-	2,685,736	2,685,736
Pension Expense	3,246,134	(7,082)	1,861,262	5,100,314
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,095,842	\$ -	\$ 169,932	\$ 1,265,774
Changes of assumptions	645,792	-	659,955	1,305,747
Net difference between projected and actual earnings on pension plan investments	1,221,154	-	-	1,221,154
Changes in proportion and differences between County contributions and proportionate share of contributions	-	4,546	-	4,546
County contributions (LGERS,ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,920,053	4,086	42,281	1,966,420
Total Deferred Outflows	\$ 4,882,841	\$ 8,632	\$ 872,168	\$ 5,763,641
	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 1,474	\$ 13,400	\$ 14,874
Changes of assumptions	-	-	34,294	34,294
Net difference between projected and actual earnings on pension plan investments	-	6,188	-	6,188
Changes in proportion and differences between County contributions and proportionate share of contributions	151,894	1,619	-	153,513
Total Deferred Inflows	\$ 151,894	\$ 9,281	\$ 47,694	\$ 208,869

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, 2021 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%

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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, 2020, the date of the latest actuarial valuation:

Inactive members currently	
receiving benefits	31
Active plan members	376
Total	407

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 \$9,588,416 was measured as of June 30, 2020 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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	3.50%
Measurement date	2.21%
Health care cost trends	7.00% for 2019 decreasing to 4.50% by 2026

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.

Changes in the Total OPEB Liability

Balance and July 1, 2020	\$ 8,045,875
Service cost	384,074
Interest	286,912
Differences between expected and actual experience	121,084
Changes of assumptions	1,219,426
Benefit payments	(468,955)
Net change in total OPEB liability	1,542,541
Balance and June 30, 2021	\$ 9,588,416

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

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

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Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2021 was 2.21 percent which was a change from the discount rate of 3.50 percent at June 30, 2020. However, because the OPEB plan's fiduciary net position was not projected to be sufficient to make all future benefit payments, the discount rate incorporates a municipal bond rate which was 2.21 percent at June 30, 2021 per the S&P Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2020, the S&P Municipal Bond 20 Year High Grade rate was 2.79 percent.

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

	1% Decrease 1.21%	Discount Rate 2.21%	1% Increase 3.21%
Total OPEB liability	\$ 10,660,178	\$ 9,588,416	\$ 8,627,856

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	\$ 8,287,917	\$ 9,588,416	\$ 11,155,503

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$4,489,176. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 464,349	\$ -
Changes of assumptions	1,171,888	342,913
County benefit payments and plan administrative expense made subsequent to the measurement date	3,805,916	-
Total	\$ 5,442,153	\$ 342,913

\$3,805,916 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

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Year ended June 30:	
2022	\$ 151,910
2023	151,910
2024	151,910
2025	190,047
2026	217,990
Thereafter	429,557
	<u>\$ 1,293,324</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 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.

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

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 \$19,294 in post-closure care costs for the year ending June 30, 2021. The \$51,704 reported as Accrued Post-closure Care Costs represents the estimated costs remaining at June 30, 2021. 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 subsequent to measurement date	\$ 1,924,139
Benefit payments and administrative expenses for LEOSSA	
made subsequent to measurement date	42,281
Benefit payments and administrative expenses for OPEB	
made subsequent to measurement date	3,805,916
Differences between expected and actual experience	1,730,123
Changes of assumptions	2,477,635
Net difference between projected and actual earnings	
on pension plan investments	1,221,154
Changes in proportion and differences between employer contributions	4,546
Total	\$ 11,205,794

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

	Statement of Net Position	Balance Sheet
Prepaid taxes (General Fund)	\$ 144,008	\$ 144,008
Taxes Receivable, less penalties (General Fund)	-	448,438
Notes receivable (Person Industries)	-	26,924
Changes in assumptions	377,207	-
Net difference between projected and actual		
earnings on pension plan investments	6,188	-
Differences between expected and actual experience	14,874	-
Changes in proportion and differences between employer		
contributions and proportionate share of contributions	153,513	-
Total	\$ 695,790	\$ 619,370

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Notes to the Financial Statements
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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.

Person County Tourism Development Authority is 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 Authority has made the decision to not purchase flood insurance at this time. The Authority has not deemed the risk of flooding to outweigh the costs of insurance. The Authority is covered under a commercial insurance coverage carrier. There was no significant reduction in insurance coverage in the prior year and settled claims have not exceeded coverage since inception. The Authority carries a \$50,000 fidelity bond on the ex-officio Finance Officer. The actions of the ex-officio Finance Director concerning actions involving the Person County Tourism Development Authority are covered under this bond.

6. Contingent Liabilities

At June 30, 2021, 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 \$1,424,833 for the year ended June 30, 2021.

Person County, North Carolina
Notes to the Financial Statements
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The following is a schedule of future minimum lease payments required under these agreements as of June 30, 2021:

Year Ending June 30	Future Minimum Lease Payments
2022	1,434,155
2023	1,434,155
2024	1,352,924
2025	1,238,107
2026-2030	102,682
Total	\$ 5,562,023

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.

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, 2021, the County leased equipment valued at:

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 1,901,729	\$ 1,264,672	\$ 637,057

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

Year Ending June 30	
2022	155,217
2023	156,769
Total minimum lease payments	311,986
Less: amount representing interest	1,551
Total	\$ 310,435

**Person County, North Carolina
Notes to the Financial Statements
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c. Installment Purchases

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.

\$ 1,357,432

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.

1,200,000

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.

1,024,000

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.

3,700,000

Total installment purchases remaining balance

\$ 7,281,432

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

Future minimum payments for Installment Purchases:

	Principal	Interest
2022	1,262,836	229,778
2023	1,103,836	191,865
2024	958,836	158,419
2025	858,836	128,376
2026 - 2030	2,697,088	286,254
2031 - 2034	400,000	21,060
Total	\$ 7,281,432	\$ 1,015,752

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, 2021, the County's general obligation bonds consist of the following:

\$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% \$ 1,675,668

Future minimum payments for General Obligation Bonds:

	Principal	Interest
2022	152,333	43,400
2023	152,333	39,454
2024	152,333	35,509
2025	152,333	31,563
2026 - 2030	761,665	98,636
2031 - 2034	304,671	11,837
Total	\$ 1,675,668	\$ 260,399

At June 30, 2021, Person County had a legal debt margin of \$378,421,000.

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 Activities debt \$3,773,355 relates to County Board of Education properties to which the County holds title. Restricted cash related to this debt amounts to \$185,750, and is recorded in various non-major capital project funds.

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

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, 2021:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Current Portion of Balance</u>
<i>Governmental activities:</i>					
General obligation bonds (direct borrowings)	\$ 1,828,001	\$ -	\$ 152,333	\$ 1,675,668	\$ 152,333
Installment purchases (direct borrowings)	8,720,268	-	1,438,836	7,281,432	1,262,836
Capital leases	491,771	-	181,336	310,435	155,217
Accrued post-closure care costs	64,163	-	12,459	51,704	-
Compensated absences	1,134,676	1,979,007	1,843,630	1,270,053	317,513
Net pension liability (LIGERS)	6,538,373	2,139,335	-	8,677,708	-
Total pension liability (LEOSSA)	1,734,475	951,261	-	2,685,736	-
Other postemployment benefits	8,045,875	1,542,541	-	9,588,416	-
	<u>\$ 28,557,602</u>	<u>\$ 6,612,144</u>	<u>\$ 3,628,594</u>	<u>\$ 31,541,152</u>	<u>\$ 1,887,899</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, 2021, 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 recovery facility equipment and operations	\$ 595,193
From the General Fund to Non-major Funds to supplement other funding sources and various capital projects	6,762,965
From the General Fund to Internal Service Fund in support of elevated health claims in the Self-Funded Insurance Fund.	1,418,206
Total	<u>\$ 8,776,364</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, 2021, 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>

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.

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

9. Net Investment in Capital Assets

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

Net capital assets	\$ 47,593,182
Capital debt calculation:	
Total debt, gross	9,267,535
Less:	
School debt for assets to which the County does not hold title	262,503
Community college debt for assets to which the County does not hold title	9,354
Unexpended proceeds	81,695
Total capital debt	8,913,983
Net investment in capital assets	\$ 38,679,199

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	\$ 30,981,684
Less:	
Prepays	126,044
Stabilization by State Statute	6,968,218
Appropriated fund balance in budget	965,506
Register of Deeds	31,460
Public Safety	180,273
Tax Reappraisal	637,518
LEOSSA Pension	345,801
Remaining Fund Balance	\$ 21,726,864

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

General	\$ 1,629,235
Person Industries	6,314
Non-major funds	286,752

III. Joint Ventures

The County, in conjunction with the State of North Carolina, the Person County Board of Education, and Caswell County participates in a joint venture to operate Piedmont Community College (PCC). Of the fifteen-member board of trustees for

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

the community college, the Person County Board of Commissioners and Board of Education appoint four members each, Caswell County Board of Commissioners appoints two members, and the North Carolina Governor appoints three members. A member from PCC's student government association also serves in a non-voting, ex officio capacity for 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 has the authority to issue general obligation bonds to provide financing for new and restructured facilities. The County contributed \$1,297,176 to the community college for operating purposes during the fiscal year ended June 30, 2021. 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, 2021. 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 County appoints one Commissioner to the Authority's sixteen-member Board. The remaining thirteen members are selected by the three appointed Commissioners. Person County appropriated \$135,283 to Cardinal Innovations for the year ended June 30, 2021. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2021. Complete financial statements for the Authority can be obtained from the Authority's offices at 201 Sage Rd., Suite 100A, Chapel Hill, NC 27514.

IV. Jointly Governed Organization

The County, in conjunction with four other counties and sixteen 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 three members to the Council's thirty-three-member (includes two at-large members to meet EDA private sector requirement) governing board. The County paid membership fees of \$19,905 to the KTRCOG during the fiscal year ended June 30, 2021. The County was the subrecipient of grants for \$417,804 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.

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. Its location is in a County-owned facility at 87 Semora Road, NC 27573.

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, 2021 due to the County having a full-time Economic Development Director on staff.

The Person Caswell Lake Authority regulates activities concerning Lake Hyco. This organization is governed by a Board of Directors appointed by Person and Caswell County Commissioners. Person County appoints three members and Caswell County appoints two members for a total five-member governing board. 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.

Person County partnered with the City of Roxboro in Feb. 2020 to hire a consultant to draft a Joint Comprehensive Land Use Plan. The existing plan for both the County and City was adopted in 2001 and needed to be updated. NCGS 160D requires a comprehensive plan to be adopted if a jurisdiction is going to have local zoning regulations. A consultant (Benchmark Planning) was selected in late 2019 to update the plan by the City Council and the Board of County Commissioners. The fee for the consultant was \$170,000, with the County's commitment to be 67.6% (\$114,920) and the

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

City's to be 32.4% (\$55,080). The County received monthly invoices from the consultant and those invoices included the City's portion along with the County's portion. The County paid the invoice in its entirety once it received payment from the City. A Comprehensive Plan Steering Committee was appointed, which was comprised of five appointed individuals from the County's jurisdiction and five from the City's jurisdiction. There were nine steering committee meetings throughout the process of drafting and finalizing the plan. The County Planning Director, County Planner and City Planning Director managed the project from the beginning and it is now in the process of being formally adopted by both jurisdictions. It is anticipated that the new Comprehensive Land Use Plan will be adopted by both the City and County in November 2021.

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. Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. As a result, fund balance and net position were restated as of the beginning of the fiscal year as follows:

Governmental Activities Net Position - Increase (Decrease)	Nonmajor Special Revenue Fund Balance - Increase (Decrease)	Explanation
\$ (267)	\$ -	A fund that ceased operations in FY19 remained open in FY20, resulting in a restatement of net position for FY20.
30,873	30,873	The Sherriff's Execution Fund was reclassified from a Agency Fund to a Special Revenue Fund.
115,533	115,533	The Social Services Representative Payee Fund was reclassified from a Agency Fund to a Special Revenue Fund.
<u>\$ 146,139</u>	<u>\$ 146,406</u>	

VII. Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2021 and October 29, 2021, 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 principles:

- ◆ 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

	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 384,074	\$ 345,200	\$ 357,979	\$ 388,858
Interest	286,912	277,842	252,125	215,478
Differences between expected and actual experience	121,084	343,866	81,127	115,642
Changes of assumptions	1,219,426	133,808	(259,495)	(436,481)
Benefit payments	(468,955)	(390,865)	(352,654)	(367,832)
Net change in total OPEB liability	1,542,541	709,851	79,082	(84,335)
Total OPEB liability - beginning	8,045,875	7,336,024	7,256,942	7,341,277
Total OPEB liability - ending	<u>\$ 9,588,416</u>	<u>\$ 8,045,875</u>	<u>\$ 7,336,024</u>	<u>\$ 7,256,942</u>
Covered payroll	\$ 15,391,787	\$ 15,391,787	\$ 14,860,267	\$ 14,860,267
Total OPEB liability as a percentage of covered payroll	62.30%	52.27%	49.37%	48.83%

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

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

Exhibit A-2

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.243%	0.239%	0.246%	0.251%	0.257%	0.269%	0.266%	27.400%
County's proportionate share of the net pension liability (asset)	\$ 8,677,708	\$ 6,538,373	\$ 5,839,757	\$ 3,840,085	\$ 5,463,315	\$ 1,207,480	\$ (1,570,847)	\$ 3,299,136
County's covered-payroll during the measurement period	\$ 16,908,809	\$ 16,800,789	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 15,479,514	\$ 15,479,514	\$ 9,342,823
County's proportionate share of the net pension liability (asset) as a percentage of the measurement	51.32%	38.92%	35.93%	23.70%	33.90%	7.80%	-10.15%	35.31%
Plan fiduciary net position as a percentage of the total pension liability**	88.61%	91.63%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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 Eight Fiscal Years

Exhibit A-3

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,920,053	\$ 1,623,326	\$ 1,325,452	\$ 1,245,106	\$ 1,206,010	\$ 1,099,065	\$ 1,017,439	\$ 1,098,928
Contributions in relation to the contractually required contribution	1,920,053	1,623,326	1,325,452	1,245,106	1,206,010	1,099,065	1,017,439	1,098,928
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered payroll	\$ 18,583,709	\$ 16,908,809	\$ 16,800,789	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799	\$ 15,479,514
Contributions as a percentage of covered payroll	10.33%	9.60%	7.89%	7.66%	7.44%	6.82%	6.35%	7.10%

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 Eight Fiscal Years*

Exhibit A-4

	2021	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset)	0.316%	0.303%	0.349%	0.345%	0.351%	0.354%	0.373%	35.200%
County's proportionate share of the net pension liability (asset)	\$ (72,322)	\$ (59,775)	\$ (57,924)	\$ (58,832)	\$ (65,677)	\$ (82,140)	\$ (84,639)	\$ (75,159)
County's covered- payroll during the measurement period	\$ 60,510	\$ 60,311	\$ 61,430	\$ 61,430	\$ 68,950	\$ 68,950	\$ 68,950	\$ 68,908
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll during the measurement period	-119.52%	-99.11%	-94.29%	-95.77%	-95.25%	-119.13%	-122.75%	-109.07%
Plan fiduciary net position as a percentage of the total pension liability	173.62%	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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 Eight Fiscal Years

Exhibit A-5

	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,086	\$ 2,760	\$ 2,878	\$ 2,993	\$ 2,995	\$ 3,148	\$ 2,558	\$ 3,049
Contributions in relation to the contractually required contribution	4,086	2,760	2,878	2,993	2,995	3,148	2,558	3,049
Contribution deficiency (excess)	-	-	-	-	-	-	-	-
County's covered payroll	\$ 65,366	\$ 60,510	\$ 60,311	\$ 61,430	\$ 61,430	\$ 68,950	\$ 68,950	\$ 68,908
Contributions as a percentage of covered payroll	6.25%	4.56%	4.77%	4.87%	4.88%	4.57%	3.71%	4.42%

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, 2021

Exhibit A-6

	2021	2020	2019	2018	2017
Beginning balance	\$ 1,734,475	\$ 1,519,755	\$ 1,526,510	\$ 1,395,651	\$ 1,352,634
Service Cost	80,650	70,958	68,578	57,617	61,293
Interest on the total pension liability	55,744	54,440	47,389	52,959	47,709
Difference between expected and actual experience	138,125	86,216	(9,694)	(28,783)	(33,504)
Changes of assumptions or other inputs	725,804	51,418	(59,313)	96,356	(32,481)
Benefit payments	(49,062)	(48,312)	(53,715)	(47,290)	(47,290)
Ending balance of the total pension liability	<u>\$ 2,685,736</u>	<u>\$ 1,734,475</u>	<u>\$ 1,519,755</u>	<u>\$ 1,526,510</u>	<u>\$ 1,348,361</u>

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

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 Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2021

Exhibit A-7

	2021	2020	2019	2018	2017
Total pension liability	2,685,736	1,734,475	1,519,755	\$1,526,510	\$ 1,395,651
Covered payroll	2,792,438	2,627,756	2,425,376	2,359,987	2,374,905
Total pension liability as a percentage of covered payroll	96.18%	66.01%	62.66%	64.68%	58.77%

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.

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.

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.)

Capital Projects Funds

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

- ◆ **ARPA Fund:** accounts for revenue and expenditures for capital projects funded by the American Rescue Plan Act of 2021.

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES				
<u>Ad valorem taxes</u>				
Current year levy	\$ 32,430,115	\$ 32,430,115	\$ 33,942,442	\$ 1,512,327
Prior year levy	350,000	350,000	476,878	126,878
Penalties and interest	161,500	161,500	234,386	72,886
Advertising	43,000	43,000	49,674	6,674
Total ad valorem taxes	32,984,615	32,984,615	34,703,380	1,718,765
<u>Local option sales taxes</u>				
Article 39 one per cent	3,219,440	4,865,824	4,761,004	(104,820)
Article 40 one-half per cent	1,912,616	2,766,698	2,720,865	(45,833)
Article 42 one-half per cent	1,584,120	2,392,294	2,340,881	(51,413)
Article 44 one-half per cent	516,128	689,031	684,465	(4,566)
Total local option sales taxes	7,232,304	10,713,847	10,507,215	(206,632)
<u>Other taxes</u>				
Deed stamp excise tax	165,000	165,000	218,459	53,459
Occupancy tax	7,700	7,700	9,842	2,142
Gross receipts tax	14,000	14,000	16,304	2,304
Animal taxes	-	-	521	521
Privilege licenses tax	2,500	2,500	2,600	100
Total other taxes	189,200	189,200	247,726	58,526
<u>Fees</u>				
Planning and zoning fees	39,458	71,510	94,729	23,219
Register of Deeds fees	171,600	193,568	216,760	23,192
Inspection fees	506,900	506,900	414,458	(92,442)
Special Use permit fees	400	400	(50)	(450)
Total fees	718,358	772,378	725,897	(46,481)
<u>Intergovernmental revenues</u>				
State and Federal Funds				
Public Health Services	744,762	2,346,973	2,139,907	(207,066)
Environmental Health Services	-	6,091	6,091	-
Social Services	5,340,306	5,546,778	5,725,179	178,401
Home and Community Care	336,000	336,000	383,727	47,727
Elderly and handicapped transportation	13,000	347,710	223,506	(124,204)
Community Alternatives	152,010	152,855	152,855	-
Beer and Wine Tax	138,250	138,250	134,364	(3,886)
Video Programming	60,000	60,000	55,159	(4,841)
DWI Revenues	-	139,554	143,194	3,640
Court Facilities fees	45,000	45,000	43,891	(1,109)
Sheriff's Grants	91,698	153,733	116,922	(36,811)
Inmate cost reimbursement	300,000	300,000	156,056	(143,944)
Federal Inmate cost reimbursement	5,000	5,000	-	(5,000)
Drug Enforcement-Related Revenues	92,000	92,000	74,306	(17,694)
Emergency Management	38,904	46,854	46,415	(439)
Federal Interest Subsidy	-	-	-	-
Lottery Proceeds	-	-	-	-
Library Grants	95,000	95,733	135,407	39,674
Soil and Water Conservation	28,600	28,600	29,314	714

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Transportation Grant	490,451	501,446	412,355	(89,091)
Veterans Services	-	715	-	(715)
Subtotal State and Federal funds	7,970,981	10,343,292	9,978,648	(364,644)
Local Funds				
E-911 City Participation	121,335	121,335	107,677	(13,658)
Subtotal Local funds	121,335	121,335	107,677	(13,658)
Total Intergovernmental revenues	8,092,316	10,464,627	10,086,325	(378,302)
<u>Investment income</u>	-	7,200	6,009	(1,191)
<u>Charges for services</u>				
Sheriff and Jail fees	222,000	309,976	301,336	(8,640)
School Resource Officer Contract	186,579	186,579	185,004	(1,575)
ABC Officer Contract	28,000	28,000	28,000	-
PCC Officer Contract	60,000	60,000	60,000	-
Solid waste and recycling fees	625,000	730,670	934,212	203,542
EMS fees	1,431,000	1,431,000	2,275,327	844,327
Animal fees	30,500	31,243	30,157	(1,086)
Cooperative Extension Fees	6,180	6,180	130	(6,050)
Library fines and fees	13,100	13,100	5,606	(7,494)
Recreation fees	306,000	319,252	190,720	(128,532)
Map fees	500	500	482	(18)
GIS fees	550	550	549	(1)
EDC reimbursement from other governments	7,500	12,000	12,000	-
IT services to other governments	84,284	84,284	83,934	(350)
Stormwater Admin Fees	80,000	80,000	80,000	-
Transportation Services	434,150	156,855	165,407	8,552
Tax Collection Fees	68,000	68,000	65,130	(2,870)
Arts Council Reimbursement	25,000	25,000	21,014	(3,986)
Health fees	223,060	373,060	246,679	(126,381)
Environmental Health fees	145,000	145,000	209,532	64,532
DSS Fees	1,000	1,000	345	(655)
Total charges for services	3,977,403	4,062,249	4,895,564	833,315
<u>Other revenues</u>				
Rents and leases	122,361	127,431	100,956	(26,475)
ABC Board distributions	253,400	321,900	309,080	(12,820)
Miscellaneous	55,052	420,366	433,236	12,870
Donations	18,000	33,882	62,147	28,265
Total other revenues	448,813	903,579	905,419	1,840
Total general revenues	53,643,009	60,097,695	62,077,535	1,979,840
EXPENDITURES				
<u>General government</u>				
Governing Body				
Personnel expenses			83,740	
Operating expenses			56,354	
ABC profits to City of Roxboro			498,139	
Total	233,820	702,794	638,233	64,561

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Administration				
Personnel expenses			416,027	
Operating expenses			10,124	
Total	422,469	431,709	426,151	5,558
Information Technology				
Personnel expenses			700,890	
Operating expenses			931,714	
Capital outlay			73,241	
Total	1,215,658	2,201,204	1,705,845	495,359
Human Resources				
Personnel expenses			584,548	
Operating expenses			270,120	
Total	778,581	974,835	854,668	120,167
Fleet Sales Management				
Operating expenses			15,453	
Total	168,531	18,350	15,453	2,897
Elections				
Personnel expenses			233,948	
Operating expenses			108,072	
Total	269,337	441,362	342,020	99,342
Finance				
Personnel expenses			485,867	
Operating expenses			178,762	
Total	624,204	684,417	664,629	19,788
Tax Administration				
Personnel expenses			775,439	
Operating expenses			235,177	
Total	1,047,925	1,094,100	1,010,616	83,484
Reappraisal Reserve	340,000	340,000	-	340,000
Legal				
Personnel expenses			53,394	
Operating expenses			1,619	
Total	68,581	68,581	55,013	13,568
Register of Deeds				
Personnel expenses			259,078	
Operating expenses			19,716	
Total	313,441	316,597	278,794	37,803

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Courts				
Operating expenses	6,500	6,500	3,772	2,728
General Services				
Personnel expenses			904,480	
Operating expenses			1,241,188	
Capital outlay			42,403	
Total	2,380,036	2,592,938	2,188,071	404,867
Total general government	7,869,083	9,873,387	8,183,265	1,690,122
Public Safety				
Sheriff				
Personnel expenses			4,094,176	
Operating expenses			453,934	
Capital outlay			405,316	
Total	4,472,713	5,076,694	4,953,426	123,268
Jail				
Personnel expenses			1,915,663	
Operating expenses			784,640	
Capital outlay			32,749	
Total	3,013,261	2,894,048	2,733,052	160,996
Judicial				
Personnel expenses			436,672	
Operating expenses			7,890	
Total	458,207	470,906	444,562	26,344
JCPC Administration				
Personnel expenses			911	
Operating expenses			21,557	
Total	178,409	22,828	22,468	360
Roots & Wings				
Operating expenses	-	95,415	78,849	16,566
4H YES				
Personnel expenses			66,420	
Operating expenses			1,596	
Total	-	68,277	68,016	261

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Emergency Management				
Personnel expenses			142,141	
Operating expenses			99,888	
Total	<u>260,906</u>	<u>359,849</u>	<u>242,029</u>	<u>117,820</u>
Fire and Rescue				
Personnel expenses			148,050	
Operating expenses			49,182	
VFD annual appropriation			396,853	
Capital outlay			49,114	
Total	<u>607,038</u>	<u>677,244</u>	<u>643,199</u>	<u>34,045</u>
Ambulance Service				
Personnel expenses			3,339,572	
Operating expenses			555,145	
Capital outlay			268,189	
Total	<u>3,763,042</u>	<u>4,596,051</u>	<u>4,162,906</u>	<u>433,145</u>
Code Enforcement				
Personnel expenses			386,409	
Operating expenses			36,412	
Total	<u>443,282</u>	<u>447,453</u>	<u>422,821</u>	<u>24,632</u>
Emergency Communications				
Personnel expenses			853,490	
Operating expenses			20,547	
Total	<u>1,085,527</u>	<u>1,105,527</u>	<u>874,037</u>	<u>231,490</u>
Medical Examiner	<u>26,000</u>	<u>28,350</u>	<u>29,100</u>	<u>(750)</u>
Animal Control				
Personnel expenses			284,348	
Operating expenses			61,137	
Total	<u>403,866</u>	<u>464,906</u>	<u>345,485</u>	<u>119,421</u>
Total public safety	<u>14,712,251</u>	<u>16,307,548</u>	<u>15,019,950</u>	<u>1,287,598</u>
<u>Transportation</u>				
Airport Operations				
Operating expenses			20,061	
Total	<u>48,800</u>	<u>48,800</u>	<u>20,061</u>	<u>28,739</u>

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Public Transportation				
Personnel expenses			522,787	
Operating expenses			338,758	
Capital outlay			166,337	
Total	1,157,685	1,454,439	1,027,882	426,557
Total transportation	1,206,485	1,503,239	1,047,943	455,296
<u>Human Services</u>				
Public Health				
Personnel expenses			1,439,855	
Operating expenses			906,095	
Capital outlay			50,907	
Total	2,586,124	3,635,729	2,396,857	1,238,872
Environmental Health				
Personnel expenses			445,340	
Operating expenses			55,882	
Total	506,332	537,687	501,222	36,465
Mental Health				
Operating expenses	558,011	676,317	578,246	98,071
Social Services				
Personnel expenses			6,290,974	
Operating expenses			1,185,132	
Capital outlay			26,440	
Public assistance			2,083,864	
Total	10,031,241	10,742,743	9,586,410	1,156,333
Veterans Services				
Personnel expenses			14,191	
Operating expenses			2,750	
Total	18,536	21,108	16,941	4,167
Senior Center				
Operating expenses			473,642	
Total	447,471	434,471	473,642	(39,171)
Total human services	14,147,715	16,048,055	13,553,318	2,494,737
<u>Education</u>				
Public Schools				
Current expense			10,442,896	
Terrell Fund			19,000	
Total	10,459,896	10,459,896	10,461,896	(2,000)

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Community College				
Operating expenses			1,297,181	
Total	1,297,181	1,297,181	1,297,181	-
Total education	11,757,077	11,757,077	11,759,077	(2,000)
<u>Environmental Protection</u>				
Landfill Maintenance				
Operating expenses			19,294	
Total	41,100	49,325	19,294	30,031
Soil and Water Conservation				
Personnel expenses			116,100	
Operating expenses			10,406	
Total	141,484	161,663	126,506	35,157
Total environmental protection	182,584	210,988	145,800	65,188
<u>Economic and Physical Development</u>				
Economic Development				
Personnel expenses			164,239	
Operating expenses			69,226	
Total	493,139	273,047	233,465	39,582
Planning and Zoning				
Personnel expenses			227,057	
Operating expenses			121,095	
Total	259,001	412,960	348,152	64,808
GIS				
Personnel expenses			160,808	
Operating expenses			30,108	
Capital outlay			4,608	
Total	198,460	200,232	195,524	4,708
Cooperative Extension Service				
Operating expenses			246,318	
Total	241,350	296,479	246,318	50,161
Forestry Services				
Operating expenses	70,436	70,436	69,201	1,235
Total economic and physical development	1,262,386	1,253,154	1,092,660	160,494

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

For the fiscal year ended June 30, 2020

	2020			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Cultural and Recreational				
Library				
Personnel expenses			475,915	
Operating expenses			127,265	
Total	645,803	654,942	603,180	51,762
Recreation, Arts and Parks				
Personnel expenses			852,970	
Operating expenses			389,012	
Capital outlay			27,602	
Total	1,306,556	1,442,050	1,269,584	172,466
Museum of History				
Operating expenses	46,965	46,965	39,181	7,784
Total cultural and recreational	1,999,324	2,143,957	1,911,945	232,012
Contingency	385,220	169,260	-	169,260
Total expenditures	53,522,125	59,266,665	52,713,958	6,552,707
Revenues over (under) expenditures	120,884	831,030	9,363,577	8,532,547
OTHER FINANCING SOURCES (USES)				
Transfers out				
Special revenue funds	(1,265,967)	(3,638,491)	(3,582,627)	55,864
Capital project funds	(200,000)	(907,806)	(907,806)	-
Internal service funds	(125,000)	(1,543,208)	(1,418,208)	125,000
Capital reserve funds	(2,428,517)	(2,428,517)	(2,428,517)	-
Sale of capital assets	-	-	93,501	93,501
Total other financing sources (uses)	(4,019,484)	(8,518,022)	(8,243,657)	274,365
Revenues and other financing sources over (under) expenditures and other financing uses	(3,898,600)	(7,686,992)	1,119,920	8,806,912
APPROPRIATED FUND BALANCE	3,898,600	7,686,992	-	(7,686,992)
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ -	1,119,920	\$ 1,119,920
Fund balance, beginning of year			29,943,279	
Fund balance end of year			\$ 31,063,199	

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

Exhibit B-2

For the fiscal year ended June 30, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
General Government				
Operating expenses	340,000	340,000	325,618	14,382
Total expenditures	340,000	340,000	325,618	14,382
Excess (deficiency) of revenues over expenditures	(340,000)	(340,000)	(325,618)	14,382
OTHER FINANCING SOURCES				
Transfers in				
General Fund	340,000	340,000	340,000	-
Total other financing sources (uses)	340,000	340,000	340,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	14,382	\$ 14,382
Fund balance beginning of year			623,136	
Fund balance end of year			\$ 637,518	

ARPA Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual

From inception and for the fiscal year ended June 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
REVENUES					
Intergovernmental	\$ 7,670,470	\$ -	\$ -	\$ -	\$(7,670,470)
Interest Earnings	-	-	29	-	-
Total revenues	<u>7,670,470</u>	<u>-</u>	<u>29</u>	<u>-</u>	<u>(7,670,470)</u>
EXPENDITURES					
Construction	<u>7,670,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,670,470</u>
Total expenditures	<u>7,670,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,670,470</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>29</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance beginning of year			<u>-</u>		
Fund balance end of year			<u>\$ 29</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.
- ◆ **Sheriff's Executions 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.
- ◆ **Social Services Representative Payee 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.
- ◆ **Capital Investment Fund:** accounts for lottery and other special revenues related to capital improvements, but not yet assigned to a specific project.

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 Fund:** 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, 2021

Special Revenue Funds									
	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserve Fund	Sherriff's Execution Fund	Social Services Representative Payee Fund	Capital Investment Fund	Total Nonmajor Special Revenue Funds
ASSETS									
Cash and cash equivalents	\$ 157,073	\$ -	\$ 28,115	\$ 1,552,533	\$ 968,178	\$ 33,342	\$ 124,676	\$ -	\$ 2,863,917
Restricted cash	-	259,573	-	-	-	-	-	1,232,117	1,491,690
Accounts receivable, net	-	-	26,924	2,192	14,161	-	2,373	52,979	98,629
Total assets	<u>\$ 157,073</u>	<u>\$ 259,573</u>	<u>\$ 55,039</u>	<u>\$ 1,554,725</u>	<u>\$ 982,339</u>	<u>\$ 33,342</u>	<u>\$ 127,049</u>	<u>\$ 1,285,096</u>	<u>\$ 4,454,236</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND BALANCES									
Liabilities:									
Accounts payable and accrued liabilities	\$ 30	\$ 2,357	\$ -	\$ 425	\$ -	\$ -	\$ -	53,106	\$ 55,918
Due to other governments	-	-	-	-	-	-	-	-	-
Total liabilities	<u>30</u>	<u>2,357</u>	<u>-</u>	<u>425</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,106</u>	<u>55,918</u>
DEFERRED INFLOWS									
Deferred revenue	-	-	26,924	-	-	-	-	-	26,924
Fund balances:									
Restricted:									
Stabilization by State Statute	-	37,464	26,924	2,192	67,639	-	2,373	52,979	189,571
Public safety	-	219,752	-	-	-	33,342	-	-	253,094
Culture and recreation	-	-	-	-	-	-	124,676	-	124,676
Capital projects	-	-	-	-	-	-	-	1,179,011	1,179,011
Committed:									
Economic development	-	-	-	911,183	-	-	-	-	911,183
Environmental protection	-	-	-	-	914,700	-	-	-	914,700
Public safety	157,043	-	-	-	-	-	-	-	157,043
Capital projects	-	-	-	-	-	-	-	-	-
Assigned:									
Subsequent year's expenditures	-	-	-	640,925	-	-	-	-	640,925
Unassigned:	-	-	1,191	-	-	-	-	-	1,191
Total fund balances	<u>157,043</u>	<u>257,216</u>	<u>28,115</u>	<u>1,554,300</u>	<u>982,339</u>	<u>33,342</u>	<u>127,049</u>	<u>1,231,990</u>	<u>4,371,394</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 157,073</u>	<u>\$ 259,573</u>	<u>\$ 55,039</u>	<u>\$ 1,554,725</u>	<u>\$ 982,339</u>	<u>\$ 33,342</u>	<u>\$ 127,049</u>	<u>\$ 1,285,096</u>	<u>\$ 4,454,236</u>

Capital Project 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 Fund	Public Safety Towers and Broadband Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ 1,170,380	\$ -	\$ -	\$ -	\$ 42,850	\$ 206,029	\$ 1,419,259	\$ 4,283,176
4,578,550	-	-	-	-	-	81,695	4,660,245	6,151,935
-	-	-	-	-	-	-	-	98,629
<u>\$ 4,578,550</u>	<u>\$ 1,170,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,850</u>	<u>\$ 287,724</u>	<u>\$ 6,079,504</u>	<u>\$ 10,533,740</u>
\$ 298,569	\$ 15,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 314,369	\$ 370,287
-	-	-	-	-	-	-	-	\$ -
<u>298,569</u>	<u>15,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>314,369</u>	<u>370,287</u>
-	-	-	-	-	-	-	-	26,924
-	-	-	-	-	-	-	-	189,571
-	-	-	-	-	-	-	-	253,094
-	-	-	-	-	-	-	-	124,676
4,279,981	-	-	-	-	-	81,695	4,361,676	5,540,687
-	-	-	-	-	-	-	-	911,183
-	-	-	-	-	-	-	-	914,700
-	-	-	-	-	-	-	-	157,043
-	1,154,580	-	-	-	42,850	206,029	1,403,459	1,403,459
-	-	-	-	-	-	-	-	640,925
-	-	-	-	-	-	-	-	1,191
<u>4,279,981</u>	<u>1,154,580</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>42,850</u>	<u>287,724</u>	<u>5,765,135</u>	<u>10,136,529</u>
<u>\$ 4,578,550</u>	<u>\$ 1,170,380</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,850</u>	<u>\$ 287,724</u>	<u>\$ 6,079,504</u>	<u>\$ 10,533,740</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, 2021

Special Revenue Funds									
	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserve Fund	Sherriff's Execution Fund	Social Services Representative Payee Fund	Capital Investment Fund	Total Nonmajor Special Revenue Funds
REVENUES									
Ad valorem taxes	\$ 1,123,732	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,732
Restricted									
intergovernmental	-	574,571	-	9,302	57,550	-	-	188,975	830,398
Investment earnings	-	52	524	250	191	90,665	168	78	91,928
Other revenues	-	-	4,936	-	-	-	789,091	-	794,027
Total revenues	<u>1,123,732</u>	<u>574,623</u>	<u>5,460</u>	<u>9,552</u>	<u>57,741</u>	<u>90,665</u>	<u>789,259</u>	<u>189,053</u>	<u>2,840,085</u>
EXPENDITURES									
Current:									
Human Service	-	-	-	-	-	-	777,743	-	777,743
Public safety	1,025,375	516,358	-	-	-	88,196	-	-	1,629,929
Economic and physical development	-	-	19	409,119	636	-	-	258	410,032
Capital outlay	-	-	-	-	287,400	-	-	622,529	909,929
Debt service:									
Principal	-	26,119	-	-	-	-	-	1,746,386	1,772,505
Interest and other charges	-	364	-	-	-	-	-	271,762	272,126
Total	<u>1,025,375</u>	<u>542,841</u>	<u>19</u>	<u>409,119</u>	<u>288,036</u>	<u>88,196</u>	<u>777,743</u>	<u>2,640,935</u>	<u>5,772,264</u>
Excess (deficiency) of revenues over expenditures	98,357	31,782	5,441	(399,567)	(230,295)	2,469	11,516	(2,451,882)	(2,932,179)
OTHER FINANCING SOURCES (USES)									
Transfers from other funds	-	-	-	1,398,103	-	-	-	4,070,464	5,468,567
Transfers to other funds	-	-	-	-	-	-	-	(386,592)	(386,592)
Total other financing sources and uses	-	-	-	1,398,103	-	-	-	3,683,872	5,081,975
Net change in funds	<u>98,357</u>	<u>31,782</u>	<u>5,441</u>	<u>998,536</u>	<u>(230,295)</u>	<u>2,469</u>	<u>11,516</u>	<u>1,231,990</u>	<u>2,149,796</u>
Fund balances (deficit) - beginning	58,686	225,434	22,674	555,764	1,212,634	-	-	-	2,075,192
Restatement - change in accounting principle	-	-	-	-	-	30,873	115,533	-	146,406
Fund balances (deficit) - beginning (as restated)	<u>58,686</u>	<u>225,434</u>	<u>22,674</u>	<u>555,764</u>	<u>1,212,634</u>	<u>30,873</u>	<u>115,533</u>	<u>-</u>	<u>2,221,598</u>
Fund balances - ending	<u>\$ 157,043</u>	<u>\$ 257,216</u>	<u>\$ 28,115</u>	<u>\$ 1,554,300</u>	<u>\$ 982,339</u>	<u>\$ 33,342</u>	<u>\$ 127,049</u>	<u>\$ 1,231,990</u>	<u>\$ 4,371,394</u>

Capital Project 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 Fund	Public Safety Towers and Broadband Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,732
106,147	-	223,516	-	-	-	-	329,663	1,160,061
896	16,868	-	-	-	-	10	17,774	109,702
-	-	-	-	-	-	-	-	794,027
107,043	16,868	223,516	-	-	-	10	347,437	3,187,522
-	-	-	-	-	-	-	-	777,743
-	-	-	-	-	-	-	-	1,629,929
2,977	-	-	-	-	-	-	2,977	413,009
641,167	1,405,891	223,516	-	-	-	14,279	2,284,853	3,194,782
-	-	-	-	-	-	-	-	1,772,505
-	-	-	-	-	-	-	-	272,126
644,144	1,405,891	223,516	-	-	-	14,279	2,287,830	8,060,094
(537,101)	(1,389,023)	-	-	-	-	(14,269)	(1,940,393)	(4,872,572)
881,816	412,582	-	-	-	-	-	1,294,398	6,762,965
-	-	-	(22,768)	(29,846)	-	-	(52,614)	(439,206)
881,816	412,582	-	(22,768)	(29,846)	-	-	1,241,784	6,323,759
344,715	(976,441)	-	(22,768)	(29,846)	-	(14,269)	(698,609)	1,451,187
3,935,266	2,131,021	-	22,768	29,846	42,850	301,993	6,463,744	8,538,936
-	-	-	-	-	-	-	-	146,406
3,935,266	2,131,021	-	22,768	29,846	42,850	301,993	6,463,744	8,685,342
\$ 4,279,981	\$ 1,154,580	\$ -	\$ -	\$ -	\$ 42,850	\$ 287,724	\$ 5,765,135	\$ 10,136,529

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, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 1,049,371	\$ 1,049,371	\$ 1,123,732	\$ 74,361
Total revenues	<u>1,049,371</u>	<u>1,049,371</u>	<u>1,123,732</u>	<u>74,361</u>
EXPENDITURES				
VFD & Rescue Squad capital payments	1,049,371	1,039,371	1,025,375	13,996
Capital Outlay	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>1,049,371</u>	<u>1,049,371</u>	<u>1,025,375</u>	<u>23,996</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>98,357</u>	<u>\$ 50,365</u>
Fund balance beginning of year			<u>58,686</u>	
Fund balance end of year			<u>\$ 157,043</u>	

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, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ 626,806	\$ 626,806	\$ 574,571	\$ (52,235)
Investment earnings	-	-	52	52
Total revenues	<u>626,806</u>	<u>626,806</u>	<u>574,623</u>	<u>(52,183)</u>
EXPENDITURES				
Implemental functions	25,006	25,006	16,530	8,476
Telephone	150,106	211,975	414,570	(202,595)
Software maintenance	74,558	56,172	56,172	-
Hardware maintenance	43,762	40,801	24,724	16,077
Training	35,610	6,433	4,362	2,071
Debt Service				
Principal retirement	239,431	265,550	26,119	239,431
Interest and fees	58,333	58,333	364	57,969
Total debt service	<u>297,764</u>	<u>323,883</u>	<u>26,483</u>	<u>297,400</u>
Total expenditures	<u>626,806</u>	<u>664,270</u>	<u>542,841</u>	<u>121,429</u>
Excess (deficiency) of revenues over expenditure:	-	(37,464)	31,782	69,246
APPROPRIATED FUND BALANCE	-	37,464	-	(37,464)
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	31,782	<u>\$ 31,782</u>
Fund balance beginning of year			225,434	
Fund balance end of year			<u>\$ 257,216</u>	

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, 2021

	2021		VARIANCE Positive (Negative)
	Original and Final Budget	Actual	
REVENUES			
Investment earnings	\$ 518	\$ 524	\$ 6
Miscellaneous revenues			
Loan principle received	4,936	4,936	-
Total revenues	<u>5,454</u>	<u>5,460</u>	<u>6</u>
EXPENDITURES	<u>5,454</u>	<u>19</u>	<u>5,435</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>5,441</u>	<u>\$ 5,441</u>
Fund balance beginning of year		22,674	
Fund balance end of year		<u>\$ 28,115</u>	

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, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ -	\$ -	\$ 9,302	\$ 9,302
Investment earnings	-	-	250	250
Total revenues	<u>-</u>	<u>-</u>	<u>9,552</u>	<u>9,552</u>
EXPENDITURES				
Excess (deficiency) of revenues over expenditures	<u>929,500</u>	<u>1,623,103</u>	<u>409,119</u>	<u>1,213,984</u>
	(929,500)	(1,623,103)	(399,567)	1,223,536
OTHER FINANCING SOURCES (USES)				
Transfers in				
General fund	<u>704,500</u>	<u>1,398,103</u>	<u>1,398,103</u>	<u>-</u>
Total Other Financing Sources	<u>704,500</u>	<u>1,398,103</u>	<u>1,398,103</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(225,000)	(225,000)	998,536	1,223,536
APPROPRIATED FUND BALANCE				
Excess (deficiency) of revenues, other financing sources and appropriated fund balance over expenditures and other uses	<u>225,000</u>	<u>225,000</u>	<u>-</u>	<u>(225,000)</u>
	<u>\$ -</u>	<u>\$ -</u>	998,536	<u>\$ 998,536</u>
Fund balance beginning of year			555,764	
Fund balance end of year			<u>\$ 1,554,300</u>	

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, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ 40,000	\$ 40,000	\$ 57,550	\$ 17,550
Investment earnings	-	-	191	191
Total revenues	<u>40,000</u>	<u>40,000</u>	<u>57,741</u>	<u>17,741</u>
EXPENDITURES				
Water and sewer construction	40,000	608,000	287,400	320,600
Miscellaneous	-	-	636	(636)
Excess (deficiency) of revenues over expenditures	<u>40,000</u>	<u>(568,000)</u>	<u>(230,295)</u>	<u>337,705</u>
APPROPRIATED FUND BALANCE				
Excess (deficiency) of revenues, other financing sources and appropriated fund balance over expenditures and other uses	<u>-</u>	<u>568,000</u>	<u>-</u>	<u>(568,000)</u>
Fund balance beginning of year	<u>\$ -</u>	<u>\$ -</u>	1,212,634	<u>\$ (230,295)</u>
Fund balance end of year			<u>\$ 982,339</u>	

Person County, North Carolina
Sherriff's Execution Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Actual

Exhibit C-8

For the fiscal year ended June 30, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment earnings	\$ -	\$ 100,000	\$ 90,665	\$ (9,335)
Total revenues	<u>-</u>	<u>100,000</u>	<u>90,665</u>	<u>(9,335)</u>
EXPENDITURES				
Public buildings and grounds				
Operating	-	100,000	88,196	11,804
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,469</u>	<u>\$ 2,469</u>
Fund balance beginning of year			-	
Restatement - change in accounting principle			<u>30,873</u>	
Fund balance beginning of year (as restated)			<u>30,873</u>	
Fund balance end of year			<u>\$ 33,342</u>	

Person County, North Carolina
Social Services Representative Payee Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Exhibit C-9

For the fiscal year ended June 30, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Lottery Proceeds	\$ -	\$ 399,950	\$ 789,091	\$ 389,141
Investment earnings	-	50	168	118
Total revenues	-	400,000	789,259	389,259
EXPENDITURES				
Human Service	-	400,000	777,743	(377,743)
Total expenditures	-	400,000	777,743	(377,743)
Excess (deficiency) of revenues over expenditure:	-	-	11,516	11,516
Fund balance beginning of year			-	
Restatement - change in accounting principle			115,533	
Fund balance beginning of year (as restated)			115,533	
Fund balance end of year			\$ 127,049	

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

Exhibit C-10

For the fiscal year ended June 30, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Lottery Proceeds	\$ 200,000	\$ 269,070	\$ 188,975	\$ (80,095)
Investment earnings	-	-	78	78
Total revenues	<u>200,000</u>	<u>269,070</u>	<u>189,053</u>	<u>(80,017)</u>
EXPENDITURES				
Schools	689,600	812,148	622,529	189,619
Miscellaneous	-	-	258	(258)
Debt Service				
Principal retirement	1,746,387	1,746,387	1,746,386	1
Interest and fees	959,861	1,503,749	271,762	1,231,987
Total debt service	<u>2,706,248</u>	<u>3,250,136</u>	<u>2,018,148</u>	<u>1,231,988</u>
Total expenditures	<u>3,395,848</u>	<u>4,062,284</u>	<u>2,640,935</u>	<u>1,421,349</u>
Excess (deficiency) of revenues over expenditure:	(3,195,848)	(3,793,214)	(2,451,882)	1,341,332
OTHER FINANCING SOURCES (USES)				
Transfers In	3,582,440	4,126,328	4,070,464	55,864
Transfers Out	<u>(386,592)</u>	<u>(386,592)</u>	<u>(386,592)</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>-</u>	<u>(53,478)</u>	<u>1,231,990</u>	<u>1,397,196</u>
APPROPRIATED FUND BALANCE				
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>-</u>	<u>53,478</u>	<u>-</u>	<u>(53,478)</u>
Fund balance beginning of year	<u>\$ -</u>	<u>\$ -</u>	<u>1,231,990</u>	<u>\$ 1,231,990</u>
Fund balance end of year			<u>\$ 1,231,990</u>	

Person County, North Carolina
Airport Capital 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, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Restricted intergovernmental	\$ 12,779,644	\$ 1,430,066	\$ 106,147	\$ 1,536,213	\$ (11,243,431)
Investment earnings	-	71,122	896	72,018	72,018
Other revenues	988,372	129,790	-	129,790	(858,582)
Total revenues	13,768,016	1,630,978	107,043	1,738,021	(12,029,995)
EXPENDITURES					
Construction	18,580,039	1,795,712	641,167	2,436,879	16,143,160
Miscellaneous	-	-	2,977	2,977	(2,977)
Excess (deficiency) of revenues over expenditures	(4,812,023)	(164,734)	(537,101)	(701,835)	4,110,188
OTHER FINANCING SOURCES					
Operating transfers-in					
General fund	3,281,816	4,100,000	881,816	4,981,816	1,700,000
Total Other Financing Sources	3,281,816	4,100,000	881,816	4,981,816	1,700,000
Excess (deficiency) of revenues and other financing sources over expenditures	\$ (1,530,207)	\$ 3,935,266	344,715	\$ 4,279,981	\$ 5,810,188
APPROPRIATED FUND BALANCE	1,530,207	-	-	-	(1,530,207)
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	\$ -	\$ 3,935,266	344,715	\$ 4,279,981	\$ 4,279,981
Fund balance beginning of year			3,935,266		
Fund balance end of year			<u>\$ 4,279,981</u>		

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

Exhibit C-12

From inception and for the fiscal year ended June 30, 2021

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
REVENUES					
Restricted intergovernmental					
City of Roxboro Contributions	\$ 17,167	\$ 17,166	\$ -	\$ 17,166	\$ (1)
Other revenues	-	39,270	-	39,270	39,270
Investment earnings	96,625	89,889	16,868	106,757	10,132
Total revenues	<u>113,792</u>	<u>146,325</u>	<u>16,868</u>	<u>163,193</u>	<u>49,401</u>
EXPENDITURES					
County	4,853,751	4,566,417	621,598	5,188,015	(334,264)
Schools	1,201,374	942,901	533,322	1,476,223	(274,849)
PCC	850,289	1,083,501	250,162	1,333,663	(483,374)
Miscellaneous	-	-	809	809	(809)
Total expenditures	<u>6,905,414</u>	<u>6,592,819</u>	<u>1,405,891</u>	<u>7,998,710</u>	<u>(1,093,296)</u>
Excess (deficiency) of revenues over expenditures	(6,791,622)	(6,446,494)	(1,389,023)	(7,835,517)	(1,043,895)
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	6,405,030	10,994,515	25,990	11,020,505	4,615,475
County Capital Reserve Fund	386,592	-	386,592	386,592	-
Schools Capital Reserve Fund	-	-	-	-	-
Transfers out					
Capital Projects Fund	-	(140,000)	-	(140,000)	(140,000)
Total Other Financing Sources	<u>6,791,622</u>	<u>10,854,515</u>	<u>412,582</u>	<u>11,267,097</u>	<u>4,475,475</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 4,408,021</u>	<u>(976,441)</u>	<u>\$ 3,431,580</u>	<u>\$ 3,431,580</u>
Fund balance beginning of year			<u>2,131,021</u>		
Fund balance end of year			<u>\$ 1,154,580</u>		

CDBG Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance

Budget and Actual

From inception and for the fiscal year ended June 30, 2021

	<u>Actual</u>			Variance Positive (Negative)	
	Project Authorization	Prior Years	Current Year		Total To Date
REVENUES					
Intergovernmental	\$ 1,000,000	\$ 696,353	\$ 223,516	\$ 919,869	\$ (80,131)
Total revenues	<u>1,000,000</u>	<u>696,353</u>	<u>223,516</u>	<u>919,869</u>	<u>(80,131)</u>
EXPENDITURES					
Construction	1,000,000	696,353	223,516	919,869	80,131
Total expenditures	<u>1,000,000</u>	<u>696,353</u>	<u>223,516</u>	<u>919,869</u>	<u>80,131</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<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, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ 260	\$ 255	\$ -	\$ 255	\$ (5)
Total revenues	<u>260</u>	<u>255</u>	<u>-</u>	<u>255</u>	<u>(5)</u>
EXPENDITURES					
Professional services - architect and engineering	74,163	116,914	-	116,914	(42,751)
Building purchase	852,204	852,204	-	852,204	-
Construction	967,357	1,227,712	-	1,227,712	(260,355)
Issuance cost	163,220	163,220	-	163,220	-
Public schools	303,110	-	-	-	303,110
Other	8,913	8,912	-	8,912	1
Total expenditures	<u>2,368,967</u>	<u>2,368,962</u>	<u>-</u>	<u>2,368,962</u>	<u>5</u>
Excess (deficiency) of revenues over expenditures	(2,368,707)	(2,368,707)	-	(2,368,707)	-
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	1,475	1,475	-	1,475	-
CIP Project Fund	30,000	30,000	-	30,000	-
Transfers out					
Person Industries	(22,768)	-	(22,768)	(22,768)	-
Installment purchase obligations issued	<u>2,360,000</u>	<u>2,360,000</u>	<u>-</u>	<u>2,360,000</u>	<u>-</u>
Total Other Financing Sources	<u>2,368,707</u>	<u>2,391,475</u>	<u>(22,768)</u>	<u>2,368,707</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 22,768</u>	<u>(22,768)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance beginning of year			<u>22,768</u>		
Fund balance end of year			<u>\$ -</u>		

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

Exhibit C-15

From inception and for the fiscal year ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ -	\$ 133	\$ -	\$ 133	\$ 133
Total revenues	-	133	-	133	133
EXPENDITURES					
County	975,182	975,179	-	975,179	3
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	1,884,287	-	1,884,287	29,713
Excess (deficiency) of revenues over expenditures	(1,914,000)	(1,884,154)	-	(1,884,154)	29,846
OTHER FINANCING SOURCES (USES):					
Transfers in					
General Fund	30,000	30,000	-	30,000	-
Installment purchase obligations issued	1,884,000	1,884,000	-	1,884,000	-
Transfers out					
Capital Improvements Fund	(29,846)	-	(29,846)	(29,846)	-
Total other financing sources	1,884,154	1,914,000	(29,846)	1,884,154	-
Excess (deficiency) of revenues and other sources over expenditures	\$ (29,846)	\$ 29,846	(29,846)	\$ -	\$ 29,846
APPROPRIATED FUND BALANCE					
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	29,846	-	-	-	(29,846)
Fund balance beginning of year	\$ -	\$ 29,846	(29,846)	\$ -	\$ -
Fund balance end of year			29,846		
			\$ -		

Person County, North Carolina
Waterline Extension RRSF Fund
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, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Intergovernmental	\$ 1,604,124	\$ 1,083,211	\$ -	\$ 1,083,211	\$ (520,913)
Total revenues	<u>1,604,124</u>	<u>1,083,211</u>	<u>-</u>	<u>1,083,211</u>	<u>(520,913)</u>
EXPENDITURES					
Schools	2,005,156	1,441,393	-	1,441,393	563,763
Total expenditures	<u>2,005,156</u>	<u>1,441,393</u>	<u>-</u>	<u>1,441,393</u>	<u>563,763</u>
Excess (deficiency) of revenues over expenditures	(401,032)	(358,182)	-	(358,182)	42,850
OTHER FINANCING SOURCES (USES):					
Transfers in					
General Fund	401,032	401,032	-	401,032	-
Total other financing sources	<u>401,032</u>	<u>401,032</u>	<u>-</u>	<u>401,032</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 42,850</u>	-	<u>\$ 42,850</u>	<u>\$ 42,850</u>
Fund balance beginning of year			42,850		
Fund balance end of year			<u>\$ 42,850</u>		

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

Exhibit C-17

From inception and for the fiscal year ended June 30, 2021

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ -	\$ 215	\$ 10	\$ 225	\$ 225
EXPENDITURES					
County	3,475,152	3,256,635	13,297	3,269,932	205,220
Schools	1,089,551	1,088,558	982	1,089,540	11
Issuance costs	53,780	53,780	-	53,780	-
Contingency funds	176,517	-	-	-	176,517
Total expenditures	<u>4,795,000</u>	<u>4,398,973</u>	<u>14,279</u>	<u>4,413,252</u>	<u>381,748</u>
Excess (deficiency) of revenues over expenditures	(4,795,000)	(4,398,758)	(14,269)	(4,413,027)	381,973
OTHER FINANCING SOURCES (USES)					
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>\$ 396,242</u>	(14,269)	<u>\$ 381,973</u>	<u>\$ 381,973</u>
Fund balance beginning of year			301,993		
Fund balance end of year			<u>\$ 287,724</u>		

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, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Charge for services	\$ 250,000	\$ 250,000	\$ 280,429	\$ 30,429
Investment earnings	-	-	2,554	2,554
Total revenues	<u>250,000</u>	<u>250,000</u>	<u>282,983</u>	<u>32,983</u>
EXPENDITURES				
Environmental Protection				
Operating expenses	245,000	245,000	174,143	70,857
Capital outlay	<u>5,000</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>
Total expenditures	<u>250,000</u>	<u>250,000</u>	<u>174,143</u>	<u>75,857</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	108,840	<u>\$ 108,840</u>
Fund balance beginning of year			<u>564,442</u>	
Fund balance end of year			<u>\$ 673,282</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

Person County, North Carolina
Insurance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual (Non-GAAP)

Exhibit E-1

For the fiscal year ended June 30, 2021

	2021			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Contributions from employees	\$ 3,745,961	\$ 3,745,961	\$ 3,782,653	\$ 36,692
Insurance settlements	75,000	95,453	103,373	7,920
Investment earnings	-	-	243	243
Miscellaneous	380,214	380,214	343,962	(36,252)
Total revenues	<u>4,201,175</u>	<u>4,221,628</u>	<u>4,230,231</u>	<u>8,603</u>
EXPENDITURES				
Health insurance administration	851,758	851,758	704,888	146,870
Claims	3,349,417	4,788,078	4,418,608	369,470
Total expenditures	<u>4,201,175</u>	<u>5,639,836</u>	<u>5,123,496</u>	<u>516,340</u>
Excess (deficiency) of revenues over expenditures	-	(1,418,208)	(893,265)	524,943
OTHER FINANCING SOURCES				
Transfers in				
General Fund	-	1,418,208	1,418,208	-
Total other financing sources (uses)	<u>-</u>	<u>1,418,208</u>	<u>1,418,208</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	524,943	<u>\$ 524,943</u>
Fund balance beginning of year			(443,134)	
Fund balance end of year			<u>\$ 81,809</u>	

Custodial Funds

Custodial funds account for assets held by the County as an agent for individuals or other governments/organizations.

- ◆ **Roxboro Property 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.
- ◆ **4-H Program Fund:** accounts for monies held for future 4-H program expenses.

Person County, North Carolina
Custodial Funds
Combining Statement of Fiduciary Net Position

Exhibit F-1

For the fiscal year ended June 30, 2021

	Roxboro Property Tax Fund	Inmate Fund	4H Program Fund	Total Custodial Funds
ASSETS				
Cash and cash equivalents	\$ 17,516	\$ 29,359	\$ 35,118	\$ 81,993
Taxes receivable for other governments, net	139,737	-	-	139,737
Total assets	<u>157,253</u>	<u>29,359</u>	<u>35,118</u>	<u>221,730</u>
LIABILITIES				
Accounts payable and accrued liabilities	-	-	222	222
Due to other governments	17,516	-	-	17,516
Total liabilities	<u>17,516</u>	<u>-</u>	<u>222</u>	<u>17,738</u>
NET POSITION				
Restricted for:				
Individuals, organizations, and other governments	139,737	29,359	34,896	203,992
Total net position	<u>\$ 139,737</u>	<u>\$ 29,359</u>	<u>\$ 34,896</u>	<u>\$ 203,992</u>

Person County, North Carolina
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position

Exhibit F-2

For the fiscal year ended June 30, 2021

	<u>Roxboro Property Tax Fund</u>	<u>Jail Inmate Pay Fund</u>	<u>4H Program Fund</u>	<u>Total Custodial Funds</u>
ADDITIONS				
Ad valorem taxes for other governments	\$ 775,534	\$ -	\$ -	\$ 775,534
Collections on behalf of inmates	-	201,168	-	201,168
Collections on behalf of 4H	-	-	8,368	8,368
Total additions	<u>775,534</u>	<u>201,168</u>	<u>8,368</u>	<u>985,070</u>
DEDUCTIONS				
Tax distributions to other governments	819,628	-	-	819,628
Payments on behalf of inmates	-	176,604	-	176,604
Payments to 4H	-	-	10,587	10,587
Total deductions	<u>819,628</u>	<u>176,604</u>	<u>10,587</u>	<u>1,006,819</u>
Net increase (decrease) in fiduciary net position	(44,094)	24,564	(2,219)	(21,749)
Net position, beginning, as previously reported	-	-	-	-
Prior period restatement - change in accounting principle	183,831	4,795	37,115	225,741
Net position, beginning, as restated	<u>183,831</u>	<u>4,795</u>	<u>37,115</u>	<u>225,741</u>
Net position, ending	<u>\$ 139,737</u>	<u>\$ 29,359</u>	<u>\$ 34,896</u>	<u>\$ 203,992</u>

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, 2021

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Uncollected Balance June 30, 2020</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2021</u>
2020-2021	2020	\$ -	\$ 34,255,502	\$ 34,025,269	\$ 230,233
2019-2020	2019	370,027	-	259,184	110,843
2018-2019	2018	156,104	-	83,273	72,831
2017-2018	2017	96,069	-	45,516	50,553
2016-2017	2016	66,791	-	32,118	34,673
2015-2016	2015	45,734	-	18,867	26,867
2014-2015	2014	30,418	-	9,110	21,308
2013-2014	2013	30,782	-	6,601	24,181
2012-2013	2012	29,395	-	5,260	24,135
2011-2012	2011	26,486	-	4,398	22,088
2010-2011	2010	23,163	-	23,163	-
Total		<u>\$ 874,969</u>	<u>\$ 34,255,502</u>	<u>\$ 34,512,759</u>	<u>\$ 617,712</u>
Less: allowance for uncollectible accounts					<u>169,274</u>
Ad valorem taxes receivable, net:					<u>\$ 448,438</u>
Reconciliation with Revenues:					
Taxes - Ad Valorem - General Fund					
Current year					\$ 33,942,442
Prior years					476,878
Penalties and interest					234,386
Advertising					49,674
Total Ad Valorem Taxes					<u>34,703,380</u>
Refunds					
Adjustments to prior years taxes					74,630
Amounts written off for tax year 2010 per statute of limitations					18,808
Subtotal					<u>34,796,818</u>
Less interest collected					234,386
Less advertising fees					49,674
Total collections and credits					<u>\$ 34,512,758</u>

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

Exhibit G-2

For the fiscal year ended June 30, 2021

	Property Valuation	Rate per \$100 Valuation	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy County Wide					
Property Taxes at Current Year's Rate	\$ 4,761,644,038	\$ 0.72	\$ 34,283,837	\$ 31,226,101	\$ 3,057,736
Late Listing Penalties	-		45,981	45,981	-
Total	<u>4,761,644,038</u>		<u>34,329,818</u>	<u>31,272,082</u>	<u>3,057,736</u>
Discoveries and Corrections					
Current Years' Taxes	16,484,446	0.72	118,688	118,688	-
Penalties	-		874	874	-
	<u>16,484,446</u>		<u>119,562</u>	<u>119,562</u>	<u>-</u>
Releases	<u>(26,927,461)</u>	0.72	<u>(193,878)</u>	<u>(193,878)</u>	<u>-</u>
Total for Year	<u>\$ 4,751,201,023</u>		<u>34,255,502</u>	<u>31,197,766</u>	<u>3,057,736</u>
Less Uncollected tax at June 30, 2021			<u>230,233</u>	<u>226,696</u>	<u>3,537</u>
Current year's taxes collected			<u>\$ 34,025,269</u>	<u>\$ 30,971,070</u>	<u>\$ 3,054,199</u>
Percent current year collected			<u>99.33%</u>	<u>99.27%</u>	<u>99.88%</u>

Statistical Section

This part of the Person County’s Annual Comprehensive 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 <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>	115
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	121
Debt Capacity <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>	133
Demographic and Economic Information <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>	138
Operating Information <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>	140

Sources: Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

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

	Fiscal Year			
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Governmental activities				
Net investment in capital assets	\$ 21,155,561	\$ 21,364,462	\$ 23,065,359	\$ 31,664,023
Restricted	8,219,339	8,869,798	7,729,273	7,043,470
Unrestricted	4,191,640	3,657,279	4,533,912	9,074,436
Total governmental activities net position	<u>\$ 33,566,540</u>	<u>\$ 33,891,539</u>	<u>\$ 35,328,544</u>	<u>\$ 47,781,929</u>
Business-type activities				
Unrestricted	\$ -	\$ -	\$ 71,668	\$ 144,184
Total business-type activities net position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,668</u>	<u>\$ 144,184</u>
Primary government				
Net investment in capital assets	\$ 21,155,561	\$ 21,364,462	\$ 23,065,359	\$ 31,664,023
Restricted	8,219,339	8,869,798	7,729,273	7,043,470
Unrestricted	4,191,640	3,657,279	4,605,580	9,218,620
Total primary governmental net position	<u>\$ 33,566,540</u>	<u>\$ 33,891,539</u>	<u>\$ 35,400,212</u>	<u>\$ 47,926,113</u>

Fiscal Year

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 38,358,826	\$ 32,964,043	\$ 36,548,803	\$ 37,183,541	\$ 38,473,970	\$ 38,679,199
8,700,798	9,036,709	11,648,228	9,600,668	12,595,100	13,813,793
10,855,661	14,010,974	13,433,622	17,860,289	17,159,390	16,417,853
<u>\$ 57,915,285</u>	<u>\$ 56,011,726</u>	<u>\$ 61,630,653</u>	<u>\$ 64,644,498</u>	<u>\$ 68,228,460</u>	<u>\$ 68,910,845</u>
\$ 237,204	\$ 322,258	\$ 415,658	\$ 528,061	\$ 564,442	\$ 673,282
<u>\$ 237,204</u>	<u>\$ 322,258</u>	<u>\$ 415,658</u>	<u>\$ 528,061</u>	<u>\$ 564,442</u>	<u>\$ 673,282</u>
\$ 38,358,826	\$ 32,964,043	\$ 36,548,803	\$ 37,183,541	\$ 38,473,970	\$ 38,679,199
8,700,798	9,036,709	11,648,228	9,600,668	12,595,100	13,813,793
11,092,865	14,333,232	13,849,280	18,388,350	17,723,832	17,091,135
<u>\$ 58,152,489</u>	<u>\$ 56,333,984</u>	<u>\$ 62,046,311</u>	<u>\$ 65,172,559</u>	<u>\$ 68,792,902</u>	<u>\$ 69,584,127</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				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Expenses					
Governmental activities					
General government	\$ 5,670,286	\$ 6,191,937	\$ 7,616,061	\$ 7,149,705	\$ 6,589,856
Public safety	11,437,656	11,961,190	12,476,577	12,475,439	12,818,151
Transportation	1,435,983	1,415,053	1,286,978	1,277,326	1,333,946
Human services	15,746,664	16,333,971	16,563,554	14,335,792	14,535,066
Environmental protection	891,073	1,088,616	649,147	2,510,486	2,469,444
Economic and physical development	1,753,033	2,103,294	1,404,663	1,433,353	1,246,837
Cultural and recreation	1,466,125	1,587,995	1,592,550	1,615,447	1,800,505
Education	10,269,913	13,043,761	12,096,514	11,626,709	12,987,242
Interest on long term debt	669,146	534,264	530,279	242,746	436,753
Total governmental activities expenses	<u>49,339,879</u>	<u>54,260,081</u>	<u>54,216,323</u>	<u>52,667,003</u>	<u>54,217,800</u>
Business-type activities					
Stormwater Department	-	-	199,674	196,024	175,115
Total primary government expenses	<u>\$ 49,339,879</u>	<u>\$ 54,260,081</u>	<u>\$ 54,415,997</u>	<u>\$ 52,863,027</u>	<u>\$ 54,392,915</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	\$ 388,611	\$ 350,744	\$ 396,260	\$ 415,643	\$ 394,378
Public safety	2,047,710	1,717,878	1,842,884	1,987,725	1,968,436
Transportation	240,965	322,797	294,459	419,617	449,196
Human services	4,027,375	4,023,486	2,728,473	2,522,871	3,139,853
Environmental protection	932,314	796,321	822,423	761,116	754,409
Economic and physical development	90,001	6,956	11,433	14,731	16,063
Cultural and recreation	341,512	358,138	345,570	323,353	368,606
Operating grants and contributions:					
General government	65,114	14,492	2	-	3,276
Public safety	1,055,904	1,024,467	1,208,057	1,323,629	1,277,367
Transportation	225,765	310,036	362,452	271,196	506,589
Human services	7,100,930	6,926,407	8,392,466	8,560,360	8,031,774
Environmental protection	118,497	113,343	114,204	118,251	125,363
Economic and physical development	499,604	1,148,118	392,042	166,357	277,603
Cultural and recreation	120,282	117,926	100,281	514,960	141,363
Education	17,862	1,534,817	-	-	-
Capital grants and contributions:					
General Government	140,641	6,227	19	-	-
Transportation	157,454	454,726	231,347	188,211	65,488
Environmental Protection	54,587	55,737	4,510	-	6,000
Economic and physical development	1,500	2,638	171,039	110,925	-
Cultural and recreation	4,000	20,500	12,269	15,877	14,513
Education	-	-	72,465	229,808	198,948
Total governmental activities program revenues	<u>17,630,628</u>	<u>19,305,754</u>	<u>17,502,655</u>	<u>17,944,630</u>	<u>17,739,225</u>

	Fiscal Year				
	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Business-type activities					
Charges for services:					
Stormwater Department	-	-	271,342	268,540	268,135
Total primary government program revenues	<u>\$ 17,630,628</u>	<u>\$ 19,305,754</u>	<u>\$ 17,773,997</u>	<u>\$ 18,213,170</u>	<u>\$ 18,007,360</u>
Net (Expense)/Revenue					
Governmental activities	\$ (31,709,251)	\$ (34,954,327)	\$ (36,713,668)	\$ (34,722,373)	\$ (36,478,575)
Business-type activities	-	-	71,668	72,516	93,020
Total primary government net expense	<u>\$ (31,709,251)</u>	<u>\$ (34,954,327)</u>	<u>\$ (36,642,000)</u>	<u>\$ (34,649,857)</u>	<u>\$ (36,385,555)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	\$ 27,393,771	\$ 28,772,219	\$ 30,883,915	\$ 31,358,952	\$ 31,272,619
Local option sales tax	6,045,749	6,092,052	6,430,850	6,732,660	7,058,217
Other taxes and licenses	305,012	493,228	462,739	563,360	698,818
Unrestricted intergovernmental	-	-	-	208,437	-
Investment earnings	14,619	13,715	508	(32,398)	52,812
Miscellaneous, unrestricted					
Loss on disposal of capital asset	-	-	-	15,325	163,861
Contributed capital	-	-	-	10,363,160	6,392,856
Other miscellaneous	1,889,020	(498,552)	372,661	88,262	519,861
Total governmental activities	<u>35,648,171</u>	<u>34,872,662</u>	<u>38,150,673</u>	<u>49,297,758</u>	<u>46,159,044</u>
Business-type activities					
Investment earnings	-	-	-	-	-
Total primary government general revenues, special items and transfers	<u>\$ 35,648,171</u>	<u>\$ 34,872,662</u>	<u>\$ 38,150,673</u>	<u>\$ 49,297,758</u>	<u>\$ 46,159,044</u>
Change in Net Position					
Governmental activities	\$ 3,938,920	\$ (81,665)	\$ 1,437,005	\$ 14,575,385	\$ 9,680,469
Business-type activities	-	-	71,668	72,516	93,020
Total primary government	<u>\$ 3,938,920</u>	<u>\$ (81,665)</u>	<u>\$ 1,508,673</u>	<u>\$ 14,647,901</u>	<u>\$ 9,773,489</u>

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

(Page 3 of 4)

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses					
Governmental activities					
General government	\$ 7,693,371	\$ 8,511,007	\$ 11,204,154	\$ 11,072,339	\$ 12,935,151
Public safety	13,843,079	13,040,023	14,574,861	15,662,933	17,240,103
Transportation	1,339,616	1,291,899	1,611,457	1,331,856	1,212,218
Human services	15,048,142	16,273,304	14,662,401	14,833,071	16,788,184
Environmental protection	3,083,626	648,644	657,940	703,154	788,995
Economic and physical development	1,608,085	1,443,587	1,127,571	1,610,834	1,598,740
Cultural and recreation	1,812,818	1,745,964	1,942,027	2,116,574	2,109,894
Education	12,404,456	10,633,360	11,427,138	11,846,237	12,715,831
Interest on long term debt	370,388	363,297	545,966	412,610	248,213
Total governmental activities expenses	<u>57,203,581</u>	<u>53,951,085</u>	<u>57,753,515</u>	<u>59,589,608</u>	<u>65,637,329</u>
Business-type activities					
Stormwater Department	182,996	183,136	168,596	245,619	174,143
Total primary government expenses	<u>\$ 57,386,577</u>	<u>\$ 54,134,221</u>	<u>\$ 57,922,111</u>	<u>\$ 59,835,227</u>	<u>\$ 65,811,472</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	\$ 421,621	\$ 719,193	\$ 756,078	\$ 826,543	\$ 1,077,017
Public safety	2,047,699	1,876,352	2,263,955	2,131,221	2,879,774
Transportation	381,887	332,338	339,142	269,714	165,407
Human services	3,388,953	3,712,493	2,461,438	1,957,968	1,123,017
Environmental protection	819,123	715,722	718,500	813,290	1,143,744
Economic and physical development	15,688	83,041	94,404	96,151	80,130
Cultural and recreation	409,525	412,458	382,003	271,042	217,340
Operating grants and contributions:					
General government	-	185,470	199,660	194,989	189,523
Public safety	1,650,012	1,199,209	1,718,231	1,763,381	1,415,887
Transportation	494,012	242,456	482,771	471,627	412,355
Human services	8,141,712	6,972,508	6,918,742	7,760,588	8,884,556
Environmental protection	126,967	91,576	81,079	67,632	-
Economic and physical development	259,959	53,027	112,567	85,241	96,166
Cultural and recreation	104,096	120,048	96,538	157,313	135,407
Education	-	-	-	-	-
Capital grants and contributions:					
General Government	-	-	-	-	-
Transportation	194,607	486,117	201,245	22,738	106,147
Environmental Protection	1,998	-	-	-	-
Economic and physical development	-	-	336,326	360,027	223,516
Cultural and recreation	7,750	-	-	-	-
Education	142,569	6,487,181	121,122	1,309,423	-
Total governmental activities program revenues	<u>18,608,178</u>	<u>23,689,189</u>	<u>17,283,801</u>	<u>18,558,888</u>	<u>18,149,986</u>

	Fiscal Year				
	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Business-type activities					
Charges for services:					
Stormwater Department	268,050	274,882	278,791	279,446	280,429
Total primary government program revenues	<u>\$ 18,876,228</u>	<u>\$ 23,964,071</u>	<u>\$ 17,562,592</u>	<u>\$ 18,838,334</u>	<u>\$ 18,430,415</u>
Net (Expense)/Revenue					
Governmental activities	\$ (38,595,403)	\$ (30,261,896)	\$ (40,469,714)	\$ (41,030,720)	\$ (47,487,343)
Business-type activities	85,054	91,746	110,195	33,827	106,286
Total primary government net expense	<u>\$ (38,510,349)</u>	<u>\$ (30,170,150)</u>	<u>\$ (40,359,519)</u>	<u>\$ (40,996,893)</u>	<u>\$ (47,381,057)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	\$ 32,103,402	\$ 32,143,716	\$ 32,985,331	\$ 34,906,804	\$ 35,587,594
Local option sales tax	7,571,089	8,075,831	8,701,260	9,013,933	10,507,215
Other taxes and licenses	566,446	454,676	210,388	177,306	247,726
Unrestricted intergovernmental	-	-	-	-	-
Investment earnings	132,958	216,223	680,640	424,332	116,113
Miscellaneous, unrestricted					
Loss on disposal of capital asset	60,478	(560,899)	-	(489,170)	(133,252)
Contributed capital	-	-	-	-	-
Other miscellaneous	(2,400,589)	694,671	905,940	581,477	1,698,193
Total governmental activities	<u>38,033,784</u>	<u>41,024,218</u>	<u>43,483,559</u>	<u>44,614,682</u>	<u>48,023,589</u>
Business-type activities					
Investment earnings	-	1,654	2,208	2,554	2,554
Total primary government general revenues, special items and transfers	<u>\$ 38,033,784</u>	<u>\$ 41,025,872</u>	<u>\$ 43,485,767</u>	<u>\$ 44,617,236</u>	<u>\$ 48,026,143</u>
Change in Net Position					
Governmental activities	\$ (561,619)	\$ 10,762,322	\$ 3,013,845	\$ 3,583,962	\$ 536,246
Business-type activities	85,054	93,400	112,403	36,381	108,840
Total primary government	<u>\$ (476,565)</u>	<u>\$ 10,855,722</u>	<u>\$ 3,126,248</u>	<u>\$ 3,620,343</u>	<u>\$ 645,086</u>

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

Fiscal Year	Property Tax	Local Sales Tax	Other Tax	Total
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
2020	34,906,804	9,013,933	177,306	44,098,043
2021	35,587,594	10,507,215	247,726	46,342,535

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ -	\$ 99,956	\$ 305,868	\$ 101,957
Restricted	4,134,503	5,227,556	6,226,227	4,696,872
Committed	88,995	143,466	204,718	264,569
Assigned	4,493,237	3,611,857	3,284,997	2,721,258
Unassigned	12,631,079	9,936,607	9,644,006	13,163,785
Total general fund	<u>\$ 21,347,814</u>	<u>\$ 19,019,442</u>	<u>\$ 19,665,816</u>	<u>\$ 20,948,441</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 90,000	\$ 70,000
Restricted	1,098,020	3,642,242	1,503,046	2,346,598
Committed	1,829,907	2,971,430	1,941,502	1,785,342
Assigned	30,000	86,474	11,700	-
Unassigned	-	(711,840)	(852,204)	(217,136)
Total all other governmental funds	<u>\$ 2,957,927</u>	<u>\$ 5,988,306</u>	<u>\$ 2,694,044</u>	<u>\$ 3,984,804</u>

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 183,550	\$ 108,934	\$ 145,382	\$ 177,691	\$ 105,187	\$ 126,044
5,508,761	5,981,436	6,279,373	6,197,001	7,533,859	7,179,951
645,154	726,480	726,481	969,306	968,937	983,319
3,471,017	2,734,736	2,594,047	5,900,352	3,898,600	965,506
13,599,981	14,172,971	16,223,464	15,491,651	17,680,799	21,726,864
<u>\$ 23,408,463</u>	<u>\$ 23,724,557</u>	<u>\$ 25,968,747</u>	<u>\$ 28,736,001</u>	<u>\$ 30,187,382</u>	<u>\$ 30,981,684</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,192,037	3,055,273	5,368,855	3,403,667	5,061,241	6,633,842
1,787,660	4,341,003	3,968,392	2,844,699	4,181,240	3,386,385
-	-	698,143	627,602	-	640,925
-	(483,469)	(30,266)	(255,018)	(9,186)	1,191
<u>\$ 4,979,697</u>	<u>\$ 6,912,807</u>	<u>\$ 10,005,124</u>	<u>\$ 6,620,950</u>	<u>\$ 9,233,295</u>	<u>\$ 10,662,343</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues					
Property	\$ 27,396,888	\$ 28,723,333	\$ 31,076,698	\$ 30,915,707	\$ 31,276,307
Sales	6,045,749	6,092,052	6,430,850	6,732,660	7,058,217
Other	<u>305,012</u>	<u>296,809</u>	<u>326,400</u>	<u>348,207</u>	<u>477,014</u>
Total taxes	33,747,649	35,112,194	37,833,948	37,996,574	38,811,538
Fees	395,910	424,018	424,116	516,700	433,330
Intergovernmental	9,772,122	11,838,130	11,244,979	11,457,497	11,046,450
Investment earnings	18,812	6,700	(47,531)	(32,398)	52,401
Charges for services	7,525,686	7,044,549	5,951,527	5,751,890	6,404,761
Other	<u>590,762</u>	<u>756,298</u>	<u>622,808</u>	<u>998,161</u>	<u>604,799</u>
Total Revenues	<u>52,050,941</u>	<u>55,181,889</u>	<u>56,029,847</u>	<u>56,688,424</u>	<u>57,353,279</u>
Expenditures					
General government	5,564,747	5,502,071	5,993,331	6,020,465	5,849,007
Public safety	11,444,411	11,806,617	12,133,878	12,748,522	13,834,037
Transportation	811,686	876,455	918,658	863,199	1,007,835
Human services	15,444,531	15,949,674	16,338,419	14,534,583	14,694,995
Environmental protection	698,015	1,023,852	675,440	2,500,386	2,446,162
Economic and physical development	1,746,977	2,109,044	1,395,811	1,442,248	1,258,242
Cultural and recreational	1,490,524	1,474,427	1,583,278	2,117,676	1,731,294
Education	10,285,241	13,043,761	12,096,514	11,021,422	12,085,890
Capital projects	1,222,621	1,762,976	3,589,154	1,461,191	2,169,724
Debt service:					
Principal	3,381,057	3,527,943	3,685,110	3,563,836	1,979,648
Interest and other charges	<u>654,346</u>	<u>575,576</u>	<u>522,599</u>	<u>423,876</u>	<u>408,585</u>
Total expenditures	<u>52,744,156</u>	<u>57,652,396</u>	<u>58,932,192</u>	<u>56,697,404</u>	<u>57,465,419</u>
Excess of revenues over (under) expenditures	<u>(693,215)</u>	<u>(2,470,507)</u>	<u>(2,902,345)</u>	<u>(8,980)</u>	<u>(112,140)</u>
Other Financing Sources (Uses)					
Transfers in	1,109,158	3,921,216	2,190,561	1,200,989	2,170,034
Transfers out	(1,109,158)	(3,921,216)	(2,190,561)	(1,200,989)	(2,195,123)
Installment purchase obligations issued	-	3,132,538	-	2,360,000	1,884,000
Capital lease obligations issued	-	-	223,532	207,040	1,099,125
Sale of capital assets	<u>53,791</u>	<u>39,976</u>	<u>30,925</u>	<u>15,325</u>	<u>156,131</u>
Total other financing sources (uses)	<u>53,791</u>	<u>3,172,514</u>	<u>254,457</u>	<u>2,582,365</u>	<u>3,114,167</u>
Net change in fund balances	\$ <u>(639,424)</u>	\$ <u>702,007</u>	\$ <u>(2,647,888)</u>	\$ <u>2,573,385</u>	\$ <u>3,002,027</u>
Debt service as a percentage of noncapital expenditures	8.01%	7.39%	7.56%	7.34%	4.31%

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	32,078,642	\$ 32,141,941	\$ 33,051,014	\$ 34,966,925	\$ 35,827,112
	7,571,089	8,075,831	8,701,260	9,013,933	10,507,215
	<u>356,461</u>	<u>454,676</u>	<u>210,388</u>	<u>177,306</u>	<u>247,726</u>
	40,006,192	40,672,448	41,962,662	44,158,164	46,582,053
	573,352	578,565	596,492	650,681	725,897
	11,598,701	10,312,203	10,268,281	12,210,125	11,652,532
	131,895	346,990	667,713	411,899	115,870
	6,550,975	7,273,032	6,419,028	5,698,082	5,771,557
	<u>493,568</u>	<u>699,355</u>	<u>910,706</u>	<u>586,328</u>	<u>1,703,129</u>
	<u>59,354,683</u>	<u>59,882,593</u>	<u>60,824,882</u>	<u>63,715,279</u>	<u>66,551,038</u>
	5,756,073	5,944,581	6,796,127	6,880,173	8,393,239
	13,461,794	13,014,359	14,325,860	14,486,793	15,894,511
	1,016,508	858,553	1,212,589	1,011,707	881,606
	14,806,037	15,749,375	14,681,146	13,571,410	15,748,024
	<u>3,045,427</u>	<u>649,558</u>	<u>627,054</u>	<u>692,482</u>	<u>700,940</u>
	1,653,788	1,479,461	1,144,750	1,539,942	1,501,061
	1,688,993	1,784,228	1,883,322	1,976,766	1,911,945
	11,266,416	10,520,135	10,779,335	11,787,235	11,759,077
	<u>4,259,925</u>	<u>6,538,982</u>	<u>7,937,483</u>	<u>5,478,121</u>	<u>4,314,086</u>
	1,826,474	1,796,246	1,884,918	1,866,039	1,772,505
	<u>394,432</u>	<u>370,618</u>	<u>564,306</u>	<u>393,613</u>	<u>272,126</u>
	<u>59,175,867</u>	<u>58,706,096</u>	<u>61,836,890</u>	<u>59,684,281</u>	<u>63,149,120</u>
	<u>178,816</u>	<u>1,176,497</u>	<u>(1,012,008)</u>	<u>4,030,998</u>	<u>3,401,918</u>
	4,666,974	3,141,905	3,504,408	8,782,008	7,358,158
	(4,942,064)	(3,468,841)	(3,908,983)	(8,782,008)	(8,776,364)
	2,285,000	4,400,000	776,086	-	-
	-	-	-	-	-
	<u>60,478</u>	<u>86,946</u>	<u>23,577</u>	<u>32,728</u>	<u>93,501</u>
	<u>2,070,388</u>	<u>4,160,010</u>	<u>395,088</u>	<u>32,728</u>	<u>(1,324,705)</u>
\$	<u>2,249,204</u>	<u>5,336,507</u>	<u>(616,920)</u>	<u>4,063,726</u>	<u>2,077,213</u>
	4.08%	4.00%	4.42%	4.10%	3.48%

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

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Local Sales Tax</u>	<u>Other Tax</u>	<u>Total</u>
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
2020	34,966,925	9,013,933	177,306	44,158,164
2021	35,827,112	10,507,215	247,726	46,582,053

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				
	Residential Property	Commercial and Industrial Property (6)	Industrial Property (6)	Present-use Value (1)	Personal Property
2012	2,115,957,821	350,088,048	-	88,159,285	552,081,607
2013	2,046,536,959	389,719,494	-	91,468,827	725,549,333
2014 (5)	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
2020	2,122,746,270	530,203,079	112,428,482	129,433,664	863,963,542
2021	2,152,328,184	538,428,716	114,742,147	133,384,450	892,083,967

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. The last reassessment was implemented on January 1, 2013, meeting the eight year minimum time period for property revaluation. This was the basis for fiscal 2014 taxes.
- (6) The prior tax office software did not differentiate between Commercial and Industrial Property value. Therefore, this column is presented as a sum of the two in those years..

Public Service Companies (2)	Total Taxable Assessed Value	Total Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value (4)
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%
845,688,750	4,604,463,787	0.730	4,945,213,718	93%
920,233,559	4,751,201,023	0.720	5,249,945,882	91%

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

Fiscal Year Ended June 30	County of Person Direct Rates			Overlapping Rates Levied by Municipality
	County Basic Rate	Fire District Tax Rate (1)	Total Direct Rate	City of Roxboro (2)
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	0.0100	0.710	0.670
2020	0.730	0.0275	0.758	0.670
2021	0.720	0.0275	0.7475	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 2021		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Public utility	\$ 856,874,916	1	1.16%
Spuntech	Manufacturer	55,221,449	2	1.22%
CertainTeed	Manufacturer	57,896,329	3	1.09%
GKN Automotive, Inc.	Manufacturer	51,604,522	4	1.07%
Eaton Corporation	Manufacturer	50,889,706	5	0.85%
US Flue Cured Tobacco Growers	Manufacturer	40,194,224	6	0.93%
Lousiana Pacific Corp	Manufacturer	44,240,346	7	0.60%
Piedmont EMC	Public utility	28,286,475	8	0.26%
Altec Capital	Finance Company	12,244,621	9	0.52%
DLP Person Memorial Hospital	Service Provider	24,909,681	10	0.00%
NC Eastern Municipal Power Agency	Public utility			
North Park Drive, LLC	Manufacturer	9,992,149		
Cogentrix of NC, Inc.	Private Utility			
Boise Cascade(former Georgia Pacific)	Manufacturer	18,382,905		
Totals		\$ <u>1,250,737,323</u>		26.32%

Source: Person County Tax Department

Fiscal Year 2011

Assessed Valuation	Rank	Percentage of Total Assessed Valuation
703,412,895	1	18.20%
38,773,826	4	1.00%
52,308,218	2	1.35%
34,863,951	6	0.90%
38,537,883	5	1.00%
26,333,775	8	0.68%
49,631,665	3	1.28%
30,806,084	7	0.80%
20,932,517	9	0.54%
<u>17,212,231</u>	10	<u>0.45%</u>
<u><u>1,012,813,045</u></u>		26.21%

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

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
2012	27,077,081	26,448,394	97.68%	606,599	27,054,993	99.92%
2013	27,206,121	26,561,528	97.63%	620,458	27,181,986	99.91%
2014	28,565,618	27,910,626	97.71%	630,811	28,541,437	99.92%
2015	30,622,680	30,227,699	98.71%	373,673	30,601,372	99.93%
2016	31,084,929	30,737,959	98.88%	320,103	31,058,062	99.91%
2017	31,882,532	31,506,743	98.82%	341,116	31,847,859	99.89%
2018	32,070,704	31,666,404	98.74%	353,747	31,666,404	98.74%
2019	32,502,011	32,127,667	98.85%	301,513	32,127,667	98.85%
2020	33,682,129	33,312,102	98.90%	259,184	33,312,102	98.90%
2021	34,255,502	34,025,269	99.33%	-	34,025,269	99.33%

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			
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	0.84%
2020	1,828,001	8,720,268	491,771	11,040,040	279	N/A*
2021	1,675,668	7,281,432	310,435	9,267,535	228	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

Fiscal Year	General Obligation Bonds	Percentage of Personal Income (1)	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
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	0.13%	0.04%	50
2020	1,828,001	N/A*	0.04%	46
2021	1,675,668	N/A*	0.04%	42

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)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Value of Property	\$ 3,881,891	\$ 4,075,935	\$ 4,377,206	\$ 4,371,591
Debt Limit, 8% of Assessed Value (Statutory Limitation)	310,551	326,075	350,176	349,727
Amount of Debt Applicable to Limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal Debt Margin	<u>\$ 310,551</u>	<u>\$ 326,075</u>	<u>\$ 350,176</u>	<u>\$ 349,727</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

Legal debt margin

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>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	4,435,444	\$ 4,551,628	\$ 4,576,778	\$ 4,640,852	\$ 4,604,464	4,751,201
	354,836	364,130	366,142	371,268	368,357	380,096
	<u>-</u>	<u>2,285</u>	<u>2,133</u>	<u>1,980</u>	<u>1,828</u>	<u>1,675</u>
\$	<u>354,836</u>	<u>\$ 361,845</u>	<u>\$ 364,010</u>	<u>\$ 369,288</u>	<u>\$ 366,529</u>	<u>378,421</u>
	0.00%	0.63%	0.58%	0.53%	0.53%	0.44%

Legal Debt Margin Calculation:

Assessed value subject to taxation	\$ <u>4,751,201</u>
Debt limitation (8% of assessed value subject to taxation)	380,096
Debt applicable to the limit	
General Obligation bonds	<u>1,675</u>
	\$ <u><u>378,421</u></u>

Person County, North Carolina
Schedule 14
Direct and Overlapping Governmental Activities Debt
As of June 30, 2021

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
City of Roxboro	\$ -	na	\$ -
Other debt			
City of Roxboro			
Capitalized leases	1,010,657	14.48%	146,317
Installment purchase obligations	2,224,371	14.48%	322,031
Subtotal, overlapping debt			<u>468,348</u>
Person County direct debt			<u>9,267,535</u>
Total direct and overlapping debt			<u><u>\$ 9,735,883</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

Year	Population (1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public & Charter Schools Enrollment	Unemployment Rate (3)	Number of Building Inspections Performed (4)
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	1,544,791	39,119	5,494	5.00%	8,116
2020	40,450	N/A*	N/A*	5,469	7.70%	8,461
2021	39,097	N/A*	N/A*	5,251	4.90%	7,367

* 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) NC Department of Commerce, Annual Average for ending fiscal year.
- (4) Total number of inspections performed by Person County Inspections Department. Does not include inspections by municipalities.

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

Employer	2021			2012		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Person County Board of Education	646	1	3.70%	644	1	3.60%
GKN Automotive Components	628	2	3.60%	382	5	2.14%
Person County Government	382	3	2.19%	400	4	2.24%
Polywood	337	4	1.93%			
Duke Energy Progress	328	5	1.88%	400	3	2.24%
Person Memorial Hospital	259	6	1.48%	270	7	1.51%
Spuntech	192	7	1.10%			
Eaton Corporation	159	8	0.91%	218	8	1.22%
Wal-Mart Associates, Inc.	154	9	0.88%	214	9	1.20%
Louisiana-Pacific	146	10	0.84%			
Piedmont Community College	133	-	-	428	2	2.39%
US Flue Cured Tobacco	94	-	-	121	10	0.68%
North American Aerodynamics	-	-	-	357	6	2.00%

Source: Person County Economic Development

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	42	47	49	53	54	57	59	60	64	57
Public safety	134	140	162	141	149	174	181	195	165	176
Transportation	12	12	12	10	11	14	14	15	15	18
Human services										
Social Services	83	83	92	97	99	95	101	101	101	104
Public Health	41	50	50	48	47	43	36	33	21	26
Other	32	27	25	25	23	28	25	27	26	22
Environmental protection	2	2	2	2	2	2	2	2	2	2
Economic and physical development	5	8	4	5	5	7	9	6	6	7
Cultural and recreation	16	16	27	25	28	33	29	28	29	29
Total	367	385	423	406	418	453	456	467	429	441

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)

Function	2012	2013	2014	2015
Public Safety/Sheriff's Department & Jail				
Incident Reports	1,865	1,695	1,550	3,442
Calls for Service	17,393	20,447	23,417	19,054
Criminal Papers	5,316	3,510	6,466	6,790
Arrest Reports	3,001	2,949	2,208	2,097
Civil Papers	4,646	3,595	4,012	3,119
Gun Permits	563	947	645	693
Jail bookings	2,163	2,167	2,116	2,162
Average daily population	105	111	124	127
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	58,095	62,019	57,016	54,367
Public Safety/Code Enforcement				
Number of Building Permits Issued	312	281	282	334
Number of Mobile Home Permits Issued	22	36	33	36
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	582	632	593	601
Community Services/Library				
Items Added to Collection	5,215	4,790	5,123	4,700
Circulation	191,249	191,775	201,275	213,539
Internet Use	22,507	19,148	21,566	18,421
Program Attendance	6,910	6,399	6,090	8,227
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	2,478	2,542	2,598	4,288
Average # Family & Child Medicaid Cases	3,020	3,220	3,265	4,492
Average # Households Receiving Food Stamps	3,761	3,902	3,980	3,969
Average \$ Fraud Collections per Month	5,205	5,759	4,727	6,064
Education				
Public Schools enrollment	4,775	4,625	4,567	4,562
Charter Schools enrollment	967	1,006	1,070	1,049
Culture and Recreation				
Total park acreage	187	187	187	187
Number of parks	10	10	10	11

Sources:

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
1,403	1,467	1,404	2,588	1,887	2,055
16,177	18,598	14,931	14,310	12,353	14,630
4,851	3,093	2,622	2,903	1,264	1,710
1,858	2,444	3,426	1,762	712	1,079
4,031	3,719	3,936	4,170	2,103	3,172
742	677	642	537	1,587	1,586
1,795	2,005	1,892	2,093	1,180	1,300
95	106	102	104	70	61
47,967	48,070	46,307	43,529	43,219	41,310
325	382	423	406	424	576
39	47	53	45	46	44
628	555	550	590	565	868
5,585	5,621	5,417	5,118	3,502	6,036
188,564	191,170	154,924	140,751	136,474	114,013
23,139	24,159	12,944	12,014	8,436	2,136
12,606	11,913	7,630	7,864	3,410	2,722
3,806	3,757	3,916	3,873	4,441	4,200
3,435	3,408	3,647	3,755	5,028	5,463
3,906	3,511	3,295	3,158	3,106	3,532
4,675	3,739	4,823	5,018	3,868	1,487
4,550	4,470	4,350	4,370	4,326	4,260
1,121	1,120	1,108	1,124	1,143	991
222	222	222	222	222	222
12	12	12	12	12	12

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Sheriff/Police (Stations)	2	2	2	3	3	3	3	3	3	3
Correction facility capacities	136	136	136	136	136	136	136	136	136	136
Fire stations	14	14	14	15	15	15	15	15	14	14
Highways and streets										
Paved	724	725	726	676*	676	677	677	677	677	677
Unpaved	49	48	47	34*	34	34	34	34	34	34
Culture and recreation										
Parks	10	10	10	11	12	12	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	12

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, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated October 29, 2021. Our report includes a reference to other auditors who audited the financial statements of the the County ABC Board and the Person County Tourism Development Authority 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 on separately by those auditors. The financial statements of the Person County ABC Board and the Person County Tourism Development Authority 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") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 style with a large, sweeping initial "E".

Raleigh, North Carolina
October 29, 2021



**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, 2021. 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 direct and material effect on each of its major federal programs for the year ended June 30, 2021.

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 of compliance, we considered the 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 the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first 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, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs and Corrective Action Plan*. 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.



Raleigh, North Carolina
October 29, 2021



**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, 2021. 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, 2021.

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.

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. *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.

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 significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as item 2021-001 that we consider to be a significant deficiency.

The County's response to the internal control over compliance finding identified in our audit is described in the accompanying *Schedule of Findings and Questioned Costs and Corrective Action Plan*. 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.



Raleigh, North Carolina
October 29, 2021

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Internal control over financial reporting:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? ___ Yes X None reported

Noncompliance material to the financial statements noted? ___ Yes X No

Federal Awards

Internal control over major federal programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? X 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 X No

Identification of major federal programs:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>
93.778	Medicaid Cluster
10.551, 10.561	Food and Nutrition Services Cluster
21.019	Coronavirus Relief Fund

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 state programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified? X 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 X No

Identification of major state programs:

- State Aid to Public Libraries
- Public School Building Capital Fund
- General Aid to Counties
- School Nurse Funding Initiative
- Juvenile Crime Prevention Program

Person County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2021

I. SUMMARY OF AUDITOR'S RESULTS, Continued

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

II. FINANCIAL STATEMENT FINDINGS

NONE

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2021-001, 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:

- Verification of DMV records
- FL-2 or Service Request Form for Long Term Care or Cap files
- Accurate computation of total countable resources

Conditions: We noted that in six instances, the case record did not contain evidence of register of deeds inspection. In five instances, the case record did not contain FL-2 or Service Request Form. In one instance, the case record did not contain all countable resources in NCFAST.

Context: We sampled 93 payments from a total population of 841,463 payments. We noted the above conditions in 9 of the 93 case files inspected.

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.

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.

IV. STATE AWARD FINDINGS AND QUESTIONED COSTS

Findings 2021-001, as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be a state award finding.



PERSON COUNTY

DEPARTMENT OF SOCIAL SERVICES
Post Office Box 770
355B South Madison Boulevard
Roxboro, North Carolina 27573-0770
(336) 599-8361
Fax (336) 597-9339

Corrective Action Plan

Finding 2021-001, 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 unit meetings and trainings with the unit regarding the errors. Management has implemented having staff to scan and upload/attach verifications used to determine eligibility into NCFAST. Management has implemented mandatory use of using a processing checklist when processing cases when determining eligibility.

Proposed Completion Date: October 29, 2021

Name of Contact: Carlton Paylor, DSS Director & Brittany Majors, Program Manager



PERSON COUNTY

FINANCE OFFICE

Person County Office Building
304 South Morgan Street, Room 219
Roxboro, North Carolina 27573-5245
(336) 597-1726 FAX (336) 599-1609

Status of Prior Year Findings

Finding 2020-1, Material Weakness over Cybersecurity

Current status: Person County has partnered with a Security Operations Center that monitors network activity and anti-virus alerts 24/7. Anomalies are reported to IT as they occur via email. All critical events are reported to IT immediately via a phone call. Multiple policies and procedures have been updated in response to the cyber event, including the Acceptable Use Policy and the Security Awareness Policy. Additional security measures have been put in place such as multi-factor authentication for all IT users and privileged accounts, separate accounts for standard access and privileged access per user needing such access, and monitoring/patching vulnerabilities as they become known. Person County is dedicated to maintaining the security and integrity of its systems and will continue to make improvements to its infrastructure in an effort to keep up with the constantly evolving threat landscape.

Finding 2020-2, Significant Deficiency over Check Dating

Current status: Person County's accounts payable system is fully operational and processing invoice payments under normal procedures. Staff is better prepared to address the treatment of payments and accruals with the use of QuickBooks or any other third-party program if required to use outside of the County's primary software system.

Finding 2020-3, Significant Deficiency over Accounts Payable Cutoff

Current status: The Finance Department has obtained additional staffing and re-organized tasks to fully focus on the review of all invoices and supplemental documents to ensure that accurate posting is a priority between reporting years.

Finding 2020-4, Significant Deficiency over Reconciliation of Records

Current status: Reconciliation of all funds and accounts are being performed on a periodic basis to prevent balancing issues at fiscal year-end. A break from this process was unavoidable during the cyber incident since the majority of data and systems were not in place for a portion of FY2020 and beginning of FY2021. Restoration was completed by December 2020, and all reports are now being reconciled on a timely basis.

Finding 2020-005, Significant Deficiency over Eligibility

Current status: The Income Maintenance Management team continues to meet monthly with staff to ensure that all policy and procedural changes are discussed and implemented. Supervisors conduct individual conferences with staff to monitor progress on goals set for the prior month and upcoming month. They also discuss cases and challenges with caseloads and

assist with solutions, as needed. Second party reviews are done monthly to capture any trending errors. If any errors are found with internal control or eligibility, the supervisor implements preventive measures to ensure the errors are minimized and training is provided for staff, if needed. A documentation outline tool is in place. Every staff member processing a case, whether it be an application or recertification, is required to use this tool to document the name, date of birth, income, etc. and ensure it is attached to NCFAST under Income Support. Having the documentation in a centralized location will help other caseworkers needing to find information that may be vital to their processing.

Finding 2020-006, Material Weakness over Eligibility

Current status: The Income Maintenance Management team continues to upload all documents used for verifying/determining eligibility into the State system (NCFAST). Income Maintenance Supervisors continue to meet with staff to review processing expectations for areas of identified need. All staff have been given additional resources for reference and to utilize when determining eligibility, including: Processing Checklists, Coversheets, Step by Step Guides, Evidence Management Protocol Tools, Documentation Outlines and PowerPoints. These tools are revised, as needed, according to changes that come from the State to remain in compliance. Supervisors provide refresher trainings and meet with staff as terminal messages from the State are shared to ensure everyone is informed. Questions are referred to the Medicaid Operational Support Team Rep for clarity.

Finding 2020-007, Significant Deficiency over Eligibility

Current status: The Income Maintenance Management team continues to monitor cases by conducting second party reviews monthly and spot-checking cases daily. The management team continues to provide not only refresher trainings, but over the shoulder support as well as peer-to-peer training when necessary. New hires receive over the shoulder support from supervisor as well as peer-to-peer shadowing. New hires read policy and have knowledge checks to ensure the information they are reading is being retained. Checklists are provided to staff when processing cases to make sure that they are reviewing all requirements in order to process the case(s). When the State has webinars that provide information on a policy change or procedure, staff are asked to join, review the information and discuss afterwards to identify any remaining questions.

Finding 2020-8, Material Weakness over Activities Allowed or Unallowed and Allowable Costs/Costs Principles

Current status: Accounts payable staff is verifying that all PO forms are attached to applicable invoices and stored in files to be accessed in hard copy form should there be no access to electronic copies during a similar event. Payroll and approver reports are also printed and securely stored after each pay period that includes the time worked by employees and the approvers that authorized their time.

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

Grantor/Pass-Through Grantor / Program Title	Federal AL#/ CFDA No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
Federal Awards:					
U.S. Department of Agriculture:					
Passed-Through N.C. Department of Health and Human Services Division of Social Services: SNAP Cluster State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 530,789	\$ -	-
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		189,890	-	-
Total U.S. Department of Agriculture			<u>720,679</u>	<u>-</u>	<u>-</u>
U.S Election Assistance Commission					
HAVA CARES Act Grant	90.404		121,985	-	-
Total U.S. Election Assistance Commission			<u>121,985</u>	<u>-</u>	<u>-</u>
Department of Homeland Security					
Passed-Through NC Department of Public Safety: Emergency Management Performance Grants	97.042		39,378	-	-
Total U.S. Department of Homeland Security			<u>39,378</u>	<u>-</u>	<u>-</u>
U.S. Department of Transportation:					
Federal Transit Administration (FTA)					
Passed through the N.C. Department of Transportation: Formula Grants for Rural Areas	20.509		406,439	9,044	-
Federal Aviation Administration (FAA)					
Passed through the N.C. Department of Transportation: Airport Improvement Program	20.106		154,975	-	-
Total U.S. Department of Transportation			<u>561,414</u>	<u>9,044</u>	<u>-</u>
U.S. DEPARTMENT OF THE TREASURY					
Passed-through NC Office of Management and Budget, NC Pandemic Recovery Office: Coronavirus Relief Fund	21.019		1,069,468	-	414,734
Passed-through the NC Department of Transportation: Vaccine Transportation Operating Project	21.019 21.019		3,127 330,431	- -	- -
Passed through the NC Department of Health and Human Resources: Infection Prevention Support CARES activities ELC Enhancing Detection Activities Crisis Response Vaccination Program	21.019 21.019 21.019 21.019 21.019 21.019		72,419 25,914 237,303 13,500 171,281	- - - - -	- - - - -
Total U.S. Department of the Treasury			<u>1,923,443</u>	<u>-</u>	<u>414,734</u>
U.S. Department of Health and Human Services:					
<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		121,797	239,537	361,334
Special Programs for the Aging-Title III C Nutrition Services	93.045		53,956	2,947	56,903
Family Caregiver Support	93.052		3,628	242	3,870
Nutrition Services Incentive Program	93.053		937	-	937
Total Aging Cluster			<u>180,318</u>	<u>242,726</u>	<u>423,044</u>
Passed-Through the N.C. Department of Health and Human Services Division of Social Services:					
<u>Foster Care and Adoption Cluster: (Note 4)</u>					
Foster Care - Title IV-E Administration	93.658		252,916	18,133	-
COVID-19 - Foster Care - Title IV-E Supplemental Funding	93.658		36,800	-	-
Adoption Assistance Administration	93.659		5,208	-	-
Foster Care - Title IV-E	93.658		286,842	63,833	-
Total Foster Care and Adoption Cluster (Note 4)			<u>581,765</u>	<u>81,966</u>	<u>-</u>
<u>Temporary Assistance for Needy Families Cluster:</u>					
TANF-Work First					
Total Temporary Assistance for Needy Families (TANF)	93.558		276,632	-	-
Child Support Enforcement	93.563		439,748	-	-
Low-Income Home Energy Assistance:					
Crisis Intervention Program	93.568		193,795	-	-
Administration	93.568		29,701	-	-

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

Grantor/Pass-Through Grantor / Program Title	Federal AL#/ CFDA No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
COVID-19 - LIHEAP	93.568		108,462	-	-
Energy Assistance Program-Direct Benefit Payments	93.568		220,528	-	-
Total Low-Income Home Energy Assistance			552,486	-	-
Stephanie Tubbs Jones Child Welfare Services Program					
Permanency Planning-Families for Kids	93.645		9,967	-	-
Social Service Block Grant (SSGB)					
Adult Day Care (Division of Adult and Aging Services)	93.667		-	9,468	-
In-Home Services	93.667		8,229	-	-
Adult Protective Services	93.667		38,669	-	-
COVID-19 - Adult Protective Services	93.667		5,344	-	-
Child Protective Services - TANF to SSBG	93.667		73,794	-	-
COVID-19 - Child Protective Services	93.667		22,540	-	-
Social Services Block Grant Administration	93.667		286,488	-	-
Total Social Service Block Grant (SSGB)			435,063	9,468	-
Chafee Foster Care Independence Program	93.674		14,296	3,087	-
Family Preservation	93.556		27,247	-	-
Total Division of Social Services			2,337,205	94,522	-
Passed-through the N.C. Dept. of Health and Human Services:					
Division of Child Development and Early Education:					
Subsidized Child Care					
<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			80,000	-	-
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Division of Social Services</u>					
Administration:					
Children's Health Insurance Program - N.C. Health Choice	93.767		44,017	484	-
Passed-through the N.C. Dept. of Health and Human Services:					
<u>Division of Social Services</u>					
Medicaid Cluster					
Administration					
Medical Assistance Program	93.778		1,650,676	4,461	-
<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		31,510	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		29	-	-
Preventive Health and Health Services Block Grant funded solely with					
Prevention and Public Health Funds (PPHF)	93.758		30,607	3,747	-
Cooperative Agreements for Emergency Response	93.354		13,500	-	-
PPHF Capacity Building Assistance to Strengthen Public Health Immunization					
Infrastructure and Performance financed in part by Prevention and					
Public Health Funds	93.268		10,466	-	-
Total Centers for Disease Control and Prevention			86,112	3,747	-
<u>Health Resources and Service Administration:</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Division of Public Health:					
Maternal and Child Health Services Block Grant	93.994		1,322	10,433	-
<u>Office of Population Affairs:</u>					
Passed-Through the N.C. Department of Health and Human Services:					
Family Planning Services	93.217		38,375	-	-
Total U.S. Department of Health and Human Services			4,418,026	356,373	423,044
U.S. Department of Justice:					
<u>Criminal Division</u>					
Equitable Sharing Program	16.922		55,383	-	-
Total U.S. Department of Justice			55,383	-	-
U.S. Office of Library Services:					
Institute of Museum and Library Services					
Library Services and Technology Act (LSTA) Program COVID-19	45.310		2,000	-	-
Library Services and Technology Act (LSTA) Program	45.311		39,786	-	-
Total U.S. Office of Library Services			41,786	-	-
Total Federal Awards			7,882,093	365,417	837,778

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

Grantor/Pass-Through Grantor / Program Title	Federal AL#/ CFDA No.	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients
State Awards:					
N.C. Department of Cultural and Natural Resources:					
Division of State Library					
State Aid to Public Libraries			-	93,733	-
N.C. Department of Public Instruction					
Public School Building Capital Fund			-	188,975	-
N.C. Department of Health and Human Services:					
<u>Division of Social Services:</u>					
SFHF Maximization - Direct			-	165,767	-
Foster Care at Risk - Direct			-	2,417	-
State Foster Care Benefits Program - Direct			-	84,764	-
CWS - Direct Benefits Payments			-	88,024	-
Energy Program			-	16,455	-
Incent/Program Integrity			-	-	-
CPS Expansion			-	100,778	-
Total Division of Social Services			-	458,204	-
Division of Public Health:					
General Aid to Counties			-	85,814	-
General Communicable Disease Control			-	4,398	-
Tuberculosis			-	6,119	-
Breast Cancer and Cervical Cancer Control			-	-	-
TB Medical Services			-	299	-
School Nurse Funding Initiative			-	150,000	-
Food and Lodging Fees			-	6,091	-
Child Health			-	15,994	-
Healthy Communities Activities			-	34,354	-
Maternal Health (HMHC)			-	882	-
HMHC - Family Planning			-	15,601	-
WHSF			-	7,043	-
HIV/STD State			-	400	-
HIV/STD SSBG Aid			-	100	-
Total Division of Public Health			-	327,095	-
Total N.C. Department of Health and Human Resources			-	785,300	-
N.C. Department of Public Safety					
Governor's Crime Commission					
JCPC Funds			-	152,855	138,847
N.C. Department of Transportation:					
State Aid to Airports			-	37,757	-
Total N.C. Department of Transportation			-	37,757	-
N.C. Department of Environmental Quality:					
<u>Division of Soil and Water Conservation:</u>					
Soil and Water Distribution Grant			-	29,314	-
Total N.C. Department of Environmental Quality			-	29,314	-
N.C. Department of Information Technology:					
Emergency Telephone System Fund			-	14,018	-
Total N.C. Department of Information Technology			-	14,018	-
Total State Awards			-	1,301,951	138,847
Total Federal and State Awards			\$ 7,882,093	\$ 1,667,368	\$ 976,625

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

<u>Grantor/Pass-Through Grantor / Program Title</u>	<u>Federal AL#/ CFDA No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Federal (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Passed-through to Subrecipients</u>
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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 the Person County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. 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.

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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