

Annual Comprehensive Financial Report

For the Year Ended

June 30, 2022



Prepared by the
Person County Finance Department

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 21, 2022

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, 2022.

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, 2022, 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, 2022, 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.

At the conclusion of FY 2022, Person County, NC, unemployment numbers have mostly recovered to pre-pandemic levels. Average annual wages for Person County rose from \$42,446 in 2021 to \$44,066 in 2022. Person County is experiencing growth similar to what is being seen in other "halo" counties of the Triangle Region, and numerous residential developments are in various phases of development throughout the City and County.

FY 2022 Economic Development efforts in Person County focused on the following:

- Product development – The Person County Economic Development Department and Economic Development Commission continued to perform due diligence studies on the Person County Mega Park and responded to a record number of requests for information about the site. An application was submitted for a grant to clear and grade the North Park site and funding was awarded through the Golden LEAF SITE Program for a project to be completed in FY23.
- Marketing, Recruitment, and Business Development – Travel and events resumed and Economic Development staff participated in marketing trips with both the Research Triangle Regional Partnership and the Economic Development Partnership of North Carolina. Expansion support continues to be provided for POLYWOOD, LLC.
- Existing Industry and Small Business Support – Existing industry visits slowly resumed with a visit made to Spuntech Industries.
- Workforce Development – The Economic Development Director served on the Person County Schools CTE Advisory Board. Person County Economic Development hosted workforce resource events and a job fair through the Chamber of Commerce and NCWorks.
- Administrative –An Assistant Director was hired in September of 2021 and began courses for the NCEDA Economic Developer certification. The Senior Administrative Support Specialist was promoted to Economic Development Specialist.

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. Economic Development 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 2022, the Person County Capital Improvement Plan ("CIP") for the years 2023-2027 was presented and approved in April 2022, 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.

Person County's total debt increased by \$2,234,748 (24.11%) during the past fiscal year, due to the implementation of GASB 87 which reflects lease liability payments that were offset by repayment of debt and lease obligations. There were no new debt financings for FY2022. In February 2022, representatives from DEC Associates, the County's financial consulting firm, presented an update to the Person County Board of Commissioners at their Budget Retreat on the latest status of Person County Schools' request for \$38M in funding to provide major improvements at various schools, and the impacts of this request to the County's debt model. The first \$10M would be issued in 2023 to address internal and external improvements at Person High School. Further planning will determine what schools will be addressed in the next three tranches to occur in two-year increments, with the last tranche of \$8M to occur in 2029. In October 2022, the Board of Commissioners and Board of Education met to discuss the school system's increased funding request based on deferred maintenance, safety, and accessibility needs and projected growth associated with new development. The proposal increases the school system's request to a total of \$75.2M through 2028. An estimated cash flow schedule has been provided to the county's debt consultants for further analysis. More discussion and analysis around the debt model and the Schools' schedule for receiving construction bids is anticipated to take place at mid-year. At that time, current economic conditions and the interest rate environment will also be factors to consider in the determination of the best financing options for this debt borrowing. More information will be shared with the Board of Commissioners as this initiative develops.

Relevant Financial Policies

Financial Policies and Capital Investment Fund

As recommended by the debt consultants, an initial \$3,300,000 General Fund transfer provided funding capacity for the implementation of the new debt model in FY22. A recurring annual contribution of \$3,300,000 will be needed to sustain the debt model each year going forward. In February 2022, the Board of Commissioners approved Budget, Accounting and Fund Reserve Policies which provided updates of the current regulations that govern these processes, as well as guidance that will enable better management of excess fund balance reserves in order to help fund future capital and debt initiatives. This new policy established a new goal target for fund balance reserves at twenty-five percent (25%) of yearly General Fund expenditures. It was concluded that this level would provide operational funding to help address emergency situations which may occur as a result of a significant financial downturn or natural disaster. For any excess unassigned fund balance recognized over the targeted goal of 25%, this policy directs that a transfer be processed to move these funds from the General Fund to the Capital Investment Fund for support of future capital projects or debt service. In FY 2022, this resulted in a transfer of \$6,382,681 from the General Fund unassigned fund balance reserves to the Capital Investment Fund.

Major Initiatives

American Rescue Plan Funding

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 in the amount of \$7.7 million. The County elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services. In June 2022, the Board of Commissioners appropriated the full amount of ARP/CSLRF funding for salaries and benefits associated with Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services for the period of July 1, 2022 through June 30, 2023. The Board designated \$2.75 million in supplanted ARP/CSLFRF funds for broadband infrastructure expansion and \$82,110 for installing wheelchair and cargo lifts in the Kirby Cultural Arts Center, leaving a remaining uncommitted balance of \$4.8 million.

Broadband Expansion

With the installation of a public wi-fi hotspot in Uptown Roxboro, serving the area around the Person County Courthouse and Merritt Commons, the County completed the Person County Advanced Network (PCAN) project in partnership with RiverStreet Networks. The County conducted a Broadband Infrastructure Inventory Study and partnered with three private providers on GREAT Grant applications with the potential to reach up to 5,433 unserved premises.

Raleigh Regional Airport at Person County

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 6-24 Connector Taxiways & Apron Rehabilitation Project, a Corporate Hangar Project,

and a Runway Extension Project. The Runway 6 Obstruction Removal project involved the removal of trees around the airport that penetrated the approach/missed surfaces and has recently been completed. The Runway, Taxiway, and Apron Rehabilitation Project involves the overlay of about 2 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 September 2022. Currently, we are in the final ‘punchlist’ phase of this project. 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 funding has since been moved out to 2029 due to NCDOT projections. However, Person County has been awarded \$12,000,000 in direct funding from the State which is being directed towards this project, and the Environmental phase will be starting soon. Person County Airport is 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.

Stormwater IAIA Projects

The County allocated \$114,000 in stormwater funds in the first year of the UNRBA’s Interim Alternative Implementation Approach (IAIA) program in order to meet Stage 1 compliance with the Falls Lake Watershed requirements.

Community Projects Fund

A new Community Projects Fund was established within the General Fund to manage the annual contribution of \$100,000 from Republic Services. These funds will be used for community development projects that will benefit the County and highlight the partnership between the County and Republic. The balance will be rolled over to fund projects planned for FY23.

Opioid Settlement Funds

Person County received its first opioid settlement payment of \$99,720. Over the life of the settlement (18 years), Person County will receive approximately \$2,595,543. These funds must be used to tackle the opioid epidemic. A planning process for the expenditure of opioid settlement funds will be implemented in FY23.

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, 2020. This was the thirty-third consecutive year that the government has achieved this prestigious award. The audit report for fiscal year ended June 30, 2021 was submitted to the GFOA for consideration of this award, and is currently 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 Tracy Clayton who assisted with providing auditors much of the statistical data. I also thank the County Manager, administrative staff 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 Thompson, Price, Scott, Adams & Co., P.A. 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**

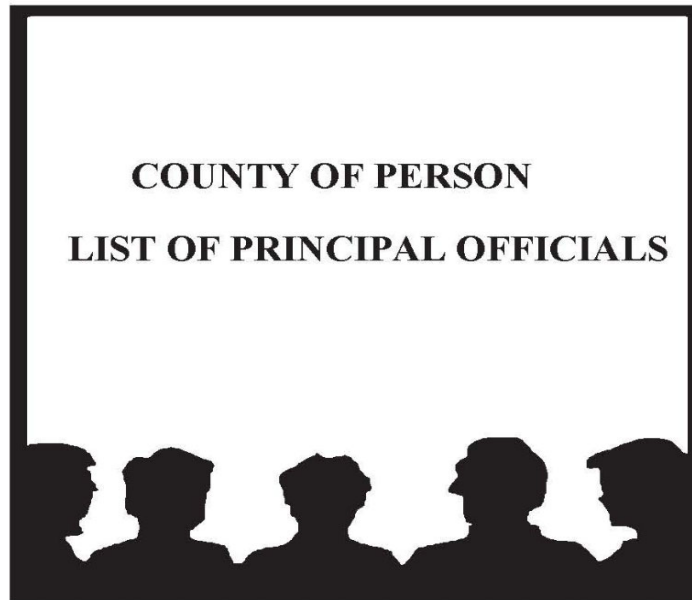
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Person County, North Carolina



Board of County Commissioners

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

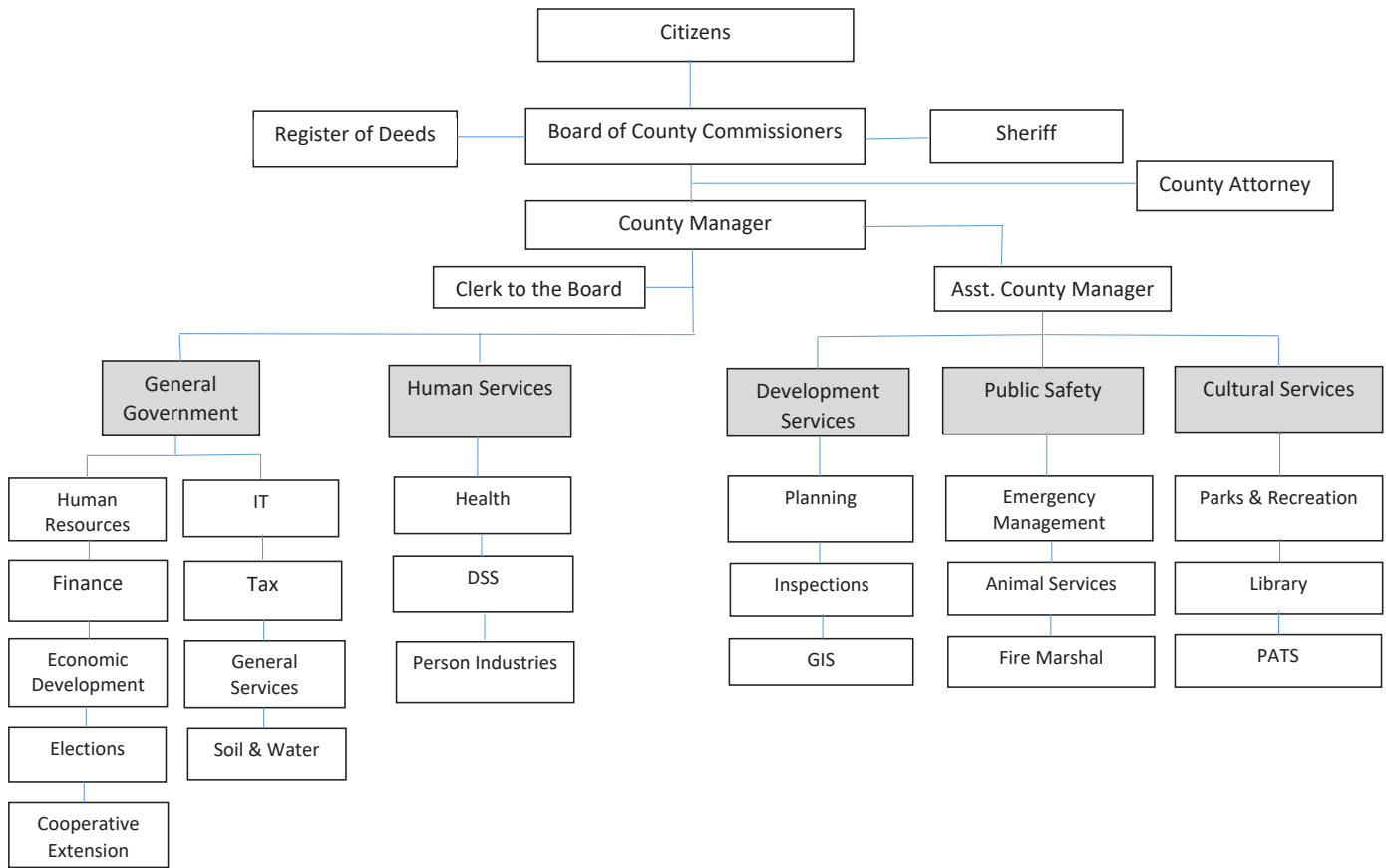
County Manager

Katherine Cathey

Finance Director

Amy Wehrenberg

PERSON COUNTY GOVERNMENT



FINANCIAL SECTION

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co, P.A.

**P.O Box 398
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Telephone (910) 642-2109
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R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Person County
Roxboro, North Carolina

Report on the Financial Statements

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise Person County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Person County, North Carolina as of June 30, 2022, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Capital Investment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Person County ABC Board, which represents 83.96 percent, 79.64 percent, and 91.75 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. as of June 30, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Person County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

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

Members
American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

Responsibilities of Management for the Audit of the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; 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.

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 68 and 69, and the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 70 and 71, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 72 and 73, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 74, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 21, 2022 on our consideration of Person County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Person County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2022

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

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, 2022. 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 \$77,883,485 (net position).
- The government's total net position increased by \$7,388,769, primarily due to the increase in property tax revenues, sales tax collections, and the recognition of occupancy tax revenue as a result of the implementation of GASB 84. 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 balance of \$50,143,008, after a net increase in fund balance of \$7,588,392. Approximately 41% of this total amount, or \$20,327,212 is restricted or non-spendable. The County also recorded a prior period adjustment that increased fund balance by \$910,589 in the General Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$21,108,169, which represents 31.35% of total general fund expenditures and outgoing transfer less the lease liabilities issued for the fiscal year.
- Person County's total debt increased by \$2,234,748 (3% of total governmental expenditures) during the current fiscal year. This increase is a result of the implementation of GASB 87 offset by a reduction in debt 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

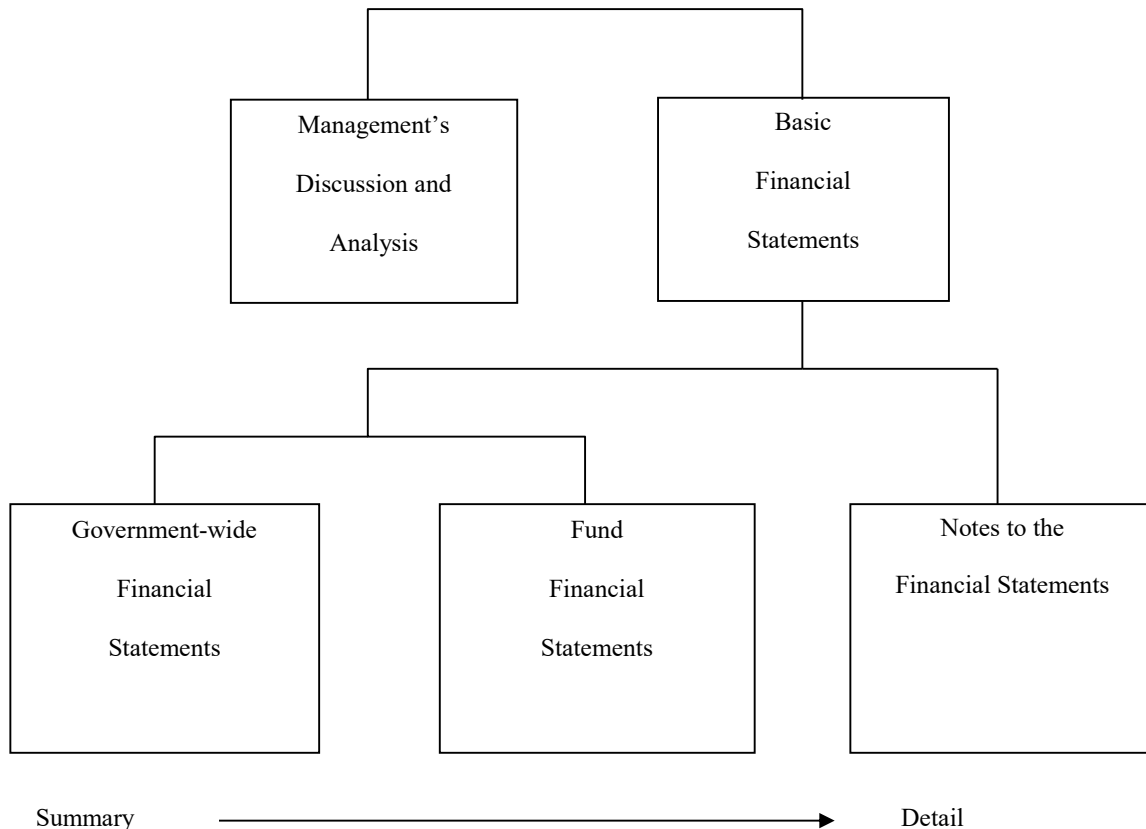
This discussion and analysis are intended to serve as an introduction to Person County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see 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, 2022

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

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

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

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2022

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

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

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

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 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 29 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 68 of this report.

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

For the Year Ended June 30, 2022

Government-Wide Financial Analysis

PERSON COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 79,103,306	\$ 49,364,380	\$ 747,848	\$ 673,658	\$ 79,851,154	\$ 50,038,038
Capital assets	48,821,774	47,593,182	-	-	48,821,774	47,593,182
Total assets	127,925,080	96,957,562	747,848	673,658	128,672,928	97,631,220
Total deferred outflows of resources	10,109,259	11,205,794	-	-	10,109,259	11,205,794
Long-term liabilities outstanding	28,529,431	31,541,152	-	-	28,529,431	31,541,152
Other liabilities	25,996,210	7,015,569	2,152	376	25,998,362	7,015,945
Total liabilities	54,525,641	38,556,721	2,152	376	54,527,793	38,557,097
Total deferred inflows of resources	6,370,909	695,790	-	-	6,370,909	695,790
Net position:						
Net investment in capital assets	41,858,897	38,679,199	-	-	41,858,897	38,679,199
Restricted	20,085,679	13,813,793	-	-	20,085,679	13,813,793
Unrestricted	15,193,213	16,417,853	745,696	673,282	15,938,909	17,091,135
Total net position	\$ 77,137,789	\$ 68,910,845	\$ 745,696	\$ 673,282	\$ 77,883,485	\$ 69,584,127

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 \$77,883,485 as of June 30, 2022. The County's net position increased by \$7,388,769 for the fiscal year ended June 30, 2022. Net position of \$41,858,897 (53.75%) 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 \$20,085,679 (25.79%) at June 30, 2022. The remaining balance of \$15,938,909 (20.47%) 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. Due to a large bankruptcy, the tax collection percentage decreased from the previous year from 99.34% to 98.63%. However, the bankruptcy was paid in full in July 2022. The overall tax collections for current year's taxes significantly increased by \$3,709,028 due to the impacts from the County's 2021 reappraisal and a higher than expected valuation of state appraised properties.
- 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.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Person County, North Carolina
Management's Discussion and Analysis

For the Year Ended June 30, 2022

PERSON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 11,394,232	\$ 6,686,429	\$ 281,503	\$ 280,429	\$ 11,675,735	\$ 6,966,858
Operating grants and contributions	12,711,232	11,133,894	-	-	12,711,232	11,133,894
Capital grants and contributions	1,054,585	329,663	-	-	1,054,585	329,663
General revenues:						
Property taxes	39,677,327	35,587,594	-	-	39,677,327	35,587,594
Local option sales taxes	11,862,245	10,507,215	-	-	11,862,245	10,507,215
Other taxes	1,063,057	247,726	-	-	1,063,057	247,726
Investment earnings, unrestr	104,421	116,113	2,371	2,554	106,792	118,667
Other	1,223,128	1,564,941	-	-	1,223,128	1,564,941
Total revenues	79,090,227	66,173,575	283,874	282,983	79,374,101	66,456,558
Expenses:						
General government	16,574,401	12,935,151	-	-	16,574,401	12,935,151
Public safety	18,312,055	17,240,103	-	-	18,312,055	17,240,103
Transportation	1,327,587	1,212,218	-	-	1,327,587	1,212,218
Human services	16,825,196	16,788,184	-	-	16,825,196	16,788,184
Environmental Protection	810,927	788,995	-	-	810,927	788,995
Economic and physical development	2,152,488	1,598,740	-	-	2,152,488	1,598,740
Cultural and recreation	2,177,838	2,109,894	-	-	2,177,838	2,109,894
Education	13,364,453	12,715,831	-	-	13,364,453	12,715,831
Interest on long-term debt	228,927	248,213	-	-	228,927	248,213
Stormwater	-	-	211,460	174,143	211,460	174,143
Total expenses	71,773,872	65,637,329	211,460	174,143	71,985,332	65,811,472
Increase in net position before transfers and special items	7,316,355	536,246	72,414	108,840	7,388,769	645,086
Transfers and special items	-	-	-	-	-	-
Increase in net position after transfers and special items	7,316,355	536,246	72,414	108,840	7,388,769	645,086
Net position, beginning	68,910,845	68,228,193	673,282	528,061	69,584,127	68,756,254
Net position, beginning, restated	69,821,434	68,374,599	673,282	564,442	70,494,716	68,939,041
Net position, ending	\$ 77,137,789	\$ 68,910,845	\$ 745,696	\$ 673,282	\$ 77,883,485	\$ 69,584,127

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

Governmental activities. Governmental activities resulted in an increase of the County's net position by \$7,316,355. Key elements of this increase are as follows:

- Increase in charges for services by \$4.7M compared to the prior year, particularly in the General Government and Public Safety departments.
- Operating grants and contributions increase by \$1.35M, primarily due to higher amounts reported in Human Services and Public Safety departments.
- Significant increase in property taxes by \$4.1M resulting from the 2021 revaluation and higher state appraised properties.
- Sales tax revenues reflect growth showing an increase of \$360,737 over the prior fiscal year.
- Reduction in interest expense on long-term debt.

Business-type activities. Business-type activities increased Person County's net position by \$72,414 in the Stormwater Fund. Key elements of this increase are as follows:

- Minimal increase of stormwater revenue collection over previous year.
- Decrease in professional service expense 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 \$21,108,169, available fund balance was \$24,811,857, while total fund balance reached \$33,991,489. The Governing Body of Person County has determined that the County should maintain an unassigned 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 31.35% of general fund expenditures and outgoing transfers less lease liabilities issued, while available fund balance represents 36.85% and total fund balance represents 50.49% of that same amount.

The Capital Investment Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$7,912,752 at June 30, 2022, an increase of \$6,680,762 over the last year. The increase in fund balance is attributed primarily to transferring funds from the general fund for future projects.

The ARPA Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$8,203 at June 30, 2022. This special revenue fund accounts for revenue and expenditures associated with the American Rescue Plan Act of 2021. The County elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLRF funds for the provision of government services. The Board of Commissioners approved to allocate the full amount of ARP/CSLRF funding to salaries and benefits associated with Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services for the period of July 1, 2022 through June 30, 2023. As a result, the only revenues to be recognized in FY 2022 is interest earnings for \$8,174.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

The Airport Capital Projects Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$1,517,647 at June 30, 2022, a decrease of \$2,762,334 over the last year. The decrease is attributed to the construction cost of an executive hangar that was not eligible for grant-reimbursement from the NCDOT. Only the associated planning and engineering costs were supplemented with grant proceeds. The reduction in intergovernmental revenues and increase in expenditures causes this large reduction in fund balance at June 30, 2022.

At June 30, 2022, the governmental funds of Person County reported a combined fund balance of \$50,143,008, an increase of \$7,588,392 (17.8%) from last year. The primary causes include an increase in property and sales tax revenues, as well as a large increase in intergovernmental revenues for various departments. Total governmental expenditures increased compared to the prior year by \$7.5M, mostly due to the increases reported in capital outlay for the Human Services departments and the construction expenditures associated with the new airport executive hangar. Although expenditures increased overall in total governmental funds, total revenues exceeded expenditures, causing a net surplus of \$3.75M for FY 2022.

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 \$12,580,219.

Ad valorem taxes exceeded budget by \$1,630,166 due to the 2021 revaluation and higher state appraised properties. Other impacts of this budget surplus include charges for services which were received over budget by \$971,431. This includes EMS Fees due to higher call volume, and medicaid funds for the Maternal Health and Family Planning Programs in the Health Department.

Appropriations within the General Fund covered actual expenditures by more than \$1.6M. Approximately \$1.4M of these remaining funds was reported in the Public Safety departments, primarily from unspent federal seizure and forfeiture funds in the Law Enforcement Restricted Fund as well as lapse salary expenditures in the Detention and EMS Departments from vacated positions that occurred during the year. Incomplete contractual commitments in the Detention Department and unspent grant funds in the Emergency Management Department also contribute to the higher balance of remaining funds in the Public Safety departments. Expenditures were in excess of appropriation by \$1,166,141 for Human Services as a result of the first year of implementation of GASB 87. In future years, any leases entered into will be budgeted in the year of inception. In addition, the Education function was overspent by \$138,406 as a result of the fines and forfeitures not being budgeted as a result of the implementation of GASB 84.

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 \$745,696. The total growth in net position was \$72,414. Other factors concerning the finances of this fund have already been addressed in the discussion of Person County's business-type activities.

Internal Service Fund. The Unrestricted net position reported in the Internal Service Fund for the County's Insurance Fund is \$836,067, an increase of \$754,258. This increase is primarily due to fund transfers from the General Fund to support high claims expenses that occurred during the year.

Capital Asset and Debt Administration

Capital Assets. Person County's capital assets for its governmental activities as of June 30, 2022, total \$48,821,774 (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:

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

For the Year Ended June 30, 2022

General Government

- Expansion of server equipment and building space addition for the Information Technology Department, roofing replacement for Animal Services, Board of Elections, and Grounds Maintenance buildings, and installation of a fire alarm system at Southern Middle School.

Public Safety

- Dog crate units for Animal Services, 9 vehicles, evidence storage system for the Sheriff's Department, and laptops for EMS.

Culture and Recreation

- Resurfacing tennis courts at Huck Sansbury, playground equipment replacement at Longhurst Park, new carpet installation at the Kirby Theatre, and 2 tractors for general park maintenance for the Recreation Department.

PERSON COUNTY'S CAPITAL ASSETS **(net of depreciation)**

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 4,187,547	\$ 4,187,547	\$ -	\$ -	\$ 4,187,547	\$ 4,187,547
Buildings	17,427,874	19,030,714	-	-	17,427,874	19,030,714
Improvements	11,278,367	11,294,931	-	-	11,278,367	11,294,931
Machinery and equipment	4,845,206	4,837,211	-	-	4,845,206	4,837,211
Infrastructure	3,211,395	3,554,733	-	-	3,211,395	3,554,733
Construction in Progress	7,871,385	4,688,046	-	-	7,871,385	4,688,046
Total	\$ 48,821,774	\$ 47,593,182	\$ -	\$ -	\$ 48,821,774	\$ 47,593,182

Additional information on the County's capital assets can be found in the notes to the financial statements.

Long-term Debt. As of June 30, 2022, Person County had total bonded debt outstanding of \$1,523,335 which is backed by the full faith and credit of the government. Other total outstanding debt is as follows:

PERSON COUNTY'S OUTSTANDING DEBT **Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Bonds Payable	\$ 1,523,335	\$ 1,675,668	\$ -	\$ -	\$ 1,523,335	\$ 1,675,668
Installment Purchases	6,173,813	7,591,867	-	-	6,173,813	7,591,867
Lease Liability	3,805,135	-	-	-	3,805,135	-
Total	\$ 11,502,283	\$ 9,267,535	\$ -	\$ -	\$ 11,502,283	\$ 9,267,535

Person County's total debt increased by \$2,234,748 (24.11%) during the past fiscal year, due to the implementation of GASB 87 which reflects lease liability payments that were offset by repayment of debt and lease obligations. There were no new debt financings for FY2022.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Person County is \$413,210,906.

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, 2022, was 4.1%, a decrease of 1.6% from last year's rate of 5.7%, but only 0.7% under the statewide average of 3.4%.
- 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 39,127 is slightly higher than previous year.

Impact of Coronavirus on the County

During the fiscal year, the state and the nation continue to be affected by the spread of a coronavirus, although the pace of the spread slows due to the availability of vaccines. Various departmental operations were less impacted in FY22 as a result. Emergency Management, EMS, and 911 Communications continue to experience high call volumes, but not to the extent that was evident in FY21. Although service demands in the Health and Social Services departments are still high, the levels are not as elevated as they were in FY21. The Health Department continues to offer vaccinations to the public, and encourages the booster shots as they become available. 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.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2022

Budget Highlights for Fiscal Year Ending June 30, 2023

Government Activities:

The Adopted Budget for Fiscal Year 2022-2023 is \$88,188,833 which includes all annually budgeted funds. The General Fund comprises \$70,943,444 which was an increase of \$4.5M, or 6.75% 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 \$1.2M. Fire tax revenues are estimated at \$2.2M, a significant increase of \$944,000 at the new rate of 5 cents. Sales tax was also projected to increase by almost \$820K, another major factor in the County's overall budget increase. Charge for Services revenues was third highest revenue source with an estimated increase of \$564K. Employer and employee health contributions comprise the largest portion of this increase by \$465K due to the significant hike in health insurance rates as well as a \$25/pay period increase (total \$50/mo.) from employees who remain on the PPO plan. Other increases included Medicaid revenues (+\$245K) and environmental fees (+\$21K) in the Health Department. State and Federal funding in the Department of Social Services are increasing by \$284K due to increased demands for public assistance. An appropriation of approximately \$2.17M in fund balance was adopted to sustain the county's operating funds, a significant increase compared to the prior year for \$966K.

The majority of governmental funds reported a projected increase in their budgeted expenditures. The 4% Cost of Living Adjustment for employees, an increase in the mandatory state retirement rates (+\$292K), addition of thirteen full-time positions (\$885K), a 15.6% health insurance rate hike for County employees (\$840K), eight new vehicles (\$225K), a total compensation and equity study (\$150K) administered by a consultant contract in the Human Resources Department, contingency funding for EMS salary adjustments (\$180K) and fuel needs across departments (\$100K), increase in Planning & Zoning for a new Unified Development Ordinance (\$100K) and Code Enforcement contractor (\$40K) to assist with the increase and backlog of reported code violations, additional funds for the Kirby Theater (\$82K) for ADA improvements, an increase in discretionary funds for current and future projects in the Economic Catalyst Fund (\$500K), an increase in the Volunteer Fire Departments' budget (\$944K) due to adding paid part-time staff, emergency reporting software, and ISO bonuses awarded in FY22, an increase in the Capital Investment Fund transfer for capital improvement projects to the CIP Fund (\$2.3M), and a contribution to the City of Roxboro in the Water and Sewer Reserve Fund for the Western Sewer Project (\$1M) are the primary causes for the increase in budgeted expenditures for FY 2022-2023.

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 \$25,394 for a total of \$389,394. The stormwater reserve/IAIA projects includes a budget of \$114,394, which will be utilized to satisfy 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
June 30, 2022

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Person County Tourism Development Authority	Person County ABC Board
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 34,279,562	\$ 733,590	\$35,013,152	\$ 450,038	\$ 739,643
Taxes receivable (net)	712,552	-	712,552	-	-
Other receivables (net)	7,945,624	14,258	7,959,882	40,188	-
Inventories	-	-	-	-	613,914
Prepaid items	126,606	-	126,606	-	75,546
Restricted cash and cash equivalents	32,200,035	-	32,200,035	-	-
Total current assets	75,264,379	747,848	76,012,227	490,226	1,429,103
Non-current Assets:					
Net pension asset- Register of Deeds	61,226	-	61,226	-	-
Capital assets:					
Land, improvements, and construction in progress	12,058,932	-	12,058,932	-	184,576
Other capital assets, net of depreciation	36,762,842	-	36,762,842	12,599	926,153
Total capital assets	48,821,774	-	48,821,774	12,599	1,110,729
Right to use lease asset, net of amortization	3,777,701	-	3,777,701	-	-
Total non-current assets	52,660,701	-	52,660,701	12,599	1,110,729
Total assets	127,925,080	747,848	128,672,928	502,825	2,539,832
DEFERRED OUTFLOWS OF RESOURCES	10,109,259	-	10,109,259	-	91,312
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued expenses	3,116,105	2,152	3,118,257	16,747	299,119
Accrued interest payable	71,363	-	71,363	-	212
Unearned revenues	19,776,976	-	19,776,976	-	-
Current portion of long-term liabilities	3,031,766	-	3,031,766	-	87,737
Total current liabilities	25,996,210	2,152	25,998,362	16,747	387,068
Long-term liabilities:					
Net pension liability - LGERS	3,701,027	-	3,701,027	-	30,058
Total pension liability- LEOSA	2,785,062	-	2,785,062	-	-
Total OPEB liability	12,280,647	-	12,280,647	-	-
Long-term liabilities due in more than one year	9,762,695	-	9,762,695	-	270,134
Total long-term liabilities	28,529,431	-	28,529,431	-	300,192
Total liabilities	54,525,641	2,152	54,527,793	16,747	687,260
DEFERRED INFLOWS OF RESOURCES	6,370,909	-	6,370,909	-	42,945
NET POSITION					
Net investment in capital assets	41,858,897	-	41,858,897	12,599	752,858
Restricted for:					
Public Safety	944,933	-	944,933	-	-
Environmental Protection	134,171	-	134,171	-	-
Register of deeds	65,118	-	65,118	-	-
Stabalization by State Statute	10,116,210	-	10,116,210	-	-
Capital projects	8,825,247	-	8,825,247	-	100,000
Working capital	-	-	-	-	165,241
Unrestricted (deficit)	15,193,213	745,696	15,938,909	473,479	882,840
Total net position	\$ 77,137,789	\$ 745,696	\$77,883,485	\$ 486,078	\$ 1,900,939

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

Person County, North Carolina
Statement of Activities
For the Year Ended June 30, 2022

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 16,574,401	\$ 4,781,307	\$ -	\$ -
Public safety	18,312,055	3,574,416	2,064,271	-
Transportation	1,327,587	277,427	402,312	946,951
Human services	16,825,196	1,129,338	9,846,574	-
Environmental protection	810,927	1,268,645	39,667	-
Economic and physical development	2,152,488	11,415	76,237	80,131
Cultural and recreation	2,177,838	351,684	122,765	-
Education	13,364,453	-	159,406	27,503
Interest on long-term debt	228,927	-	-	-
Total governmental activities	71,773,872	11,394,232	12,711,232	1,054,585
Business-type activities:				
Stormwater	211,460	281,503	-	-
Total primary government	\$ 71,985,332	\$ 11,675,735	\$ 12,711,232	\$ 1,054,585
Component Units:				
Person County Tourism Development Authority	\$ 239,382	\$ -	\$ -	\$ -
Person County ABC Board	4,015,945	4,296,273	-	-
Total component units	\$ 4,255,327	\$ 4,296,273	\$ -	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes

Unrestricted intergovernmental

Investment earnings, unrestricted

Miscellaneous, unrestricted:

Other miscellaneous

Total general revenues

Change in net position

Net position-beginning

Prior Period Adjustment

Net position-beginning, restated

Net position-ending

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Person County Tourism Development Authority	Person County ABC Board
\$ (11,793,094)	\$ -	\$ (11,793,094)	\$ -	\$ -
(12,673,368)	-	(12,673,368)	-	-
299,103	-	299,103	-	-
(5,849,284)	-	(5,849,284)	-	-
497,385	-	497,385	-	-
(1,984,705)	-	(1,984,705)	-	-
(1,703,389)	-	(1,703,389)	-	-
(13,177,544)	-	(13,177,544)	-	-
(228,927)	-	(228,927)	-	-
(46,613,823)	-	(46,613,823)	-	-
-	70,043	70,043	-	-
(46,613,823)	70,043	(46,543,780)	-	-
-	-	-	(239,382)	-
-	-	-	-	280,328
-	-	-	(239,382)	280,328
39,677,327	-	39,677,327	-	-
11,862,245	-	11,862,245	384,892	-
1,063,057	-	1,063,057	-	-
672,461	-	672,461	-	-
104,421	2,371	106,792	316	313
550,667	-	550,667	1,326	-
53,930,178	2,371	53,932,549	386,534	313
7,316,355	72,414	7,388,769	147,152	280,641
68,910,845	673,282	69,584,127	338,926	1,620,298
910,589	-	910,589	-	-
69,821,434	673,282	70,494,716	338,926	1,620,298
\$ 77,137,789	\$ 745,696	\$ 77,883,485	\$ 486,078	\$ 1,900,939

Person County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

	Major				Non-Major	
	General	Capital Investment Fund	ARPA Fund	Airport Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 25,858,232	\$ -	\$ -	\$ -	\$ 6,515,044	\$ 32,373,276
Cash and cash equivalents-Restricted	1,849,211	7,946,007	7,678,673	13,814,793	911,351	32,200,035
Ad valorem taxes receivables, net	657,749	-	-	-	-	657,749
Other Receivables, net	6,826,408	6,154	-	388,067	215,361	7,435,990
Lease Receivable	509,634	-	-	-	-	509,634
Due from other funds	479,244	-	-	-	-	479,244
Prepaid Expenses	126,606	-	-	-	-	126,606
Total assets	<u>\$ 36,307,084</u>	<u>\$7,952,161</u>	<u>\$7,678,673</u>	<u>\$ 14,202,860</u>	<u>\$ 7,641,756</u>	<u>\$ 73,782,534</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 936,265	\$ 39,409	\$ -	\$ 685,213	\$ 327,974	\$ 1,988,861
Miscellaneous liabilities	57,025	-	-	-	-	57,025
Due to other funds	-	-	-	-	479,244	479,244
Unearned revenues	6,786	-	7,670,470	12,000,000	99,720	19,776,976
Total liabilities	<u>1,000,076</u>	<u>39,409</u>	<u>7,670,470</u>	<u>12,685,213</u>	<u>906,938</u>	<u>22,302,106</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid Taxes	158,124	-	-	-	-	158,124
Property taxes receivable	657,749	-	-	-	-	657,749
Lease receivable	499,646	-	-	-	-	499,646
Notes receivable	-	-	-	-	21,901	21,901
Total deferred inflows of resources	<u>1,315,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,901</u>	<u>1,337,420</u>
Fund balances:						
Nonspendable:						
Prepays	126,606	-	-	-	-	126,606
Leases	9,988	-	-	-	-	9,988
Restricted:						
Stabalization by State Statute	9,043,038	283,078	-	388,067	402,027	10,116,210
Register of Deeds	65,118	-	-	-	-	65,118
Public Safety	346,238	-	-	-	598,695	944,933
Enviromental protection	-	-	-	-	134,171	134,171
Human Services	-	-	-	-	104,939	104,939
Capital Projects	-	7,629,674	8,203	1,129,580	57,790	8,825,247
Committed:						
Tax Reappraisal	741,869	-	-	-	-	741,869
Economic Development	-	-	-	-	1,577,186	1,577,186
Enviromental protection	-	-	-	-	748,482	748,482
Public Safety	-	-	-	-	193,316	193,316
LEOSSA Pension	382,403	-	-	-	-	382,403
Capital Projects	-	-	-	-	2,896,311	2,896,311
Assigned:						
Subsequent year's expenditures	2,168,060	-	-	-	-	2,168,060
Unassigned:	<u>21,108,169</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,108,169</u>
Total fund balances	<u>33,991,489</u>	<u>7,912,752</u>	<u>8,203</u>	<u>1,517,647</u>	<u>6,712,917</u>	<u>50,143,008</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 36,307,084</u>	<u>\$7,952,161</u>	<u>\$7,678,673</u>	<u>\$ 14,202,860</u>	<u>\$ 7,641,756</u>	<u>\$ 73,782,534</u>

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

Person County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2022

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

Total Fund Balance - Governmental Funds	\$ 50,143,008
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Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	48,821,774
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Right to use assets used in governmental activities are not financial resources and are therefore not reported in the funds (net of accumulated amortization).	3,777,701
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Accrued interest receivable less that amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	54,803
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Net pension asset - Register of Deeds	61,226
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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	836,067
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Deferred inflows of resources for taxes receivable	657,749
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Deferred inflows of resources for note receivable	21,901
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Pension related deferrals, net	909,259
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OPEB related deferrals, net	3,486,861
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Some liabilities, including bonds payable and OPEB benefits, are not due and payable in the current period and therefore are not reported in the funds:

Accrued interest payable	(71,363)
General Obligation Bonds	(1,523,335)
Installment Purchases	(6,173,813)
Lease Liability	(3,805,135)
Accrued post-closure care costs	(33,565)
Compensated Absences	(1,258,613)
Net pension liability- LGERS	(3,701,027)
Net pension liability- LEOSSA	(2,785,062)
Total OPEB liability	(12,280,647)

Net position of governmental activities	\$ 77,137,789
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Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2022

	Major			Non-Major		
	General Fund	Capital Investment Fund	ARPA Fund	Airport Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Ad valorem taxes	\$ 38,172,626	\$ -	\$ -	\$ -	\$ 1,240,587	\$ 39,413,213
Local options sales taxes	11,862,245	-	-	-	-	11,862,245
Other taxes and licenses	964,188	-	-	-	-	964,188
Fees	881,347	-	-	-	-	881,347
Intergovernmental	11,027,306	27,503	-	946,951	2,157,399	14,159,159
Investment earnings	55,105	13,410	8,174	16,256	9,430	102,375
Charges for services	5,267,561	-	-	-	600,750	5,868,311
Other	1,193,177	100	-	-	9,086	1,202,363
Total revenues	69,423,555	41,013	8,174	963,207	4,017,252	74,453,201
EXPENDITURES						
Current:						
General government	8,530,374	-	-	-	-	8,530,374
Public safety	14,554,279	-	-	-	1,651,109	16,205,388
Transportation	1,022,038	-	-	-	-	1,022,038
Human services	13,458,392	-	-	-	1,934,534	15,392,926
Environmental protection	148,494	-	-	-	578,770	727,264
Economic and physical development	1,104,336	-	-	2,044	954,494	2,060,874
Cultural and recreational	1,929,160	-	-	-	-	1,929,160
Intergovernmental						
Education	11,753,008	383,910	-	-	579,732	12,716,650
Capital outlay	5,954,487	-	-	3,923,497	439,356	10,317,340
Debt service:						
Principal	-	1,570,386	-	-	-	1,570,386
Interest and other charges	-	226,282	-	-	-	226,282
Total expenditures	58,454,568	2,180,578	-	3,925,541	6,137,995	70,698,682
Excess (deficiency) of revenues over expenditures	10,968,987	(2,139,565)	8,174	(2,962,334)	(2,120,743)	3,754,519
OTHER FINANCING SOURCES (USES)						
Lease liabilities issued	5,095,093	-	-	-	20,188	5,115,281
Transfers from other funds	-	11,285,533	-	200,000	3,663,129	15,148,662
Transfers to other funds	(13,969,356)	(2,465,206)	-	-	-	(16,434,562)
Sale of capital assets	4,492	-	-	-	-	4,492
Total other financing sources and uses	(8,869,771)	8,820,327	-	200,000	3,683,317	3,833,873
Net change in fund balance	2,099,216	6,680,762	8,174	(2,762,334)	1,562,574	7,588,392
Fund balances-beginning	30,981,684	1,231,990	29	4,279,981	5,150,343	41,644,027
Prior Period Adjustment (see Note VII)	910,589	-	-	-	-	910,589
Fund balances-ending	\$ 33,991,489	\$7,912,752	\$ 8,203	\$ 1,517,647	\$ 6,712,917	\$ 50,143,008

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 Balance
Governmental Funds
For the Year Ended June 30, 2022

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

Net changes in fund balances - total governmental funds \$ 7,588,392

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

Capital outlay expenditures which were capitalized	5,199,432	
Depreciation expense for governmental assets	(3,940,794)	
Basis of assets disposed	(30,046)	1,228,592

Right to Use Assets - leased assets	5,115,281	
Amortization expense for leased assets	(1,337,580)	3,777,701

New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position. (5,115,281)

Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements. 2,880,532

Postclosure costs are reported as an expense on the fund statements but are reflected as a reduction in the liability on the government-wide statements. 18,139

Contributions to the pension plan in the current year are not included on the Statement of Activities. 2,050,663

Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position. 56,911

Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position. 274,000

Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.

Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(2,646)	
Compensated absences	11,440	
OPEB expense	(4,578,610)	
Pension expense	(1,886,827)	

Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.

Increase in deferred inflows of resources - taxes receivable	209,311	
Increase in accrued taxes receivable at end of year	54,803	

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. 754,258

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.

(5,023)

Total changes in net position of governmental activities \$ 7,316,355

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
For the Year Ended June 30, 2022

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 36,207,460	\$ 36,542,460	\$ 38,172,626	\$ 1,630,166
Local option sales taxes	10,384,900	11,607,700	11,862,245	254,545
Other taxes and licenses	195,300	195,300	964,188	768,888
Fees	683,358	683,358	881,347	197,989
Intergovernmental	8,227,504	10,644,603	11,027,306	382,703
Investment earnings	-	8,000	55,105	47,105
Charges for services	4,195,510	4,296,130	5,267,561	971,431
Other	762,593	993,550	1,193,177	199,627
Total revenues	<u>60,656,625</u>	<u>64,971,101</u>	<u>69,423,555</u>	<u>4,452,454</u>
Expenditures				
Current:				
General government	8,227,274	9,223,939	9,072,253	151,686
Public safety	15,230,185	16,480,017	15,058,120	1,421,897
Transportation	1,188,492	1,378,361	1,043,933	334,428
Human services	14,473,891	16,823,832	17,989,973	(1,166,141)
Environmental protection	182,263	225,279	148,494	76,785
Economic and physical development	1,258,582	1,456,592	1,104,336	352,256
Cultural and recreation	2,049,960	2,279,158	2,054,861	224,297
Contingency	874,068	323,194	-	323,194
Intergovernmental				
Education	11,793,242	11,795,242	11,933,648	(138,406)
Total expenditures	<u>55,277,957</u>	<u>59,985,614</u>	<u>58,405,618</u>	<u>1,579,996</u>
Revenues over (under) expenditures	<u>5,378,668</u>	<u>4,985,487</u>	<u>11,017,937</u>	<u>6,032,450</u>
Other financing sources (uses):				
Lease liabilities issued	-	-	5,095,093	5,095,093
Transfer to other funds	(6,344,174)	(14,216,736)	(14,122,656)	94,080
Sale of capital assets	-	-	4,492	4,492
Total other financing sources (uses)	<u>(6,344,174)</u>	<u>(14,216,736)</u>	<u>(9,023,071)</u>	<u>5,193,665</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(965,506)</u>	<u>(9,231,249)</u>	<u>1,994,866</u>	<u>11,226,115</u>
Appropriated Fund Balance	<u>965,506</u>	<u>9,231,249</u>	<u>-</u>	<u>(9,231,249)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,994,866</u>	<u>\$ 1,994,866</u>
Fund Balances- beginning			31,063,199	
Prior Period Adjustment (see Note VII)			910,589	
Fund Balances- ending			<u>\$ 33,968,654</u>	
Legally budgeted Tax Reappraisal expenditures have been consolidated into the General Fund for reporting purposes:				
Expenditures			(48,950)	
Transfer from General Fund			153,300	
Consolidated change in fund balance			<u>2,099,216</u>	
Fund Balances- beginning			30,981,684	
Prior Period Adjustment (see Note VII)			910,589	
Fund Balances- ending			<u>\$ 33,991,489</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 - Capital Investment Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Lottery Proceeds	\$ 100,000	\$ 1,200,500	\$ 27,503	\$ (1,172,997)
Investment earnings	-	1,200	13,410	12,210
Miscellaneous revenue	-	-	100	100
Total revenues	<u>100,000</u>	<u>1,201,700</u>	<u>41,013</u>	<u>(1,160,687)</u>
Expenditures:				
Schools	786,250	1,886,750	381,470	1,505,280
Miscellaneous	-	1,200	2,440	(1,240)
Reserve for future projects	-	6,382,681	-	6,382,681
Debt Service				
Principal retirement	1,570,387	1,570,387	1,570,386	1
Interest and fees	241,489	428,389	226,282	202,107
Total debt service	<u>1,811,876</u>	<u>1,998,776</u>	<u>1,796,668</u>	<u>202,108</u>
Total expenditures	<u>2,598,126</u>	<u>10,269,407</u>	<u>2,180,578</u>	<u>8,088,829</u>
Excess (deficiency) of revenues over expenditures	<u>(2,498,126)</u>	<u>(9,067,707)</u>	<u>(2,139,565)</u>	<u>6,928,142</u>
Other Financing Sources (Uses)				
Transfers In	4,963,332	11,532,913	11,285,533	(247,380)
Transfers Out	<u>(2,465,206)</u>	<u>(2,465,206)</u>	<u>(2,465,206)</u>	-
Total other financing sources (uses)	<u>2,498,126</u>	<u>9,067,707</u>	<u>8,820,327</u>	<u>(247,380)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>-</u>	<u>-</u>	<u>6,680,762</u>	<u>6,680,762</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>6,680,762</u>	<u>\$ 6,680,762</u>
Fund balance, beginning			<u>1,231,990</u>	
Fund balance, ending			<u>\$ 7,912,752</u>	

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

Person County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2022

	Non-Major Enterprise Fund	Internal Service Fund
	Storm Water Fund	Insurance Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 733,590	\$ 1,906,286
Accounts receivable (net)	14,258	-
Total current assets	<u>747,848</u>	<u>1,906,286</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	2,152	1,070,219
Total current liabilities	<u>2,152</u>	<u>1,070,219</u>
Total liabilities	<u>2,152</u>	<u>1,070,219</u>
NET POSITION		
Unrestricted	745,696	836,067
Total net position	<u><u>\$ 745,696</u></u>	<u><u>\$ 836,067</u></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
For the Year Ended June 30, 2022

	Non-Major Enterprise Fund	Internal Service Fund
	Storm Water Fund	Insurance Funds
OPERATING REVENUES		
Charges for services	\$ 281,503	\$ 4,027,602
Miscellaneous income	-	343,794
Total operating revenues	<u>281,503</u>	<u>4,371,396</u>
OPERATING EXPENSES		
Professional and contract services	32,504	-
Dues and subscriptions	87,716	-
Stormwater administration	80,000	-
Project expenses	11,240	-
Health insurance administration	-	4,905,085
Total operating expenses	<u>211,460</u>	<u>4,905,085</u>
Operating income	<u>70,043</u>	<u>(533,689)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest earnings	<u>2,371</u>	<u>2,047</u>
Total nonoperating revenue (expenses)	<u>2,371</u>	<u>2,047</u>
Income (loss) before transfers	<u>72,414</u>	<u>(531,642)</u>
Transfers from (to) other funds	<u>-</u>	<u>1,285,900</u>
Change in net position	<u>72,414</u>	<u>754,258</u>
Total net position, beginning	<u>673,282</u>	<u>81,809</u>
Total net position, ending	<u><u>\$ 745,696</u></u>	<u><u>\$ 836,067</u></u>

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

Person County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2022

	Non-Major Enterprise Fund Storm Water Fund	Internal Service Fund Insurance Funds
Cash flows from operating activities:		
Cash received from customers	\$ 282,023	\$ 4,379,317
Cash paid for goods and services	(209,684)	(5,091,090)
Net cash provided (used) by operating activities	72,339	(711,773)
Cash flows from noncapital financing:		
Transfers in	-	1,285,900
Net cash provided (used) by noncapital financing activities	-	1,285,900
Cash flows from investing activities:		
Interest on investments	2,371	2,047
Net increase (decrease) in cash and cash equivalents	74,710	576,174
Cash and cash equivalents		
Beginning of year, July 1	658,880	1,279,148
End of year, June 30	\$ 733,590	\$ 1,855,322
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 70,043	\$ (533,689)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	520	7,921
Account payable and accrued liabilities	1,776	(186,005)
Total adjustments	2,296	(178,084)
Net cash provided by (used for) operating activities	\$ 72,339	\$ (711,773)

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

Person County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 108,120
Taxes receivables, net	122,497
Total assets	<u>230,617</u>
Liabilities	
Accounts payable and accrued liabilities	1,465
Due to other governments	56,565
Total liabilities	<u>58,030</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	172,587
Total net position	<u>\$ 172,587</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
For the Year Ended June 30, 2022

	Custodial Funds
Additions	
Ad valorem taxes for other governments	\$ 252,636
Collections on behalf of inmates	213,696
Collections on behalf of 4H	9,297
Total additions	<u>475,629</u>
Deductions	
Tax distributions to other governments	269,876
Payments on behalf of inmates	227,408
Payments to 4H	9,750
Total deductions	<u>507,034</u>
Net increase (decrease) in fiduciary net position	(31,405)
Net position - beginnning	<u>203,992</u>
Net position - ending	<u><u>\$ 172,587</u></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, 2022

NOTE 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).

<u>Component Unit</u>	<u>Reporting Method</u>	<u>Criteria for Inclusion</u>	<u>Separate Financial Statements</u>
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.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

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

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.

Capital Investment Fund: - This special revenue fund accounts for revenues and expenditures associated with debt service, regular capital for Person County Schools and Piedmont Community College, and the general fund transfer supporting capital improvement projects that are reported in the CIP Capital Project Fund.

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.

Airport Capital Projects Fund: - This capital projects fund accounts for revenues and expenditures relative to the construction projects for the Raleigh Regional Airport at Person County.

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 thirteen 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 nine 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, Person Industries Community Rehabilitation Program and Material Recovery Facility Fund, Social Services Representative Fund, and Opioid Settlement Fund.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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 four Capital Project Funds within its non-major governmental fund types: Capital Improvement Projects Fund, CDBG 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 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.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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.

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.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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 LEOSA Pension Restricted Fund are classified as restricted assets because their use is restricted per North Carolina General Statute 153A-150.

Restricted cash at June 30, 2022 consisted of the following:

Person County Restricted Cash		
Governmental Activities		
General Fund	Tax Revaluation	\$ 741,869
General Fund	Information Technology	303,408
General Fund	Register of Deeds	66,451
General Fund	Law Enforcement	355,080
General Fund	LEOSA Pension	382,403
ARPA Fund	Unexpended Grant Proceeds	7,678,673
Opioid Settlement Funds	Unexpended Settlement Funds	99,720
Public Safety Tower and Broadband Fund	Unexpended Debt Proceeds	57,790
Fire Tax District Fund	Unspent Grant Proceeds	148,257
Airport Capital Projects Fund	Airport Construction	13,814,793
Emergency Telephone System Fund	Public Safety	605,584
Capital Investments Fund	Lottery Proceeds	7,946,007
Total restricted cash		<u><u>\$ 32,200,035</u></u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. These taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2021. Ad valorem tax revenues are reported in the County's General Fund.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

5. Lease Receivable

The County's lease receivable is measured at the present value of lease payments expected to be received during the lease term. There are also variable components under the lease agreement. A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

6. Allowance for Doubtful Accounts

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

7. 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.

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. 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.

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	5-20
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	30-50
Store Equipment	5-25
Office Furniture and Fixtures	5-25
Vehicles	5

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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.

9. Right to Use Assets

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

10. Deferred outflows/inflows of resources

In addition to assets, the statement of 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 assets that applies to future periods 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 (including 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 assets that applies to future periods and so will be recognized as revenue until then. The County has four items that meet the criterion for this category – prepaid taxes, notes receivable, leases, and other OPEB or pension related deferrals.

11. Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations 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.

12. 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, 2022 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, 2022**

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.

13. Opioid Settlement Funds

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

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

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

The County received \$99,720 as part of this settlement in Fiscal Year 2022. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities. Funds are restricted until expended. No funds have been expended as of June 30, 2022. The MOA offered the County two options of expending the funds. The County is still in the planning phase, and has yet to determine which option to implement to combat the opioid epidemic. It is anticipated that a committee will be formed in the coming year to discuss both options and offer recommendations to the Board.

14. Reimbursements for Pandemic-related Expenditures

In FY21, the American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for eligible state, local, territorial, and tribal governments. The County was allocated \$7,670,470 of fiscal recovery funds to be paid in two equal installments. The first installment of \$3,835,235 was received in June 2021. The second installment was received in June 2022 for the remaining half. County staff and the Board of Commissioners have elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all of its ARPA funds for the provision of government services.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

For ease in reporting, the Ordinance that the Board of Commissioners adopted on June 20, 2022 directed application of all project expenditures to salary and benefits for the Sheriff's Department, Emergency Communications, Emergency Medical Services (EMS), and the Parks and Recreation Department. It is anticipated that between the four departments, the entire ARPA allotment for Person County will be expended by end of FY23. This pledged funding from the American Rescue Plan will allow the County to continue its response to fighting the COVID-19 public health emergency, and will be a bridge to the local economic recovery and catalyst for transformational and equitable change. A committee will be established to present funding recommendations to the Board in FY23.

15. 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.

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

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

Restricted for Stabilization by State Statute - North Carolina G.S. 159-8 prohibits units of government from budgeting or spending a portion of their fund balance. This is one of several statutes enacted by the North Carolina State Legislature in the 1930's that were designed to improve and maintain the fiscal health of local government units. Restricted by State statute (RSS), is calculated at the end of each fiscal year for all annually budgeted funds. The calculation in G.S. 159-8(a) provides a formula for determining what portion of fund balance is available for appropriation. The amount of fund balance not available for appropriation is what is known as "restricted by State statute." *Appropriated fund balance in any fund shall not exceed the sum of cash and investments minus the sum of liabilities, encumbrances, and deferred revenues arising from cash receipts, as those figures stand at the close of the fiscal year next preceding the budget.* Per GASB guidance, RSS is considered a resource upon which a restriction is "imposed by law through constitutional provisions or enabling legislation." RSS is reduced by inventories and prepaids as they are classified as nonspendable. Outstanding Encumbrances are included within RSS. RSS is included as a component of Restricted Net position and Restricted fund balance on the face of the balance sheet.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

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 Raleigh Regional Airport of Person County 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 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.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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.

16. Defined Benefit Cost Sharing 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.

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

In the General Fund, expenditures were in excess of appropriation by \$1,166,141 for Human Services, which is the level that the County adopts their budget at. This over expenditure occurred as a result of the first year of implementation of GASB 87. In future years, any leases entered into will be budgeted in the year of inception. In addition, the Education function was overspent by \$138,406 as a result of the fines and forfeitures not being budgeted as a result of the implementation of GASB 84.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

NOTE III 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, 2022, the County's deposits had a carrying amount of \$1,802,094 and a bank balance of \$1,753,671. Of the bank balance, \$574,683 was covered by federal depository insurance and \$1,178,988 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2022, Person County had \$4,444 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2022, the Person County ABC Board's deposits had a carrying amount of \$735,493 and a bank balance of \$868,462. 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, 2022 the Person County ABC Board also had cash on hand in the amount of \$4,150.

At June 30, 2022, the PCTDA's deposits had a carrying amount of \$449,838 and a bank balance of \$469,838. Of the bank balance, \$250,000 was covered by federal depository insurance and \$219,838 was covered by collateral held under the pooling method. At June 30, 2022, the Authority maintained a cash on hand balance of \$200.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

2 . Investments

At June 30, 2022, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation</u>	<u>Fair Value</u>	<u>Less Than 6</u> <u>months</u>
	<u>Measurement</u> <u>Method</u>		
NC Capital Management Trust - Government Portfolio (Operating)	Fair Value- Level I	\$ 45,296,736	\$ 45,296,736
NC Capital Management Trust - Government Portfolio (Home Health & Hospice)	Fair Value- Level I	226,626	226,626
NC Capital Management Trust - Government Portfolio (OSBMVFD Grant)	Fair Value- Level I	300,453	300,453
NC Capital Management Trust - Government Portfolio (Airport Grant)	Fair Value- Level I	12,012,281	12,012,281
NC Capital Management Trust - Government Portfolio (American Rescue Plan)	Fair Value- Level I	7,678,673	7,678,673
TOTAL		<u>\$ 65,514,769</u>	<u>\$ 65,514,769</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, 2022, 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, 2022, 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, 2022.

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, 2022

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

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

Year Levied	Tax	Interest	Total
2022	\$ 2,423,615	\$ 138,358	\$ 2,561,973
2021	1,899,419	280,164	2,179,583
2020	1,905,367	452,525	\$ 2,357,892
2019	1,812,853	593,710	2,406,563
Total	<u>\$ 8,041,254</u>	<u>\$ 1,464,757</u>	<u>\$ 9,506,011</u>

4. Receivables

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

	Other Accounts	Taxes Receivable	Accrued Interest	Lease Receivable	Total
Governmental Activities:					
General	\$ 6,946,760	\$ 838,883	\$ 54,803	509,634	\$ 8,350,080
Capital Investment Fund	6,154	-	-	-	6,154
ARPA Fund	-	-	-	-	-
Airport Capital Project Fund	388,067	-	-	-	388,067
Non-major funds	215,361	-	-	-	215,361
Total Receivables	<u>\$ 7,556,342</u>	<u>\$ 838,883</u>	<u>\$ 54,803</u>	<u>\$ 509,634</u>	<u>\$ 8,959,662</u>
Less: allowance for doubtful accounts	(120,352)	(181,134)	-	-	(301,486)
Total Governmental Activities	<u>\$ 7,435,990</u>	<u>\$ 657,749</u>	<u>\$ 54,803</u>	<u>\$ 509,634</u>	<u>\$ 8,658,176</u>
Business-type activities					
Stormwater	<u>\$ 14,258</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,258</u>

Lease Receivable

In March 2009, the County entered into a lease with Red Mountain Aviation, Inc. ("the company"), to provide certain fixed base operator services at the Airport. Under the lease, the company pays the County \$7,719 per month for 120 months for use of certain buildings and equipment as part of the fixed base operation at the Airport, as well as a percentage share of fuel sales. Another variable component of the lease is a waiver of one month's rent for each year over the term of this agreement.

The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at the County's incremental borrowing rate of 3.51%.

In fiscal year 2022, the County recognized \$68,701 of lease revenue and \$19,120 of interest revenue under the lease.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

5. Capital Assets

Primary Government

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

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,187,547	\$ -	\$ -	\$ 4,187,547
Construction in Progress	4,688,046	4,340,040	1,156,701	7,871,385
Total capital assets not being depreciated	8,875,593	4,340,040	1,156,701	12,058,932
Capital assets being depreciated				
Buildings	37,754,402	21,895	1,395,694	36,380,603
Improvements	20,629,824	825,871	-	21,455,695
Equipment	17,850,315	1,168,327	139,729	18,878,913
Infrastructure	15,311,223	-	-	15,311,223
Total capital assets being depreciated	91,545,764	2,016,093	1,535,423	92,026,434
Less accumulated depreciation for:				
Buildings	18,723,688	1,624,735	1,395,694	18,952,729
Improvements	9,334,893	842,435	-	10,177,328
Equipment	13,013,104	1,130,286	109,683	14,033,707
Infrastructure	11,756,490	343,338	-	12,099,828
Total accumulated depreciation	52,828,175	\$ 3,940,794	\$ 1,505,377	55,263,592
Total capital assets being depreciated, net	38,717,589			36,762,842
Governmental activities capital assets, net	\$ 47,593,182			\$ 48,821,774

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

General government	\$ 2,787,693
Public Safety	215,076
Transportation	185,955
Human Services	26,339
Environmental Protection	26,010
Economic and physical development	1,612
Cultural and Recreational	50,306
Education	647,803
Total depreciation expense	<u>\$ 3,940,794</u>

Construction Commitments

As of June 30, 2022, 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.

<u>Project</u>	Spent-to-date	Remaining commitment
Airport Construction Projects	\$ 4,127,389	\$ 831,901
CIP	56,265	27,832
Total	<u>\$ 4,183,654</u>	<u>\$ 859,733</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

Right to Use Leased Assets

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

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Right to use assets				
Leased buildings	\$ -	\$ 4,925,600	\$ -	\$ 4,925,600
Leased equipment	-	189,681	-	189,681
Total right to use assets	-	5,115,281	-	5,115,281
Less accumulated amortization for:				
Leased buildings	-	1,274,151	-	1,274,151
Leased equipment	-	63,429	-	63,429
Total accumulated amortization	-	1,337,580	-	1,337,580
Right to use assets, net	\$ -	\$ 3,777,701	\$ -	\$ 3,777,701

Discretely presented component unit

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Transfers/ Retirements</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 184,576	\$ -	\$ -	\$ 184,576
Construction in Progress	-	-	-	-
Total capital assets not being depreciated	184,576	-	-	184,576
Capital assets being depreciated				
Buildings	1,076,672	12,989	-	1,089,661
Office furniture and fixtures	15,156	-	-	15,156
Store equipment	145,149	4,004	-	149,153
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	1,253,559	16,993	-	1,270,552
Less accumulated depreciation for:				
Buildings	154,135	28,377	-	182,512
Office furniture and fixtures	15,156	-	-	15,156
Store equipment	120,874	9,275	-	130,149
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	306,747	37,652	-	344,399
Total capital assets being depreciated, net	946,812	\$ (20,659)	\$ -	926,153
Governmental activities capital assets, net	\$ 1,131,388			\$ 1,110,729

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

B. Liabilities

1. Payables

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

	Vendors	Accrued Interest	Other	Total
Governmental Activities:				
General	\$ 936,265	\$ 71,363	\$ 57,025	\$ 1,064,653
Capital Investment Fund	39,409	-	-	39,409
ARPA Fund	-	-	-	-
Airport Capital Project Fund	685,213	-	-	685,213
Non-major funds	327,974	-	-	327,974
Internal service funds	1,070,219	-	-	1,070,219
Total governmental activities	<u>\$ 3,059,080</u>	<u>\$ 71,363</u>	<u>\$ 57,025</u>	<u>\$ 3,187,468</u>
Business-type activities				
Stormwater	<u>\$ 2,152</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,152</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the 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.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

Contributions . Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2022, was 12.04% of covered payroll for law enforcement officers and 11.41% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,046,808 for the year ended June 30, 2022.

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

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

At June 30, 2022, the County reported a liability of \$3,701,027 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2022, the County's proportion was .2413%, which was a decrease of .0017% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized pension expense of \$1,576,414. At June 30, 2022, 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	\$ 1,177,430	\$ -
Changes of assumptions	2,325,190	-
Net difference between projected and actual earnings on pension plan investments	-	5,287,656
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	60,438 2,046,808	97,550 -
Total	<u>\$ 5,609,866</u>	<u>\$ 5,385,206</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

\$2,046,808 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 314,566
2024	(137,725)
2025	(380,935)
2026	(1,618,054)
2027	-
Thereafter	-
Total	<u>\$ (1,822,148)</u>

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

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment Rate of Return	6.5 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, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	29%	1.4%
Global Equity	42%	5.3%
Real Estate	8%	4.3%
Alternatives	8%	8.9%
Credit	7%	6.0%
Inflation Protection	6%	4.0%
	<u>100%</u>	

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 3.05%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
County's proportionate share of the net pension liability (asset)	\$ 14,367,080	\$ 3,701,027	\$ (5,076,514)

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, 2021, the Separation Allowance's membership consisted of:

Retirees receiving benefits	6
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	51
Total	<u>57</u>

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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.

Actuarial Assumptions

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

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

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

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

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the RP-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.

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 \$86,861 as benefits came due for the reporting period.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

At June 30, 2022, the County reported a total pension liability of \$2,785,062. The total pension liability was measured as of December 31, 2021 based on a December 31, 2020 actuarial valuation. The total pension liability was rolled forward to December 31, 2021 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2022, the County recognized pension expense of \$305,192. At June 30, 2022, 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	\$ 193,561	\$ 6,701
Changes of assumptions	505,241	73,493
County benefit payments and plan administrative expense made subsequent to the measurement date	56,911	-
Total	<u>\$ 755,713</u>	<u>\$ 80,194</u>

\$56,911 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2023	\$ 175,115
2024	171,534
2025	174,128
2026	97,139
2027	692

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

	1% Decrease (1.25%)	Discount Rate (2.25%)	1% Increase (3.25%)
Total pension liability	\$ 3,002,529	\$ 2,785,062	\$ 2,584,672

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

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

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina 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 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 \$894,972 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 \$3,855 for the year ended June 30, 2022.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

At June 30, 2022, the County reported an asset of \$61,226 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2021. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020. The total pension liability was then rolled forward to the measurement date of June 30, 2021 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2022, the County's proportion was .3187%, which was a increase of .0027% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2022, the County recognized pension expense of \$5,221. At June 30, 2022, 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	\$ 653	\$ 743
Changes of assumptions	4,465	-
Net difference between projected and actual earnings on pension plan	-	188
Changes in proportion and differences between County Contributions and	2,272	1,234
County contributions subsequent to the measurement date	3,855	-
Total	<u>\$ 11,245</u>	<u>\$ 2,165</u>

\$3,855 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2023	\$ 2,984
2024	958
2025	(143)
2026	1,426
2027	-
Thereafter	-
Total	<u>\$ 5,225</u>

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

Inflation	2.50%
Salary Increases	3.25% - 8.25%
Investment Rate of Return	3.00%, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2020 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

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 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, 2022 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.50%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 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 (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (48,632)	\$ 61,226	\$ (71,809)

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 and Deferred Inflows of Resources Related to Pensions

The net pension liability for LGERS and ROD was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of December 31, 2021 with an actuarial valuation date of December 31, 2020.

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset)	\$ 3,701,027	\$ (61,226)	\$ -	\$ 3,639,801
Proportionate of the Net Pension Liability (Asset)	0.2413%	0.3187%	n/a	
Total Pension Liability	-	-	2,785,062	2,785,062
Pension Expense	1,576,414	5,221	305,192	1,886,827

Deferred Outflows of Resources

Differences between expected and actual experience	1,177,430	653	193,561	1,371,644
Changes of assumptions	2,325,190	4,465	505,241	2,834,896
Net difference between project and actual earnings on plan investments	-	-	-	-
Changes in proportion and differences between contributions and proportionate share of contributions	60,438	2,272	-	62,710
Benefit payments and administrative costs paid subsequent to the measurement date	2,046,808	3,855	56,911	2,107,574

Deferred Inflows of Resources

Difference between expected and actual experience	-	743	6,701	7,444
Changes of assumptions	-	-	73,493	73,493
Net difference between projected and actual earnings on plan investments	5,287,656	188	-	5,287,844
Changes in proportion and differences between contributions and proportionate share of contributions	97,550	1,234	-	98,784

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, 2022 year end, does not issue a stand-alone report. The County provides a portion of the total cost for individual coverage for retirees based on the guidelines below:

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

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

Person County, North Carolina
Notes to the Financial Statements
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Inactive plan members or beneficiaries currently receiving benefit payments	27
Inactive plan members entitled to but not yet receiving benefit payments	-
Active Plan members	360
Total	<u>387</u>

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

Total OPEB Liability

The County's total OPEB liability of \$12,280,647 was measured as of June 30, 2021 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.25% - 8.41%
Municipal Bond Index Rate	
Prior Measurement Date	2.21%
Measurement Date	2.16%
Health Care Cost Trends	7.0% for 2021 decreasing to an ultimate rate of 4.50% by 2031

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

	Total OPEB Liability
Balance at June 30, 2020	\$ 9,588,416
Changes for the year	
Service Cost	530,072
Interest	218,843
Changes of benefit terms	-
Difference between expected and actual experience	961,707
Changes in assumptions or other inputs	1,416,167
Benefit payments	(434,558)
Net changes	<u>2,692,231</u>
Balance at June 30, 2021	<u>\$ 12,280,647</u>

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Discount rate. The discount rate used to measure the total OPEB liability at June 30, 2022 was 2.16 percent which was a change from the discount rate of 2.21 percent at June 30, 2021. 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 2.16 percent at June 30, 2022 per the S&P Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2021, the S&P Municipal Bond 20 Year High Grade rate was 2.16 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current discount rate:

	1% Decrease (1.16%)	Discount Rate (2.16%)	1% Increase (3.16%)
Total OPEB Liability	\$ 13,703,722	\$ 12,280,647	\$ 11,017,160

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability	\$ 10,744,884	\$ 12,280,647	\$ 14,112,517

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

For the year ended June 30, 2022, the County recognized OPEB expense of \$4,578,610. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,217,904	\$ -
Changes of assumptions	2,240,531	245,574
Benefit payments and administrative costs made subsequent to the measurement date	274,000	-
Total	<u>\$ 3,732,435</u>	<u>\$ 245,574</u>

\$274,000 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, 2023. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2023	\$ 458,337
2024	458,337
2025	496,474
2026	524,417
2027	528,156
Thereafter	747,140

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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.

h. 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.

3. Closure and Post closure Care Costs - Columbus County 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 \$18,139 in post-closure care costs for the year ending June 30, 2022. The \$33,565 reported as Accrued Post-closure Care Costs represents the estimated costs remaining at June 30, 2022. 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.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 1,177,430	\$ -
Register of Deeds	653	743
LEOSSA	193,561	6,701
OPEB	1,217,904	-
Changes of Assumptions		
LGERS	2,325,190	-
Register of Deeds	4,465	-
LEOSSA	505,241	73,493
OPEB	2,240,531	245,574
Pensions - difference between projected and actual investment		
LGERS	-	5,287,656
Register of Deeds	-	188
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	60,438	97,550
Register of Deeds	2,272	1,234
Contributions to pension plan in current fiscal year		
LGERS	2,046,808	-
Register of Deeds	3,855	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	56,911	-
OPEB	274,000	-
Leases (General)	-	499,646
Prepaid taxes (General)	-	158,124
Government-wide deferred outflows and inflows	<u>10,109,259</u>	<u>6,370,909</u>
Leases (General)	-	499,646
Prepaid taxes (General)	-	158,124
Taxes receivable, net (General)	-	657,749
Notes receivable (Person Industries)	-	21,901
Fund Statement deferred outflows and inflows	<u>\$ -</u>	<u>\$ 1,337,420</u>

5. Risk Management

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

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

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

7. Long-Term Obligations

a. Leases

The County has entered into agreements to lease certain property or equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception. The right to use asset for leases in general, is discussed in more detail in the right to use asset section of the notes. The specific leases for Person County that apply to GASB 87 are summarized as follows:

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

Human Services Building Lease: Executed a 20-year lease for building in August 2005 that currently houses the County's Public Health Department, Social Services Department, Mental Health services, and Juvenile Probation offices. The lease requires 240 monthly payments on a variable scale that adjusts every 5 years ranging from \$77,144 to \$102,679 per month. There is a holdover rate of 125% after expiration of the Term should the County continue occupancy without a written agreement of renewal. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$3,544,938 at June 30, 2022.

Walker Property Lease: Executed a 20-year lease for property in May 1995 that currently houses Person Industries, a County department that provides Community Rehabilitation Program Services. The lease requires 240 monthly payments of \$541.66. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$17,741 at June 30, 2022.

Hall's Agri Business, LLC Lease: Executed a 15-year lease for property in March 2008 that currently houses the Person County Tax Office and Person County Register of Deeds Department. The lease requires 180 monthly payments of \$10,153.92. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$88,769 at June 30, 2022.

Pitney Bowes Equipment Lease (Person County Public Library): Executed a 5-year lease for postage meter equipment at the Person County Public Library in November 2017. The lease requires 20 quarterly payments of \$159.06. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$157 at June 30, 2022.

Stryker Sales Heart Monitors Lease (EMS): Executed a 5-year lease for heart monitor equipment at EMS in November 2017. The lease requires 5 annual payments of \$73,659.14. There are no variable payment components of the lease, and no cancellation is allowed. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$96,547 at June 30, 2022.

Pitney Bowes Equipment Lease (Person County Health Department): Executed a 5-year lease for postage meter equipment at the Person County Health Department in September 2020. The lease requires 20 quarterly payments of \$235.41. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$2,832 at June 30, 2022.

Forklift Lease (Person Industries): Executed a 5-year lease for forklift equipment at Person Industries in November 2017. The lease requires 60 monthly payments of \$630.91. There are no variable payment components of the lease, and no cancellation is allowed. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$11,444 at June 30, 2022.

Pitney Bowes Equipment Lease (Person Industries): Executed a 4-year lease for postage meter equipment at Person Industries in December 2019. The lease requires 16 quarterly payments of \$157.68. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$910 at June 30, 2022.

Pitney Bowes Equipment Lease (Department of Social Services): Executed a 5-year lease for postage meter equipment at the Department of Social Services in August 2019. The lease requires 60 monthly payments of \$870.75. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$7,440 at June 30, 2022.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

Pitney Bowes Equipment Lease (Human Resources Department): Executed a 4-year lease for postage meter equipment at the Human Resources Department in February 2021. The lease requires 16 quarterly payments of \$674.49. There are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.51%. As a result of the lease, the County has recorded a right to use asset with a net book value of \$6,923 at June 30, 2022.

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

Year Ending June 30	Principal	Interest	Total
2023	\$ 1,305,727	\$ 113,445	\$ 1,419,172
2024	1,181,671	68,825	1,250,496
2025	1,215,126	26,810	1,241,936
2026	102,611	302	102,913
2027	-	-	-
Total	<u>\$ 3,805,135</u>	<u>\$ 209,382</u>	<u>\$ 4,014,517</u>

b. 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 (Collateralized 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.

\$ 1,148,596

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 (Collateralized 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.

800,000

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 (Collateralized 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.

770,000

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 (Collateralized 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.

3,300,000

Ambulances

In August 2018, the County entered into a five year financing agreement with Piedmont Electric Corporation to purchase three Ambulances. Title of the ambulances passes over the County at the end of the term. Five equal payments of \$155,217 are due, and the ambulances stand as collateral for the loan.

155,217

Total installment purchases remaining balance

\$ 6,173,813

Future minimum payments for Installment Purchases:

	Principal	Interest
2023	\$ 1,259,053	\$ 191,865
2024	958,836	158,418
2025	858,836	128,376
2026	783,836	100,415
2027	633,836	74,777
2028-2032	1,579,416	129,489
2033-2037	100,000	2,633
Total	<u>\$ 6,173,813</u>	<u>\$ 785,973</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

c. 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, 2022, 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% \$ 1,523,335

Future minimum payments for General Obligation Bonds:

	Principal	Interest
2023	\$ 152,333	\$ 39,454
2024	152,333	35,509
2025	152,333	31,564
2026	152,333	27,618
2027	152,333	23,673
2028-2032	761,670	59,182
2033-2037	-	-
Total	<u>\$ 1,523,335</u>	<u>\$ 217,000</u>

At June 30, 2022, Person County had a legal debt margin of \$413,210,906.

d. 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 \$1,792,482 relates to County Board of Education properties to which the County holds title. There was no restricted cash balance related to this debt since financed projects for all deeded school properties were complete at June 30, 2022.

e. 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, 2022:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ 1,675,668	\$ -	\$ 152,333	\$ 1,523,335	\$ 152,333
Installment purchases (direct borrowings)	7,591,867	-	1,418,054	6,173,813	1,259,053
Lease Liability	-	5,115,281	1,310,146	3,805,135	1,305,727
Accrued post-closure care costs	51,704	-	18,139	33,565	-
Compensated absences	1,270,053	2,289,283	2,300,723	1,258,613	314,653
Net Pension liability (LGERS)	8,677,708	-	4,976,681	3,701,027	-
Total Pension Liability (LEOSSA)	2,685,736	99,326	-	2,785,062	-
Total OPEB Liability	9,588,416	2,692,231	-	12,280,647	-
Total	<u>\$ 31,541,152</u>	<u>\$ 10,196,121</u>	<u>\$ 10,176,076</u>	<u>\$ 31,561,197</u>	<u>\$ 3,031,766</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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.

C. Interfund Balances and Activity

Transfers to/from other fund at June 30, 2022, 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.	\$ 614,800
From the General Fund to the Capital Investment Fund to provide resources for debt payments, construction projects, and School and College capital needs.	9,282,430
From the General Fund to the Capital Investment Fund to track sales tax dedicated for school debt.	2,003,103
From the General Fund to the Emergency Telephone Fund to reimburse ETSF costs deemed ineligible for FY 19-21.	11,955
From the General Fund to the Economic Catalyst Fund to provide support for economic development incentives.	571,168
From the General Fund to the Airport Capital Project Fund to provide additional support for Airport hangar construction.	200,000
From the General Fund to Internal Service Fund in support of elevated health claims in the Self-Funded Insurance Fund.	1,285,900
From the Capital Improvement Project Fund to the Capital Investment Fund to provide funding for capital projects.	<u>2,465,206</u>
Total	<u><u>\$ 13,969,356</u></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.

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><u>\$ 479,244</u></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, 2022

D. Net Investment in Capital Assets

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

Net capital assets	\$ 52,599,475
Capital debt calculation:	
Total debt, gross	11,502,283
Less:	
School debt for assets to which the County does not hold title	703,915
Unexpended debt proceeds	57,790
Total capital debt	<u>10,740,578</u>
Net investment in capital assets	<u><u>\$ 41,858,897</u></u>

E. 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, 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	\$ 33,991,489
Less:	
Prepays	126,606
Stabilization by State Statute	9,043,038
Appropriated Fund Balance in Subsequent Year's Budget	2,168,060
Register of Deeds	65,118
Public Safety	346,238
Tax Reappraisal	741,869
LEOSSA	382,403
Remaining Fund Balance	<u><u>\$ 21,118,157</u></u>

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

General	\$ 1,737,386
Other Major Funds	276,924
Non-major Funds	470,847

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022**

NOTE IV 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 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 \$1,331,346 to the community college for operating purposes during the fiscal year ended June 30, 2022. 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, 2022. 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. Cardinal Innovations was replaced with Vaya Health at mid-year in FY 2022. Person County, in conjunction with Orange and Chatham Counties, contributes to Vaya Health 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 Vaya Health for the year ended June 30, 2022. 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, 2022. Complete financial statements for the Authority can be obtained from the Authority's offices at 201 Sage Rd., Suite 100A, Chapel Hill, NC 27514.

NOTE V: 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, 2022. The County was the subrecipient of grants for \$372,260 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. Person County contributed \$365,805 towards an Economic Development/Land acquisition project. There were no staffing expenditures in the year ended June 30, 2022 due to the County having a full-time Economic Development Director on staff.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2022

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 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. The new Comprehensive Land Use Plan was adopted by both the City and County in November 2021.

NOTE VI: Summary Disclosure of Significant 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.

NOTE VII: Prior Period Adjustment

Prior Period Adjustments were made to the General Fund that increased fund balance by \$910,589. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$994,293; to correct the Register of Deeds payable which decreased fund balance by \$20,497; and to record an allowance for uncollectible EMS receivables that decreased fund balance by \$63,207.

NOTE VIII: Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2022 and October 21, 2022, 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:

- ♦ Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)
- ♦ Schedule of County's 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)
- ♦ Schedule of Changes in the Total OPEB Liability and Related Ratios

Person County, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Nine Fiscal Years*

	2022	2021	2020	2019	2018
County's proportion of the net pension liability (asset) (%)	0.24133%	0.24300%	0.23900%	0.24600%	0.25100%
County's proportion of the net pension liability (asset) (\$)	\$ 3,701,027	\$ 8,677,708	\$ 6,538,373	\$ 5,839,757	\$ 3,840,085
County's covered payroll	\$ 18,583,709	\$16,908,809	\$16,800,789	\$16,252,824	\$16,201,554
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	19.92%	51.32%	38.92%	35.93%	23.70%
Plan fiduciary net position as a percentage of the total pension liability**	95.51%	88.61%	91.63%	91.63%	94.18%
	2017	2016	2015	2014	
County's proportion of the net pension liability (asset) (%)	0.25700%	0.26900%	0.26600%	27.40000%	
County's proportion of the net pension liability (asset) (\$)	\$ 5,463,315	\$ 1,207,480	\$ (1,570,847)	\$ 3,299,136	
County's covered payroll	\$ 16,114,694	\$16,017,799	\$15,479,514	\$ 9,342,823	
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	33.90%	7.54%	-10.15%	35.31%	
Plan fiduciary net position as a percentage of the total pension liability**	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 Government Employees' Retirement System
Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,046,808	\$ 1,920,053	\$ 1,623,326	\$ 1,325,452	\$ 1,245,106
Contributions in relation to the contractually required contribution	2,046,808	1,920,053	1,623,326	1,325,452	1,245,106
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 17,791,563	\$ 18,583,709	\$ 16,908,809	\$ 16,800,789	\$ 16,252,824
Contributions as a percentage of covered payroll	11.50%	10.33%	9.60%	7.89%	7.66%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
Contractually required contribution	\$ 1,206,010	\$ 1,099,065	\$ 1,017,439	\$ 1,098,928	
Contributions in relation to the contractually required contribution	1,206,010	1,099,065	1,017,439	1,098,928	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
County's covered payroll	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799	\$ 15,479,514	
Contributions as a percentage of covered payroll	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 the County's Proportionate Share of the Net Pension Liability (Asset)
Register of Deeds' Supplemental Pension Fund
Last Nine Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's proportionate share of the net pension liability (asset) %	0.3187%	0.3160%	0.3030%	0.3490%	0.3450%
County's proportionate share of the net pension liability (asset) \$	\$ (61,226)	\$ (72,322)	\$ (59,775)	\$ (57,924)	\$ (58,832)
Plan fiduciary net position as a percentage of the total pension liability	156.53%	173.62%	164.11%	153.31%	153.77%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's proportionate share of the net pension liability (asset) %	0.3510%	0.3540%	0.3730%	35.2000%	
County's proportionate share of the net pension liability (asset) \$	\$ (65,677)	\$ (82,140)	\$ (84,639)	\$ (75,159)	
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%	

* The amounts presented for the fiscal year were determined as of 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 Deeds' Supplemental Pension Fund
Last Nine Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
County's required contribution	\$ 3,855	\$ 4,086	\$ 2,760	\$ 2,878	\$ 2,993
Contributions in relation to contractually required contribution	<u>3,855</u>	<u>4,086</u>	<u>2,760</u>	<u>2,878</u>	<u>2,993</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	
County's required contribution	\$ 2,995	\$ 3,148	\$ 2,558	\$ 3,049	
Contributions in relation to contractually required contribution	<u>2,995</u>	<u>3,148</u>	<u>2,558</u>	<u>3,049</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	

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
Last Six Fiscal Years*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Beginning Balance	\$ 2,685,736	\$ 1,734,475	\$ 1,519,755	\$ 1,526,510
Service Cost	125,349	80,650	70,958	68,578
Interest on the total pension liability	50,996	55,744	54,440	47,389
Differences between expected and actuarial experience in the measurement of the total pension liability	77,534	138,125	86,216	(9,694)
Changes of assumptions and other inputs	(67,692)	725,804	51,418	(59,313)
Benefit payments	<u>(86,861)</u>	<u>(49,062)</u>	<u>(48,312)</u>	<u>(53,715)</u>
Ending balance of total pension liability	<u><u>\$ 2,785,062</u></u>	<u><u>\$ 2,685,736</u></u>	<u><u>\$ 1,734,475</u></u>	<u><u>\$ 1,519,755</u></u>

	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 1,395,651	\$ 1,352,634
Service Cost	57,617	61,293
Interest on the total pension liability	52,959	47,709
Differences between expected and actuarial experience in the measurement of the total pension liability	(28,783)	(33,504)
Changes of assumptions and other inputs	96,356	(32,481)
Benefit payments	<u>(47,290)</u>	<u>(47,290)</u>
Ending balance of total pension liability	<u><u>\$ 1,526,510</u></u>	<u><u>\$ 1,348,361</u></u>

*The amounts presented for each 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
Last Six Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Total pension liability	\$ 2,785,062	\$ 2,685,736	\$ 1,734,475	\$ 1,519,755
Covered-employee payroll	2,769,912	2,792,438	2,627,756	2,425,376
Total pension liability as a percentage of covered-employee payroll	100.55%	96.18%	66.01%	62.66%

	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,526,510	\$ 1,395,651
Covered-employee payroll	2,359,987	2,374,905
Total pension liability as a percentage of covered-employee payroll	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.

Person County, North Carolina
Schedule of Changes in Total OPEB Liability
Last Five Fiscal Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability					
Service Cost	\$ 530,072	\$ 384,074	\$ 345,200	\$ 3,579,979	\$ 388,858
Interest on the total OPEB liability	218,843	286,912	277,842	252,125	215,478
Differences between expected and actuarial experience in the measurement of the total pension	961,707	121,084	343,866	81,127	115,642
Changes of assumptions and other inputs	1,416,167	1,219,426	133,808	(259,495)	(436,481)
Benefit payments	(434,558)	(468,955)	(390,865)	(352,654)	(367,832)
Net change in total OPEB liability	<u>2,692,231</u>	<u>1,542,541</u>	<u>709,851</u>	<u>79,082</u>	<u>(84,335)</u>
Total OPEB liability - beginning	<u>9,588,416</u>	<u>8,045,875</u>	<u>7,336,024</u>	<u>7,256,942</u>	<u>7,341,277</u>
Total OPEB liability - ending	<u><u>\$ 12,280,647</u></u>	<u><u>\$ 9,588,416</u></u>	<u><u>\$ 8,045,875</u></u>	<u><u>\$ 7,336,024</u></u>	<u><u>\$ 7,256,942</u></u>
Covered-employee payroll	\$ 16,029,745	\$ 15,391,787	\$ 15,391,787	\$ 14,860,267	\$ 14,860,267
Total OPEB liability as a percentage of covered-employee payroll	76.61%	62.30%	52.27%	49.37%	48.83%

Notes to Schedule

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the pension/OPEB plan.

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>
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%

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

- ♦ **Capital Investment Fund:** accounts for lottery and other special revenues related to capital improvements, but not yet assigned to a specific project. (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.)
- ♦ **ARPA Fund:** accounts for revenues and expenditures for capital projects funded by the American Rescue Plan Act of 2021.

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:** - This capital projects fund accounts for revenues and expenditures relative to the construction projects for the Raleigh Regional Airport at Person County.

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Revenues				
<u>Ad valorem Taxes</u>				
Current year levy	\$ 36,012,960	\$ 36,012,960	\$ 37,651,469	\$ 1,638,509
Prior year levy	-	335,000	286,106	(48,894)
Penalties and interest	151,500	151,500	196,970	45,470
Advertising	43,000	43,000	38,081	(4,919)
Total ad valorem taxes	36,207,460	36,542,460	38,172,626	1,630,166
<u>Local option sales taxes</u>				
Article 39 one per cent	4,660,500	5,202,300	5,333,315	131,015
Article 40 one per cent	2,750,400	3,067,500	3,117,041	49,541
Article 42 one per cent	2,290,000	2,551,900	2,614,613	62,713
Article 44 one per cent	684,000	786,000	797,276	11,276
Total local option sales taxes	10,384,900	11,607,700	11,862,245	254,545
<u>Other taxes</u>				
Deed stamp excise tax	170,000	170,000	546,081	376,081
Occupancy tax	8,800	8,800	396,796	387,996
Gross receipts tax	14,000	14,000	18,607	4,607
Animal taxes	-	-	24	24
Privilege licenses tax	2,500	2,500	2,680	180
Total other taxes	195,300	195,300	964,188	768,888
<u>Fees</u>				
Planning and zoning fees	43,458	43,458	72,774	29,316
Register of Deeds fees	183,600	183,600	217,951	34,351
Inspection fees	456,000	456,000	590,572	134,572
Special Use permit fees	300	300	50	(250)
Total fees	683,358	683,358	881,347	197,989
<u>Intergovernmental revenues</u>				
State and Federal Funds				
Public Health Services	746,462	1,821,300	1,388,257	(433,043)
Environmental Health Services	-	6,412	6,412	-
Social Services	5,522,084	6,235,597	7,154,930	919,333
Home and Community Care	341,000	341,000	342,760	1,760
Elderly and Handicapped Transportation	-	10,671	10,671	-
Community Alternatives	152,010	170,010	170,010	-
Beer and Wine Tax	138,250	138,250	122,838	(15,412)
Video Programming	57,000	57,000	53,084	(3,916)
DWI Revenues	29,243	40,481	55,161	14,680
Court Facilities fees	45,000	45,000	48,768	3,768
Sheriffs Grants	77,200	134,523	133,083	(1,440)
Inmate cost reimbursement	152,000	152,000	162,806	10,806

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Fines and Forfeitures	-	-	140,406	140,406
Drug Enforcement-related Revenues	92,000	341,782	372,214	30,432
Emergency Management	38,125	80,119	63,049	(17,070)
ARP Airport Grant	-	32,000	-	(32,000)
Library Grants	93,750	127,028	114,995	(12,033)
Soil and Water Conservation	25,600	38,383	39,667	1,284
Transportation Grant	492,980	616,638	402,312	(214,326)
Veterans Services Grant	500	2,109	2,109	-
Subtotal State and Federal funds	8,003,204	10,390,303	10,783,532	393,229
Local Funds				
E-911 City Participation	124,300	124,300	113,774	(10,526)
Republic Services	100,000	130,000	130,000	-
Subtotal Local Funds	224,300	254,300	243,774	(10,526)
Total Intergovernmental Revenues	8,227,504	10,644,603	11,027,306	382,703
<u>Investment Income</u>	-	8,000	55,105	47,105
<u>Charges for services</u>				
Sheriff and Jail fees	247,000	247,000	225,468	(21,532)
School Resources Officer Contract	185,004	185,004	185,004	-
ABC Officer Contract	28,000	30,888	37,888	7,000
PCC Officer Contract	60,000	60,000	75,000	15,000
Solid waste and recycling fees	1,000,000	1,000,000	914,855	(85,145)
EMS fees	1,513,276	1,590,424	2,338,763	748,339
Animal fees	30,500	30,500	48,947	18,447
Cooperative Extension fees	6,180	6,180	3,915	(2,265)
Library fines and fees	10,100	10,215	8,357	(1,858)
Recreation fees	313,600	334,069	318,127	(15,942)
Map fees	500	500	390	(110)
GIS fees	250	250	394	144
EDC reimbursement from other government	7,500	7,500	7,500	-
IT Services to other governments	85,900	85,900	83,934	(1,966)
Stormwater Admin fees	80,000	80,000	80,000	-
Transportation services	108,700	108,700	173,927	65,227
Tax collection fees	68,000	68,000	69,934	1,934
Arts Council Reimbursement	25,000	25,000	25,000	-
Health fees	240,000	240,000	462,758	222,758
Environmental Health fees	185,000	185,000	207,150	22,150
DSS fees	1,000	1,000	250	(750)
Total charges for services	4,195,510	4,296,130	5,267,561	971,431

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Other revenues</u>				
Rents and leases	121,093	121,093	138,079	16,986
ABC Board distributions	256,000	329,000	441,379	112,379
Miscellaneous	366,500	493,151	542,010	48,859
Donations	19,000	50,306	71,709	21,403
Total other revenues	762,593	993,550	1,193,177	199,627
Total general revenues	60,656,625	64,971,101	69,423,555	4,452,454
Expenditures				
<u>General Government:</u>				
Governing Body				
Personnel Expenses			68,807	
Operating Expenses			180,400	
ABC profits to City of Roxboro			123,572	
Total	238,852	458,152	372,779	85,373
Administration				
Personnel Expenses			436,832	
Operating Expenses			7,373	
Total	460,029	464,229	444,205	20,024
Information Technology				
Personnel Expenses			712,130	
Operating Expenses			633,031	
Capital Outlay			328,771	
Total	1,371,708	1,879,180	1,673,932	205,248
Human Resources				
Personnel Expenses			578,877	
Operating Expenses			290,526	
Capital Outlay			9,441	
Total	763,363	945,696	878,844	66,852
Fleet Sales Management				
Operating Expenses			13,286	
Capital Outlay			-	
Total	344,959	48,909	13,286	35,623
Elections				
Personnel Expenses			184,895	
Operating Expenses			146,643	
Total	428,149	496,746	331,538	165,208

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Finance				
Personnel Expenses			451,787	
Operating Expenses			541,452	
Total	665,416	710,816	993,239	(282,423)
Tax Administration				
Personnel Expenses			696,849	
Operating Expenses			235,015	
Total	1,039,046	1,040,211	931,864	108,347
Legal				
Personnel Expenses			7,812	
Operating Expenses			65,496	
Total	55,000	122,746	73,308	49,438
Register of Deeds				
Personnel Expenses			244,900	
Operating Expenses			322,974	
Total	334,270	334,270	567,874	(233,604)
Courts				
Operating Expenses			4,075	
Total	6,500	6,500	4,075	2,425
General Services				
Personnel Expenses			918,095	
Operating Expenses			1,363,169	
Capital Outlay			506,045	
Total	2,366,682	2,548,849	2,787,309	(238,460)
Total general government	8,073,974	9,056,304	9,072,253	(15,949)
<u>Public Safety</u>				
Sheriff				
Personnel Expenses			4,069,865	
Operating Expenses			736,392	
Capital Outlay			269,558	
Total	4,574,370	5,326,610	5,075,815	250,795
Jail				
Personnel Expenses			1,821,400	
Operating Expenses			805,278	
Capital Outlay			-	
Total	2,956,695	2,947,886	2,626,678	321,208

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Judicial				
Personnel Expenses			411,873	
Operating Expenses			7,960	
Total	433,450	433,450	419,833	13,617
JCPC Administration				
Personnel Expenses			1,413	
Operating Expenses			17,592	
Total	8,130	19,008	19,005	3
Roots & Wings				
Operating Expenses			113,552	
Total	111,775	129,775	113,552	16,223
Community Connections				
Operating Expenses			17,789	
Total	-	22,608	17,789	4,819
4H YES				
Personnel Expenses			57,625	
Operating Expenses			2,076	
Total	61,507	61,507	59,701	1,806
Emergency Mangement				
Personnel Expenses			147,329	
Operating Expenses			128,465	
Total	282,227	376,363	275,794	100,569
Fire and Rescue				
Personnel Expenses			121,290	
Operating Expenses			53,799	
VFD annual appropriation			396,853	
Total	619,997	622,582	571,942	50,640
Ambulance Service				
Personnel Expenses			3,034,976	
Operating Expenses			677,976	
Capital Outlay			258,329	
Total	4,093,460	4,402,766	3,971,281	431,485

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Code Enforcement				
Personnel Expenses			408,499	
Operating Expenses			31,022	
Capital Outlay			30,558	
Total	533,841	566,263	470,079	96,184
Emergency Communications				
Personnel Expenses			944,944	
Operating Expenses			24,240	
Total	1,108,220	1,027,160	969,184	57,976
Medical Examiner	30,000	30,000	30,650	(650)
Animal Control				
Personnel Expenses			317,913	
Operating Expenses			79,919	
Capital Outlay			38,985	
Total	416,513	514,039	436,817	77,222
Total public safety	15,230,185	16,480,017	15,058,120	1,421,897
<u>Transportation</u>				
Airport Operations				
Operating Expenses			34,215	
Total	48,800	49,268	34,215	15,053
Public Transportation				
Personnel Expenses			736,612	
Operating Expenses			251,211	
Capital Outlay			21,895	
Total	1,139,692	1,329,093	1,009,718	319,375
Total transportation	1,188,492	1,378,361	1,043,933	334,428
<u>Human Services</u>				
Public Health				
Personnel Expenses			1,573,539	
Operating Expenses			899,960	
Capital Outlay			1,298,153	
Total	2,614,854	3,743,428	3,771,652	(28,224)

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Enviromental Health				
Personnel Expenses			470,900	
Operating Expenses			44,907	
Total	595,465	608,974	515,807	93,167
Mental Health				
Operating Expenses			575,292	
Capital Outlay			906,067	
Total	598,077	682,098	1,481,359	(799,261)
Social Services				
Personnel Expenses			6,023,361	
Operating Expenses			1,042,956	
Capital Outlay			2,348,744	
Public Assistance			2,341,043	
Total	10,207,529	11,318,886	11,756,104	(437,218)
Veteran Services				
Operating Expenses			16,338	
Total	18,495	20,304	16,338	3,966
Senior Center				
Operating Expenses			448,713	
Total	439,471	450,142	448,713	1,429
Total Human Services	14,473,891	16,823,832	17,989,973	(1,166,141)
<u>Education</u>				
Public Schools				
Current Expense			10,442,896	
Terrell Fund			19,000	
Fines and Forfeitures			140,406	
Total	10,461,896	10,463,896	10,602,302	(138,406)
Community College				
Operating Expenses			1,331,346	
Total	1,331,346	1,331,346	1,331,346	-
Total Education	11,793,242	11,795,242	11,933,648	(138,406)

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Enviromental Protection</u>				
Landfill Maintenance				
Operating Expenses			18,139	
Total	37,900	46,798	18,139	28,659
Soil and Water Conservation				
Personnel Expenses			117,265	
Operating Expenses			13,090	
Capital Outlay			-	
Total	144,363	178,481	130,355	48,126
Total enviromental protection	182,263	225,279	148,494	76,785
<u>Economic and Physical Development</u>				
Economic Development				
Personnel Expenses			228,673	
Operating Expenses			91,490	
Total	369,733	396,111	320,163	75,948
Planning and Zoning				
Personnel Expenses			226,672	
Operating Expenses			61,959	
Total	272,665	340,882	288,631	52,251
GIS				
Personnel Expenses			164,767	
Operating Expenses			22,910	
Total	191,559	193,299	187,677	5,622
Cooperative Extension Service				
Personnel Expenses			158	
Operating Expenses			235,032	
Total	251,950	257,125	235,190	21,935
Forestry Services				
Operating Expenses			72,675	
Total	72,675	72,675	72,675	-
Reserve - Community Development	100,000	196,500	-	196,500
Total economic and physical development	1,258,582	1,456,592	1,104,336	352,256

Person County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Cultural and Recreational</u>				
Library				
Personnel Expenses			431,521	
Operating Expenses			142,815	
Capital Outlay			782	
Total	656,553	691,111	575,118	115,993
Recreation, Arts and Parks				
Personnel Expenses			868,481	
Operating Expenses			538,623	
Capital Outlay			35,627	
Total	1,346,407	1,539,617	1,442,731	96,886
Museum of History				
Operating Expenses			37,012	
Total	47,000	48,430	37,012	11,418
Total culture and recreational	2,049,960	2,279,158	2,054,861	224,297
<u>Contingency</u>	874,068	323,194	-	323,194
Total expenditures	55,124,657	59,817,979	58,405,618	1,412,361
Excess (deficiency) of revenues over expenditures	5,531,968	5,153,122	11,017,937	5,864,815
Other Financing Sources (uses):				
Lease Liabilities Issued	-	-	5,095,093	5,095,093
Transfers out				
Special revenue funds	(2,844,174)	(3,048,155)	(3,201,026)	(152,871)
Capital project funds	(200,000)	(200,000)	(200,000)	-
Internal service funds	-	(1,285,900)	(1,285,900)	-
Capital reserve funds	(3,300,000)	(9,682,681)	(9,282,430)	400,251
Revaluation Fund	(153,300)	(167,635)	(153,300)	14,335
Sale of capital assets	-	-	4,492	4,492
Total other financing sources	(6,497,474)	(14,384,371)	(9,023,071)	5,361,300
Excess (deficiency) of revenues and other financing sources over expenditures	(965,506)	(9,231,249)	1,994,866	11,226,115
Appropriated Fund Balance	965,506	9,231,249	-	(9,231,249)
Net Change in Fund Balance	\$ -	\$ -	1,994,866	\$ 1,994,866
Fund balance, beginning of year			31,063,199	
Prior Period Adjustment (see Note VII)			910,589	
Fund balance, end of year			\$ 33,968,654	

Person County, North Carolina
Reappraisal Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
General government				
Operating expenses	153,300	167,635	48,950	118,685
Total expenditures	153,300	167,635	48,950	118,685
Excess (deficiency) of revenues over expenditures	(153,300)	(167,635)	(48,950)	118,685
Other Financing Sources (uses):				
Transfers in				
General Funds	153,300	153,300	153,300	-
Total other financing sources (uses)	153,300	153,300	153,300	-
Appropriated fund balance	-	14,335	-	(14,335)
Net change in fund balance	\$ -	\$ -	104,350	\$ 104,350
Fund balance, beginning			637,518	
Fund balance, ending			\$ 741,868	

Person County, North Carolina
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Fund)
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
ARPA Funds	\$ 7,670,470	\$ -	\$ -	\$ -	\$ (7,670,470)
Interest Earnings	-	29	8,174	8,203	8,203
Total revenues	<u>7,670,470</u>	<u>29</u>	<u>8,174</u>	<u>8,203</u>	<u>(7,662,267)</u>
Expenditures:					
Public Safety					
Sheriff Salaries and Benefits	3,552,000	-	-	-	3,552,000
Emergency Comm Salaries and Benefits	833,000	-	-	-	833,000
EMS Salaries and Benefits	2,777,000	-	-	-	2,777,000
Cultural and Recreational					
Salaries and Benefits	<u>508,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,470</u>
Total expenditures	<u>7,670,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,670,470</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 29</u>	8,174	<u>\$ 8,203</u>	<u>\$ 8,203</u>
Fund balance, beginning			<u>29</u>		
Fund balance, ending			<u>\$ 8,203</u>		

Person County, North Carolina
Airport Capital Projects Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project	Actual				Variance
	Authorization	Prior	Current	Closed Out	Total	(Positive)
		Years	Year	Projects	to Date	Negative
Revenues:						
Restricted intergovernmental	\$ 15,004,440	\$1,536,213	\$ 946,951	\$ (1,139,051)	\$ 1,344,113	\$ (13,660,327)
Investment earnings	2,400	72,018	16,256	(2,962)	85,312	82,912
Other revenues	160,125	129,790	-	(129,790)	-	(160,125)
Total revenues	<u>15,166,965</u>	<u>1,738,021</u>	<u>963,207</u>	<u>(1,271,803)</u>	<u>1,429,425</u>	<u>(13,737,540)</u>
Expenditures:						
Construction	19,983,967	2,436,879	3,923,497	(1,305,652)	5,054,724	14,929,243
Miscellaneous	2,000	2,977	2,044	-	5,021	(3,021)
Total expenditures	<u>19,985,967</u>	<u>2,439,856</u>	<u>3,925,541</u>	<u>(1,305,652)</u>	<u>5,059,745</u>	<u>14,926,222</u>
Excess (deficiency) of revenues over expenditures	(4,819,002)	(701,835)	(2,962,334)	33,849	(3,630,320)	1,188,682
Other Financing Sources (Uses):						
Transfer from General Fund	4,814,002	4,981,816	200,000	(33,849)	5,147,967	333,965
Total Other Financing Sources	<u>4,814,002</u>	<u>4,981,816</u>	<u>200,000</u>	<u>(33,849)</u>	<u>5,147,967</u>	<u>333,965</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(5,000)</u>	<u>4,279,981</u>	<u>(2,762,334)</u>	<u>-</u>	<u>1,517,647</u>	<u>1,522,647</u>
Appropriated Fund Balance	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,000)</u>
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	<u>\$ -</u>	<u>\$4,279,981</u>	<u>(2,762,334)</u>	<u>\$ -</u>	<u>\$ 1,517,647</u>	<u>\$ 1,517,647</u>
Fund balance, beginning			<u>4,279,981</u>			
Fund balance, ending			<u>\$ 1,517,647</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.
- ♦ **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.
- ♦ **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.
- ♦ **Opioid Settlement Fund:** accounts for opioid settlement proceeds received to battle opioid pandemic.

Capital Projects Funds

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

- ♦ **Capital Improvement Projects Fund:** accounts for revenues and expenditures relative to the capital improvement projects for the County, Schools and Community College.
- ♦ **CDBG Fund:** accounts for revenues and expenditures related to CDBG grants.
- ♦ **Waterline Extension RRSF Fund:** accounts for revenues and expenditures related to construction of a waterline extension that will serve the Person County Mega Park.
- ♦ **Public Safety Towers and Broadband:** 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
Non-Major Governmental Funds
June 30, 2022

Exhibit C-1

Special Revenue Funds						
	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserved Fund	Sheriff's Execution Fund
ASSETS						
Cash and cash equivalents	\$ 193,873	\$ -	\$ 33,604	\$ 1,555,462	\$ 1,029,082	\$ 34,246
Restricted cash	148,257	605,584	-	-	-	-
Accounts receivable (net)	-	50,446	-	2,089	15,619	-
Notes receivable	-	-	21,901	-	-	-
Total assets	<u>\$ 342,130</u>	<u>\$ 656,030</u>	<u>\$ 55,505</u>	<u>\$ 1,557,551</u>	<u>\$ 1,044,701</u>	<u>\$ 34,246</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ 1,135	\$ -	\$ 11,880	\$ 280,600	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>1,135</u>	<u>-</u>	<u>11,880</u>	<u>280,600</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	<u>-</u>	<u>-</u>	<u>21,901</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabalization by State Statute	148,814	90,446	-	2,089	15,619	-
Public Safety	-	564,449	-	-	-	34,246
Human Services	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Enviromental protection	-	-	-	-	-	-
Committed:						
Economic development	-	-	33,604	1,543,582	-	-
Enviromental protection	-	-	-	-	748,482	-
Public Safety	193,316	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Total fund balances	<u>342,130</u>	<u>654,895</u>	<u>33,604</u>	<u>1,545,671</u>	<u>764,101</u>	<u>34,246</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 342,130</u>	<u>\$ 656,030</u>	<u>\$ 55,505</u>	<u>\$ 1,557,551</u>	<u>\$ 1,044,701</u>	<u>\$ 34,246</u>

Person County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

Exhibit C-1

	Special Revenue Funds			
	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	Social Services Representative Payee Fund	Opioid Settlement Fund	Total Non-Major Special Revenue Funds
ASSETS				
Cash and cash equivalents	\$ 667,527	\$ 104,939	\$ -	\$ 3,618,733
Restricted cash	-	-	99,720	853,561
Accounts receivable (net)	124,733	573	-	193,460
Notes receivable	-	-	-	21,901
Total assets	<u>\$ 792,260</u>	<u>\$ 105,512</u>	<u>\$ 99,720</u>	<u>\$ 4,687,655</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 34,359	\$ -	\$ -	\$ 327,974
Due to other funds	479,244	-	-	479,244
Unearned revenues	-	-	99,720	99,720
Total liabilities	<u>513,603</u>	<u>-</u>	<u>99,720</u>	<u>906,938</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue	-	-	-	21,901
Fund balances:				
Restricted:				
Stabalization by State Statute	144,486	573	-	402,027
Public Safety	-	-	-	598,695
Human Services	-	104,939	-	104,939
Capital projects	-	-	-	-
Enviromental protection	134,171	-	-	134,171
Committed:				
Economic development	-	-	-	1,577,186
Enviromental protection	-	-	-	748,482
Public Safety	-	-	-	193,316
Capital projects	-	-	-	-
Total fund balances	<u>278,657</u>	<u>105,512</u>	<u>-</u>	<u>3,758,816</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 792,260</u>	<u>\$ 105,512</u>	<u>\$ 99,720</u>	<u>\$ 4,687,655</u>

Person County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2022

Exhibit C-1

Capital Project Funds						
	Capital Improvement Projects Fund	CBDG Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 2,629,117	\$ -	\$ 42,850	\$ 224,344	\$ 2,896,311	\$ 6,515,044
Restricted cash	-	-	-	57,790	57,790	911,351
Accounts receivable (net)	-	-	-	-	-	193,460
Notes receivable	-	-	-	-	-	21,901
Total assets	<u>\$ 2,629,117</u>	<u>\$ -</u>	<u>\$ 42,850</u>	<u>\$ 282,134</u>	<u>\$ 2,954,101</u>	<u>\$ 7,641,756</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 327,974
Due to other funds	-	-	-	-	-	479,244
Unearned revenues	-	-	-	-	-	99,720
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,938</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenue	-	-	-	-	-	21,901
Fund balances:						
Restricted:						
Stabalization by State Statute	-	-	-	-	-	402,027
Public Safety	-	-	-	-	-	598,695
Human Services	-	-	-	-	-	104,939
Capital projects	-	-	-	57,790	57,790	57,790
Enviromental protection	-	-	-	-	-	134,171
Committed:						
Economic development	-	-	-	-	-	1,577,186
Enviromental protection	-	-	-	-	-	748,482
Public Safety	-	-	-	-	-	193,316
Capital projects	<u>2,629,117</u>	<u>-</u>	<u>42,850</u>	<u>224,344</u>	<u>2,896,311</u>	<u>2,896,311</u>
Total fund balances	<u>2,629,117</u>	<u>-</u>	<u>42,850</u>	<u>282,134</u>	<u>2,954,101</u>	<u>6,712,917</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,629,117</u>	<u>\$ -</u>	<u>\$ 42,850</u>	<u>\$ 282,134</u>	<u>\$ 2,954,101</u>	<u>\$ 7,641,756</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022**

Special Revenue Funds

	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserved Fund	Sheriff's Execution Fund
Revenues:						
Ad valorem taxes	\$ 1,240,587	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	300,000	657,588	-	10,763	61,493	23,354
Investment earnings	453	842	484	2,600	1,454	-
Charges for Services	-	-	-	-	-	-
Other revenues	-	-	5,023	-	-	-
Total revenues	<u>1,541,040</u>	<u>658,430</u>	<u>5,507</u>	<u>13,363</u>	<u>62,947</u>	<u>23,354</u>
Expenditures:						
Current:						
Human services	-	-	-	-	-	-
Public Safety	1,355,953	272,706	-	-	-	22,450
Economic and physical development	-	-	18	593,160	281,185	-
Environmental protection	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>1,355,953</u>	<u>272,706</u>	<u>18</u>	<u>593,160</u>	<u>281,185</u>	<u>22,450</u>
Excess (deficiency) of revenues over expenditures	185,087	385,724	5,489	(579,797)	(218,238)	904
Other financing sources (uses):						
Lease liabilities issued	-	-	-	-	-	-
Transfers from other funds	-	11,955	-	571,168	-	-
Total other financing sources (uses)	<u>-</u>	<u>11,955</u>	<u>-</u>	<u>571,168</u>	<u>-</u>	<u>-</u>
Net change in fund balance	185,087	397,679	5,489	(8,629)	(218,238)	904
Fund balances (deficit), beginning	<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>
Fund balances, ending	<u>\$ 342,130</u>	<u>\$ 654,895</u>	<u>\$ 33,604</u>	<u>\$ 1,545,671</u>	<u>\$ 764,101</u>	<u>\$ 34,246</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022**

	Special Revenue Funds			
	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	Social Services Representative Payee Fund	Opioid Settlement Fund	Total Non-Major Special Revenue Funds
Revenues:				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 1,240,587
Intergovernmental	341,359	682,711	-	2,077,268
Investment earnings	953	3	-	6,789
Charges for Services	600,750	-	-	600,750
Other revenues	4,063	-	-	9,086
Total revenues	<u>947,125</u>	<u>682,714</u>	<u>-</u>	<u>3,934,480</u>
Expenditures:				
Current:				
Human services	1,230,283	704,251	-	1,934,534
Public Safety	-	-	-	1,651,109
Economic and physical development	-	-	-	874,363
Environmental protection	578,770	-	-	578,770
Education	-	-	-	-
Capital Outlay	20,188	-	-	20,188
Total expenditures	<u>1,829,241</u>	<u>704,251</u>	<u>-</u>	<u>5,058,964</u>
Excess (deficiency) of revenues over expenditures	(882,116)	(21,537)	-	(1,124,484)
Other financing sources (uses):				
Lease liabilities issued	20,188	-	-	20,188
Transfers from other funds	614,800	-	-	1,197,923
Total other financing sources (uses)	<u>634,988</u>	<u>-</u>	<u>-</u>	<u>1,218,111</u>
Net change in fund balance	(247,128)	(21,537)	-	93,627
Fund balances (deficit), beginning	525,785	127,049	-	3,665,189
Fund balances, ending	<u>\$ 278,657</u>	<u>\$ 105,512</u>	<u>\$ -</u>	<u>\$ 3,758,816</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2022**

Capital Project Funds						
	Capital Improvement Projects Fund	CDBG Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,240,587
Intergovernmental	-	80,131	-	-	80,131	2,157,399
Investment earnings	2,631	-	-	10	2,641	9,430
Charges for Services	-	-	-	-	-	600,750
Other revenues	-	-	-	-	-	9,086
Total revenues	2,631	80,131	-	10	82,772	4,017,252
Expenditures:						
Current:						
Human services	-	-	-	-	-	1,934,534
Public Safety	-	-	-	-	-	1,651,109
Economic and physical development	-	80,131	-	-	80,131	954,494
Environmental protection	-	-	-	-	-	578,770
Education	579,732	-	-	-	579,732	579,732
Capital Outlay	413,568	-	-	5,600	419,168	439,356
Total expenditures	993,300	80,131	-	5,600	1,079,031	6,137,995
Excess (deficiency) of revenues over expenditures	(990,669)	-	-	(5,590)	(996,259)	(2,120,743)
Other financing sources (uses):						
Lease liabilities issued	-	-	-	-	-	20,188
Transfers from other funds	2,465,206	-	-	-	2,465,206	3,663,129
Total other financing sources (uses)	2,465,206	-	-	-	2,465,206	3,683,317
Net change in fund balance	1,474,537	-	-	(5,590)	1,468,947	1,562,574
Fund balances (deficit), beginning	1,154,580	-	42,850	287,724	1,485,154	5,150,343
Fund balances, ending	\$ 2,629,117	\$ -	\$ 42,850	\$ 282,134	\$ 2,954,101	\$ 6,712,917

Person County, North Carolina
Fire Tax District Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 1,263,444	\$ 1,263,444	\$ 1,240,587	\$ (22,857)
Restricted intergovernmental	-	300,000	300,000	-
Investment earnings	-	200	453	253
Total revenues	<u>1,263,444</u>	<u>1,563,644</u>	<u>1,541,040</u>	<u>(22,604)</u>
Expenditures:				
VFD & Rescue Squad capital payments	1,263,444	1,262,887	1,204,210	58,677
Grant expenditures	-	300,757	151,743	149,014
Total expenditures	<u>1,263,444</u>	<u>1,563,644</u>	<u>1,355,953</u>	<u>207,691</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	185,087	<u>\$ 185,087</u>
Fund balance, beginning			<u>157,043</u>	
Fund balance, ending			<u>\$ 342,130</u>	

Columbus County, North Carolina
Emergency Telephone Systems Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 605,301	\$ 605,355	\$ 657,588	\$ 52,233
Investment earnings	-	-	842	842
Total revenues	<u>605,301</u>	<u>605,355</u>	<u>658,430</u>	<u>53,075</u>
Expenditures:				
Implemental functions	7,006	25,961	5,945	20,016
Telephone	336,814	423,580	174,344	249,236
Software maintenance	80,500	80,500	53,966	26,534
Hardware maintenance	36,779	76,779	30,123	46,656
Training	17,490	10,490	8,328	2,162
Debt Service				
Principal	126,712	-	-	-
Total Debt	<u>126,712</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>605,301</u>	<u>617,310</u>	<u>272,706</u>	<u>344,604</u>
Excess (deficiency) of revenues over expenditures	-	(11,955)	385,724	397,679
Other financing sources (uses)				
Transfers in	-	11,955	11,955	-
Total other financing sources (uses)	<u>-</u>	<u>11,955</u>	<u>11,955</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	397,679	<u>\$ 397,679</u>
Fund balance, beginning			<u>257,216</u>	
Fund balance, ending			<u>\$ 654,895</u>	

Person County, North Carolina
Revolving Loan Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Investment earnings	\$ 431	\$ 451	\$ 484	\$ 33
Other Revenues				-
Loan principle received	5,023	5,023	5,023	-
Total revenues	5,454	5,474	5,507	33
Expenditures:				
Other operating expenditures	5,454	5,474	18	5,456
Total expenditures	5,454	5,474	18	5,456
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	5,489	\$ 5,489
Fund balance, beginning			28,115	
Fund balance, ending			\$ 33,604	

Person County, North Carolina
Economic Catalyst Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ -	\$ 973,750	\$ 10,763	\$ 10,763
Investment earnings	-	-	2,600	2,600
Total revenues	-	973,750	13,363	13,363
Expenditures:				
Other operating expenditures	1,212,093	2,237,843	593,160	618,933
Total expenditures	1,212,093	2,237,843	593,160	618,933
Excess (deficiency) of revenues over expenditures	(1,212,093)	(1,264,093)	(579,797)	632,296
Other Financing Sources (Uses)				
Transfers in				
General Fund	571,168	571,168	571,168	-
Total other financing sources	571,168	571,168	571,168	-
Excess (deficiency) of revenues and other financing sources over expenditures	(640,925)	(692,925)	(8,629)	632,296
Appropriated Fund Balance	640,925	692,925	-	(640,925)
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	\$ -	\$ -	(8,629)	\$ (8,629)
Fund balance, beginning			1,554,300	
Fund balance, ending			\$ 1,545,671	

Person County, North Carolina
Water and Sewer Construction Reserve Special Revenue Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 40,000	\$ 40,000	\$ 61,493	\$ 21,493
Investment earnings	-	230	1,454	1,224
Total revenues	<u>40,000</u>	<u>40,230</u>	<u>62,947</u>	<u>22,717</u>
Expenditures:				
Water and sewer construction	40,000	320,330	280,600	39,730
Miscellaneous	-	500	585	(85)
Total expenditures	<u>40,000</u>	<u>320,830</u>	<u>281,185</u>	<u>39,645</u>
Excess (deficiency) of revenues over expenditures	-	(280,600)	(218,238)	62,362
Appropriated Fund Balance	<u>-</u>	<u>280,600</u>	<u>-</u>	<u>(280,600)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	(218,238)	<u>\$ (218,238)</u>
Fund balance, beginning			<u>982,339</u>	
Fund balance, ending			<u>\$ 764,101</u>	

Person County, North Carolina
Sheriff's Execution Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 23,354	\$ (76,646)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>23,354</u>	<u>(76,646)</u>
Expenditures:				
Public buildings and grounds				
Operating	100,000	100,000	22,450	77,550
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>22,450</u>	<u>77,550</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	904	<u>\$ 904</u>
Fund balance, beginning			<u>33,342</u>	
Fund balance, ending			<u>\$ 34,246</u>	

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual
Person Industries Community Rehabilitation Program and Material Recovery Facility Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental Revenues:				
Adult vocation and rehabilitation program	\$ 431,900	\$ 431,900	\$ 239,810	\$ (192,090)
White goods disposal tax	16,000	16,000	5,140	(10,860)
Scrap Tire disposal tax	55,000	55,000	65,356	10,356
Solid waste disposal tax	28,000	28,000	31,053	3,053
Total Intergovernmental Revenues	<u>530,900</u>	<u>530,900</u>	<u>341,359</u>	<u>(189,541)</u>
Charge for Services				
Sales	1,000,000	1,000,000	134,146	(865,854)
Medicaid	577,000	614,715	288,546	(326,169)
Transportation	18,500	40,508	34,268	(6,240)
Local Services	50,000	50,000	54,970	4,970
Recycling Fee	25,000	25,000	25,000	-
Recycling Sales	36,900	36,900	63,820	26,920
Total charge for services	<u>1,707,400</u>	<u>1,767,123</u>	<u>600,750</u>	<u>(1,166,373)</u>
Investment earnings	-	140	953	813
Other Revenues				
Donations and miscellaneous	5,000	5,000	4,063	(937)
Total Revenues	<u>2,243,300</u>	<u>2,303,163</u>	<u>947,125</u>	<u>(1,356,038)</u>
Expenditures:				
Human Services				
Personnel Expenditures	1,547,160	1,582,505	1,109,525	472,980
Operating Expenditures	607,675	620,788	120,758	500,030
Capital Outlay	-	-	1,516	(1,516)
Total	<u>2,154,835</u>	<u>2,203,293</u>	<u>1,231,799</u>	<u>971,494</u>
Environmental Protection				
Personnel Expenditures	467,657	470,738	338,466	132,272
Operating Expenditures	230,482	273,014	240,304	32,710
Capital Outlay	-	-	18,672	(18,672)
Total	<u>698,139</u>	<u>743,752</u>	<u>597,442</u>	<u>146,310</u>
Total Expenditures	<u>2,852,974</u>	<u>2,947,045</u>	<u>1,829,241</u>	<u>1,117,804</u>
Excess (deficiency) of revenues over expenditures	<u>(609,674)</u>	<u>(643,882)</u>	<u>(882,116)</u>	<u>(238,234)</u>

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual
Person Industries Community Rehabilitation Program and Material Recovery Facility Fund
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources:				
Transfers in (out)				
Lease liabilities issued	-	-	20,188	20,188
General Fund	261,835	266,961	266,961	-
Capital Project Fund	347,839	347,839	347,839	-
Total Other Financing Sources	<u>609,674</u>	<u>614,800</u>	<u>634,988</u>	<u>20,188</u>
Excess (deficiency) of revenues over expenditures and other financing sources	-	(29,082)	(247,128)	(218,046)
Appropriated Fund Balance	<u>-</u>	<u>29,082</u>	<u>-</u>	<u>(29,082)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(247,128)	<u>\$ (247,128)</u>
Fund Balance Beginning			<u>525,785</u>	
Fund Balance Ending			<u>\$ 278,657</u>	

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

Person County, North Carolina
Social Services Representative Payee Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Representative Payee Funds	\$ 639,950	\$ 1,139,950	\$ 682,711	\$ (457,239)
Investment earnings	50	50	3	(47)
Total revenues	<u>640,000</u>	<u>1,140,000</u>	<u>682,714</u>	<u>(457,286)</u>
Expenditures:				
Human Services	<u>640,000</u>	<u>1,140,000</u>	<u>704,251</u>	<u>435,749</u>
Total Expenditures	<u>640,000</u>	<u>1,140,000</u>	<u>704,251</u>	<u>435,749</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	(21,537)	<u>\$ (21,537)</u>
Fund balance, beginning			<u>127,049</u>	
Fund balance, ending			<u>\$ 105,512</u>	

Person County, North Carolina
Opioid Settlement Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
Opioid Settlement Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-	-
Expenditures:					
Human Services - Opioid Recovery	-	-	-	-	-
Total expenditures	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

Person County, North Carolina
Capital Improvement Projects Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Completed Project	Total to Date	Variance (Positive) Negative
Revenues:						
Restricted intergovernmental						
City of Roxboro Contributions	\$ 17,167	\$ 17,166	\$ -	\$ -	\$ 17,166	\$ (1)
Other revenues	-	39,270	-	(39,270)	-	-
Investment earnings	96,625	90,133	2,631	-	92,764	(3,861)
Total revenues	<u>113,792</u>	<u>146,569</u>	<u>2,631</u>	<u>(39,270)</u>	<u>109,930</u>	<u>(3,862)</u>
Expenditures:						
County	1,680,171	1,131,082	412,801	(485,340)	1,058,543	621,628
Schools	2,311,672	702,077	281,356	(205,405)	778,028	1,533,644
PCC	966,758	838,991	298,376	(286,099)	851,268	115,490
Miscellaneous	-	809	767	-	1,576	(1,576)
Total expenditures	<u>4,958,601</u>	<u>2,672,959</u>	<u>993,300</u>	<u>(976,844)</u>	<u>2,689,415</u>	<u>2,269,186</u>
Excess (deficiency) of revenues over expenditures	(4,844,809)	(2,526,390)	(990,669)	937,574	(2,579,485)	2,265,324
Other Financing Sources (Uses):						
Transfers in						
General Fund	-	937,574	-	(937,574)	-	-
County Capital Reserve Fund	4,844,809	2,743,396	2,465,206	-	5,208,602	363,793
Total Other Financing Sources	<u>4,844,809</u>	<u>3,680,970</u>	<u>2,465,206</u>	<u>(937,574)</u>	<u>5,208,602</u>	<u>363,793</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 1,154,580</u>	1,474,537	<u>\$ -</u>	<u>\$ 2,629,117</u>	<u>\$ 2,629,117</u>
Fund balance, beginning			1,154,580			
Fund balance, ending			<u>\$ 2,629,117</u>			

Person County, North Carolina
CDBG Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Intergovernmental	\$ 1,000,000	\$ 919,869	\$ 80,131	\$ 1,000,000	\$ -
Total revenues	<u>1,000,000</u>	<u>919,869</u>	<u>80,131</u>	<u>1,000,000</u>	<u>-</u>
Expenditures:					
Economic Development	1,000,000	919,869	80,131	1,000,000	-
Total expenditures	<u>1,000,000</u>	<u>919,869</u>	<u>80,131</u>	<u>1,000,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Person County, North Carolina
Waterline Extension RRSF Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
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 financing sources over expenditures	<u>\$ -</u>	<u>\$ 42,850</u>	<u>-</u>	<u>\$ 42,850</u>	<u>\$ 42,850</u>
Fund balance, beginning			<u>42,850</u>		
Fund balance, ending			<u>\$ 42,850</u>		

Person County, North Carolina
Public Safety Towers and Broadband Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Investment earnings	\$ -	\$ 225	\$ 10	\$ 235	\$ 235
Total revenues	-	225	10	235	235
Expenditures:					
County	3,475,152	3,269,932	5,600	3,275,532	199,620
Schools	1,089,551	1,089,540	-	1,089,540	11
Issuance costs	53,780	53,780	-	53,780	-
Contingency funds	176,517	-	-	-	176,517
Total expenditures	4,795,000	4,413,252	5,600	4,418,852	376,148
Excess (deficiency) of revenues over expenditures	(4,795,000)	(4,413,027)	(5,590)	(4,418,617)	376,383
Other Financing Sources (Uses):					
Transfers in					
CIP Projects Fund	395,000	395,000	-	395,000	-
Installment purchase obligations issued	4,400,000	4,400,000	-	4,400,000	-
Total Other Financing Sources	4,795,000	4,795,000	-	4,795,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 381,973	(5,590)	\$ 376,383	\$ 376,383
Fund balance, beginning			287,724		
Fund balance, ending			\$ 282,134		

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 governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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

Person County, North Carolina
Stormwater Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Charges for services	\$ 277,000	\$ 277,000	\$ 281,503	\$ 4,503
Investment earnings	-	-	2,371	2,371
Total revenues	<u>277,000</u>	<u>277,000</u>	<u>283,874</u>	<u>6,874</u>
Expenditures:				
Enviromental Protection				
Operating expenses	<u>364,000</u>	<u>369,346</u>	<u>211,460</u>	<u>157,886</u>
Total expenditures	<u>364,000</u>	<u>369,346</u>	<u>211,460</u>	<u>157,886</u>
Revenues over (under) expenditures	(87,000)	(92,346)	72,414	164,760
Other financing sources (uses)				
Fund balance appropriated	<u>87,000</u>	<u>92,346</u>	-	<u>(92,346)</u>
Total other financing sources (uses)	<u>87,000</u>	<u>92,346</u>	-	<u>(92,346)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	72,414	<u>\$ 72,414</u>
Fund balance, beginning			<u>673,282</u>	
Fund balance, ending			<u>\$ 745,696</u>	

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
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2022

	2022			
	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Charges for services	\$ 4,326,583	\$ 4,326,583	\$ 4,027,602	\$ (298,981)
Insurance settlements	75,000	75,000	-	(75,000)
Investment earnings	-	170	2,047	1,877
Miscellaneous	436,783	436,783	343,794	(92,989)
Total revenues	<u>4,838,366</u>	<u>4,838,536</u>	<u>4,373,443</u>	<u>(465,093)</u>
Expenditures:				
Health insurance administration	1,097,828	1,099,198	1,079,066	20,132
Claims	3,740,538	5,026,438	3,826,019	1,200,419
Total expenditures	<u>4,838,366</u>	<u>6,125,636</u>	<u>4,905,085</u>	<u>1,220,551</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(1,287,100)</u>	<u>(531,642)</u>	<u>755,458</u>
Other Financing Sources				
Transfers in				
General Fund	-	1,285,900	1,285,900	-
Fund balance appropriated	-	1,200	-	(1,200)
Total other financing sources (uses)	<u>-</u>	<u>1,287,100</u>	<u>1,285,900</u>	<u>(1,200)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>754,258</u>	<u>\$ 754,258</u>
Fund balance, beginning			<u>81,809</u>	
Fund balance, ending			<u>\$ 836,067</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 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
June 30, 2022

	Roxborro Property Tax Fund	Inmate Fund	4H Program Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ 56,565	\$ 15,647	\$ 35,908	\$ 108,120
Taxes receivable for other governments, net	122,497	-	-	122,497
Total assets	<u>179,062</u>	<u>15,647</u>	<u>35,908</u>	<u>230,617</u>
Liabilities				
Accounts payable and accrued liabilities	-	-	1,465	1,465
Due to other governments	56,565	-	-	56,565
Total liabilities	<u>56,565</u>	<u>-</u>	<u>1,465</u>	<u>58,030</u>
Net Position				
Restricted for:				
Individuals, organizations, and other governments	122,497	15,647	34,443	172,587
Total net position	<u>\$ 122,497</u>	<u>\$ 15,647</u>	<u>\$ 34,443</u>	<u>\$ 172,587</u>

Person County, North Carolina
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Roxboro Property Tax Fund	Jail Inmate Pay Fund	4H Program Fund	Total Custodial Funds
Additions				
Ad valorem taxes for other governments	\$ 252,636	\$ -	\$ -	\$ 252,636
Collections on behalf of inmate	-	213,696	-	213,696
Collections on behalf of 4H	-	-	9,297	9,297
Total additions	<u>252,636</u>	<u>213,696</u>	<u>9,297</u>	<u>475,629</u>
Deductions				
Tax distributions to other governments	269,876	-	-	269,876
Payments on behalf of inmates	-	227,408	-	227,408
Payments to 4H	-	-	9,750	9,750
Total deductions	<u>269,876</u>	<u>227,408</u>	<u>9,750</u>	<u>507,034</u>
Net increase (decrease) in fiduciary net position	(17,240)	(13,712)	(453)	(31,405)
Net position, beginning	<u>139,737</u>	<u>29,359</u>	<u>34,896</u>	<u>203,992</u>
Net position, ending	<u><u>\$ 122,497</u></u>	<u><u>\$ 15,647</u></u>	<u><u>\$ 34,443</u></u>	<u><u>\$ 172,587</u></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
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2022

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Uncollected Balance June 30, 2021</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2022</u>
2021-2022	2021	\$ -	\$ 38,252,589	\$ 37,725,897	\$ 526,692
2020-2021	2020	230,233	-	147,370	82,863
2019-2020	2019	110,843	-	53,207	57,636
2018-2019	2018	72,831	-	32,266	40,565
2017-2018	2017	50,553	-	19,765	30,788
2016-2017	2016	34,673	-	13,108	21,565
2015-2016	2015	26,867	-	8,265	18,602
2014-2015	2014	21,308	-	3,582	17,726
2013-2014	2013	24,181	-	3,013	21,168
2012-2013	2012	24,135	-	2,856	21,279
2011-2012	2011	22,088	-	22,088	-
Totals		<u>\$ 617,712</u>	<u>\$ 38,252,589</u>	<u>\$ 38,031,417</u>	<u>838,884</u>
Less Allowance for Doubtful Accounts					181,135
Taxes Receivable (Net)					<u>\$ 657,749</u>
<u>Reconciliation with revenues:</u>					
Ad valorem taxes - General Fund					\$ 38,172,626
Reconciling items:					
Refunds					
Adjustments to prior years taxes					73,715
Amounts written off for tax year 2011 per statute of limitations					20,126
Subtotal					<u>93,841</u>
Penalties and Interest					(196,969)
Advertising Fees					<u>(38,081)</u>
Total Collections and Credits					<u>\$ 38,031,417</u>

Person County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Year Ended June 30, 2022

	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 Years Rate	\$ 5,287,069,306	\$ 0.72	\$ 38,066,899	\$ 34,890,544	\$ 3,176,355
Late Listing Penalties	-		28,402	28,402	
Total	<u>5,287,069,306</u>		<u>38,095,301</u>	<u>34,918,946</u>	<u>3,176,355</u>
Discoveries and Corrections					
Current Year's Taxes	25,928,194	0.72	186,683	186,683	-
Releases	<u>(4,082,639)</u>	0.72	<u>(29,395)</u>	<u>(29,395)</u>	<u>-</u>
Total for Year	<u>\$ 5,308,914,861</u>		<u>38,252,589</u>	<u>35,076,234</u>	<u>3,176,355</u>
Less Uncollected taxes at June 30, 2022			<u>526,692</u>	<u>525,456</u>	<u>1,236</u>
Current year's taxes collected			<u>\$ 37,725,897</u>	<u>\$ 34,550,778</u>	<u>\$ 3,175,119</u>
Current levy collection percentage			<u>98.62%</u>	<u>98.50%</u>	<u>99.96%</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	113
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	122
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	129
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	134
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	136
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the 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)

(Page 1 of 2)

	Fiscal Year			
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 21,364,462	\$ 23,065,359	\$ 31,664,023	\$ 38,358,826
Restricted	8,869,798	7,729,273	7,043,470	8,700,798
Unrestricted	<u>3,657,279</u>	<u>4,533,912</u>	<u>9,074,436</u>	<u>10,855,661</u>
Total governmental activities net position	<u><u>33,891,539</u></u>	<u><u>35,328,544</u></u>	<u><u>47,781,929</u></u>	<u><u>57,915,285</u></u>
Business-type activities				
Unrestricted	<u>-</u>	<u>71,668</u>	<u>144,184</u>	<u>237,204</u>
Total business-type activities net position	<u><u>-</u></u>	<u><u>71,668</u></u>	<u><u>144,184</u></u>	<u><u>237,204</u></u>
Primary government				
Net investment in capital assets	21,364,462	23,065,359	31,664,023	38,358,826
Restricted	8,869,798	7,729,273	7,043,470	8,700,798
Unrestricted	<u>3,657,279</u>	<u>4,605,580</u>	<u>9,218,620</u>	<u>11,092,865</u>
Total primary governmental net position	<u><u>\$ 33,891,539</u></u>	<u><u>\$ 35,400,212</u></u>	<u><u>\$ 47,926,113</u></u>	<u><u>\$ 58,152,489</u></u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 32,964,043	\$ 36,548,803	\$ 37,183,541	\$ 38,473,970	\$ 38,679,199	\$ 41,858,897
9,036,709	11,648,228	9,606,570	12,595,100	13,813,793	20,085,679
14,010,974	13,433,622	17,854,387	17,159,390	16,417,853	15,193,213
<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>	<u>77,137,789</u>
322,258	415,658	528,061	564,442	673,282	745,696
<u>322,258</u>	<u>415,658</u>	<u>528,061</u>	<u>564,442</u>	<u>673,282</u>	<u>745,696</u>
32,964,043	36,548,803	37,183,541	38,473,970	38,679,199	41,858,897
9,036,709	11,648,228	9,606,570	12,595,100	13,813,793	20,085,679
14,333,232	13,849,280	18,382,448	17,723,832	17,091,135	15,938,909
\$ <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>	\$ <u>77,883,485</u>

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

(Page 1 of 2)
Fiscal Year

	2013	2014	2015	2016	2017
Expenses					
Governmental activities					
General government	\$ 6,191,937	\$ 7,616,061	\$ 7,149,705	\$ 6,589,856	\$ 7,693,371
Public safety	11,961,190	12,476,577	12,475,439	12,818,151	13,843,079
Transportation	1,415,053	1,286,978	1,277,326	1,333,946	1,339,616
Human services	16,333,971	16,563,554	14,335,792	14,535,066	15,048,142
Environmental protection	1,088,616	649,147	2,510,486	2,469,444	3,083,626
Economic and physical development	2,103,294	1,404,663	1,433,353	1,246,837	1,608,085
Cultural and recreation	1,587,995	1,592,550	1,615,447	1,800,505	1,812,818
Education	13,043,761	12,096,514	11,626,709	12,987,242	12,404,456
Interest on long term debt	534,264	530,279	242,746	436,753	370,388
Total governmental activities expenses	<u>54,260,081</u>	<u>54,216,323</u>	<u>52,667,003</u>	<u>54,217,800</u>	<u>57,203,581</u>
Business-type activities					
Stormwater Department	-	199,674	196,024	175,115	182,996
Total primary government expenses	<u>\$ 54,260,081</u>	<u>\$ 54,415,997</u>	<u>\$ 52,863,027</u>	<u>\$ 54,392,915</u>	<u>\$ 57,386,577</u>
Program Revenues					
Governmental activities					
Charges for services:					
General government	\$ 350,744	\$ 396,260	\$ 415,643	\$ 394,378	\$ 421,621
Public safety	1,717,878	1,842,884	1,987,725	1,968,436	2,047,699
Transportation	322,797	294,459	419,617	449,196	381,887
Human services	4,023,486	2,728,473	2,522,871	3,139,853	3,388,953
Environmental protection	796,321	822,423	761,116	754,409	819,123
Economic and physical development	6,956	11,433	14,731	16,063	15,688
Cultural and recreation	358,138	345,570	323,353	368,606	409,525
Operating grants and contributions:					
General government	14,492	2	-	3,276	-
Public safety	1,024,467	1,208,057	1,323,629	1,277,367	1,650,012
Transportation	310,036	362,452	271,196	506,589	494,012
Human services	6,926,407	8,392,466	8,560,360	8,031,774	8,141,712
Environmental protection	113,343	114,204	118,251	125,363	126,967
Economic and physical development	1,148,118	392,042	166,357	277,603	259,959
Cultural and recreation	117,926	100,281	514,960	141,363	104,096
Education	1,534,817	-	-	-	-
Capital grants and contributions:					
General Government	6,227	19	-	-	-
Transportation	454,726	231,347	188,211	65,488	194,607
Environmental protection	55,737	4,510	-	6,000	1,998
Economic and physical development	2,638	171,039	110,925	-	-
Cultural and recreation	20,500	12,269	15,877	14,513	7,750
Education	-	72,465	229,808	198,948	142,569
Total governmental activities program revenues	<u>19,305,754</u>	<u>17,502,655</u>	<u>17,944,630</u>	<u>17,739,225</u>	<u>18,608,178</u>
Business-type activities					
Charges for services:					
Stormwater Department	-	271,342	268,540	268,135	268,050
Total primary government program revenues	<u>\$ 19,305,754</u>	<u>\$ 17,773,997</u>	<u>\$ 18,213,170</u>	<u>\$ 18,007,360</u>	<u>\$ 18,876,228</u>
Net (Expense)/Revenue					
Governmental activities	\$ (34,954,327)	\$ (36,713,668)	\$ (34,722,373)	\$ (36,478,575)	\$ (38,595,403)
Business-type activities	-	71,668	72,516	93,020	85,054
Total primary government net expenses	<u>\$ (34,954,327)</u>	<u>\$ (36,642,000)</u>	<u>\$ (34,649,857)</u>	<u>\$ (36,385,555)</u>	<u>\$ (38,510,349)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Property taxes	\$ 28,772,219	\$ 30,883,915	\$ 31,358,952	\$ 31,272,619	\$ 32,103,402
Local option sales tax	6,092,052	6,430,850	6,732,660	7,058,217	7,571,089
Other taxes and licenses	493,228	462,739	563,360	698,818	566,446
Unrestricted intergovernmental	-	-	208,437	-	-
Investment earnings	13,715	508	(32,398)	52,812	132,958
Miscellaneous, unrestricted					
Loss on disposal of capital asset	-	-	15,325	163,861	60,478
Contributed capital	-	-	10,363,160	6,392,856	-
Other miscellaneous	(498,552)	372,661	88,262	519,861	(2,400,589)
Total governmental activities	<u>34,872,662</u>	<u>38,150,673</u>	<u>49,297,758</u>	<u>46,159,044</u>	<u>38,033,784</u>
Business-type activities					
Investment earnings	-	-	-	-	-
Total primary government general revenues, special items and transfers	<u>\$ 34,872,662</u>	<u>\$ 38,150,673</u>	<u>\$ 49,297,758</u>	<u>\$ 46,159,044</u>	<u>\$ 38,033,784</u>
Change in Net Position					
Governmental activities	\$ (81,665)	\$ 1,437,005	\$ 14,575,385	\$ 9,680,469	\$ (561,619)
Business-type activities	-	71,668	72,516	93,020	85,054
Total primary government	<u>\$ (81,665)</u>	<u>\$ 1,508,673</u>	<u>\$ 14,647,901</u>	<u>\$ 9,773,489</u>	<u>\$ (476,565)</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 8,511,007	\$ 11,204,154	\$ 11,072,339	\$ 12,935,151	\$ 16,574,401
13,040,023	14,574,861	15,662,933	17,240,103	18,312,055
1,291,899	1,611,457	1,331,856	1,212,218	1,327,587
16,273,304	14,662,401	14,833,071	16,788,184	16,825,196
648,644	657,940	703,154	788,995	810,927
1,443,587	1,127,571	1,610,834	1,598,740	2,152,488
1,745,964	1,942,027	2,116,574	2,109,894	2,177,838
10,633,360	11,427,138	11,846,237	12,715,831	13,364,453
363,297	545,966	412,610	248,213	228,927
<u>53,951,085</u>	<u>57,753,515</u>	<u>59,589,608</u>	<u>65,637,329</u>	<u>71,773,872</u>
183,136	168,596	245,619	174,143	211,460
<u>\$ 54,134,221</u>	<u>\$ 57,922,111</u>	<u>\$ 59,835,227</u>	<u>\$ 65,811,472</u>	<u>\$ 71,985,332</u>
\$ 719,193	\$ 756,078	\$ 826,543	\$ 1,077,017	\$ 4,781,307
1,876,352	2,263,955	2,131,221	2,879,774	3,574,416
332,338	339,142	269,714	165,407	277,427
3,712,493	2,461,438	1,957,968	1,123,017	1,129,338
715,722	718,500	813,290	1,143,744	1,268,645
83,041	94,404	96,151	80,130	11,415
412,458	382,003	271,042	217,340	351,684
185,470	199,660	194,989	189,523	-
1,199,209	1,718,231	1,763,381	1,415,887	2,064,271
242,456	482,771	471,627	412,355	402,312
6,972,508	6,918,742	7,760,588	8,884,556	9,846,574
91,576	81,079	67,632	-	39,667
53,027	112,567	85,241	96,166	76,237
120,048	96,538	157,313	135,407	122,765
-	-	-	-	159,406
-	-	-	-	-
486,117	201,245	22,738	106,147	946,951
-	-	-	-	-
-	336,326	360,027	223,516	80,131
-	-	-	-	-
<u>6,487,181</u>	<u>121,122</u>	<u>1,309,423</u>	<u>-</u>	<u>27,503</u>
<u>23,689,189</u>	<u>17,283,801</u>	<u>18,558,888</u>	<u>18,149,986</u>	<u>25,160,049</u>
274,882	278,791	279,446	280,429	281,503
<u>\$ 23,964,071</u>	<u>\$ 17,562,592</u>	<u>\$ 18,838,334</u>	<u>\$ 18,430,415</u>	<u>\$ 25,441,552</u>
\$ (30,261,896)	\$ (40,469,714)	\$ (41,030,720)	\$ (47,487,343)	\$ (46,613,823)
91,746	110,195	33,827	106,286	70,043
<u>\$ (30,170,150)</u>	<u>\$ (40,359,519)</u>	<u>\$ (40,996,893)</u>	<u>\$ (47,381,057)</u>	<u>\$ (46,543,780)</u>
\$ 32,143,716	\$ 32,985,331	\$ 34,906,804	\$ 35,587,594	\$ 39,677,327
8,075,831	8,701,260	9,013,933	10,507,215	11,862,245
454,676	210,388	177,306	247,726	1,063,057
-	-	-	-	672,461
216,223	680,640	424,332	116,113	104,421
(560,899)	-	(489,170)	(133,252)	-
-	-	-	-	-
694,671	905,940	581,477	1,698,193	550,667
<u>41,024,218</u>	<u>43,483,559</u>	<u>44,614,682</u>	<u>48,023,589</u>	<u>53,930,178</u>
1,654	2,208	2,554	2,554	2,371
<u>\$ 41,025,872</u>	<u>\$ 43,485,767</u>	<u>\$ 44,617,236</u>	<u>\$ 48,026,143</u>	<u>\$ 53,932,549</u>
\$ 10,762,322	\$ 3,013,845	\$ 3,583,962	\$ 536,246	\$ 7,316,355
93,400	112,403	36,381	108,840	72,414
<u>\$ 10,855,722</u>	<u>\$ 3,126,248</u>	<u>\$ 3,620,343</u>	<u>\$ 645,086</u>	<u>\$ 7,388,769</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
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
2022	39,677,327	11,862,245	1,063,057	52,602,629

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

(Page 1 of 2)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
General Fund				
Nonspendable	\$ 99,956	\$ 305,868	\$ 101,957	\$ 183,550
Restricted	5,227,556	6,226,227	4,696,872	5,508,761
Committed	143,466	204,718	264,569	645,154
Assigned	3,611,857	3,284,997	2,721,258	3,471,017
Unassigned	9,936,607	9,644,006	13,163,785	13,599,981
Total general fund	<u>\$ 19,019,442</u>	<u>\$ 19,665,816</u>	<u>\$ 20,948,441</u>	<u>\$ 23,408,463</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 90,000	\$ 70,000	\$ -
Restricted	3,642,242	1,503,046	2,346,598	3,192,037
Committed	2,971,430	1,941,502	1,785,342	1,787,660
Assigned	86,474	11,700	-	-
Unassigned	(711,840)	(852,204)	(217,136)	-
Total all other governmental funds	<u>\$ 5,988,306</u>	<u>\$ 2,694,044</u>	<u>\$ 3,984,804</u>	<u>\$ 4,979,697</u>

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 108,934	\$ 145,382	\$ 177,691	\$ 105,187	\$ 126,044	\$ 136,594
5,981,436	6,279,373	6,197,001	7,533,859	7,179,951	9,454,394
726,480	726,481	969,306	968,937	983,319	1,124,272
2,734,736	2,594,047	5,900,352	3,898,600	965,506	2,168,060
14,172,971	16,223,464	15,491,651	17,680,799	21,726,864	21,108,169
<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>	<u>\$ 33,991,489</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,055,273	5,368,855	3,409,569	5,061,241	6,108,028	10,736,224
4,341,003	3,968,392	3,466,399	4,181,240	3,386,385	5,415,295
-	698,143	-	-	640,925	-
(483,469)	(30,266)	(255,018)	(9,186)	1,191	-
<u>\$ 6,912,807</u>	<u>\$ 10,005,124</u>	<u>\$ 6,620,950</u>	<u>\$ 9,233,295</u>	<u>\$ 10,136,529</u>	<u>\$ 16,151,519</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Revenues				
Property	\$ 28,723,333	\$ 31,076,698	\$ 30,915,707	\$ 31,276,307
Sales	6,092,052	6,430,850	6,732,660	7,058,217
Other	296,809	326,400	348,207	477,014
Total taxes	35,112,194	37,833,948	37,996,574	38,811,538
Fees	424,018	424,116	516,700	433,330
Intergovernmental	11,838,130	11,244,979	11,457,497	11,046,450
Investment earnings	6,700	(47,531)	(32,398)	52,401
Charges for services	7,044,549	5,951,527	5,751,890	6,404,761
Other	756,298	622,808	998,161	604,799
Total Revenues	55,181,889	56,029,847	56,688,424	57,353,279
Expenditures				
General government	5,502,071	5,993,331	6,020,465	5,849,007
Public safety	11,806,617	12,133,878	12,748,522	13,834,037
Transportation	876,455	918,658	863,199	1,007,835
Human services	15,949,674	16,338,419	14,534,583	14,694,995
Environmental protection	1,023,852	675,440	2,500,386	2,446,162
Economic and physical development	2,109,044	1,395,811	1,442,248	1,258,242
Cultural and recreational	1,474,427	1,583,278	2,117,676	1,731,294
Education	13,043,761	12,096,514	11,021,422	12,085,890
Capital projects	1,762,976	3,589,154	1,461,191	2,169,724
Debt service:				
Principal	3,527,943	3,685,110	3,563,836	1,979,648
Interest and other charges	575,576	522,599	423,876	408,585
Total expenditures	57,652,396	58,932,192	56,697,404	57,465,419
Excess of revenues over (under) expenditures	(2,470,507)	(2,902,345)	(8,980)	(112,140)
Other Financing Sources (Uses)				
Lease Liabilities issued	-	-	-	-
Transfers in	3,921,216	2,190,561	1,200,989	2,170,034
Transfers out	(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	39,976	30,925	15,325	156,131
Total other financing sources (uses)	3,172,514	254,457	2,582,365	3,114,167
Net change in fund balances	\$ 702,007	\$ (2,647,888)	\$ 2,573,385	\$ 3,002,027
Debt service as a percentage of noncapital expenditures	7.39%	7.56%	7.34%	4.31%

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 32,078,642	\$ 32,141,941	\$ 33,051,014	\$ 34,966,925	\$ 35,827,112	\$ 39,413,213
7,571,089	8,075,831	8,701,260	9,013,933	10,507,215	11,862,245
356,461	454,676	210,388	177,306	247,726	964,188
40,006,192	40,672,448	41,962,662	44,158,164	46,582,053	52,239,646
573,352	578,565	596,492	650,681	725,897	881,347
11,598,701	10,312,203	10,268,281	12,210,125	11,652,532	14,159,159
131,895	346,990	667,713	411,899	115,870	102,375
6,550,975	7,273,032	6,419,028	5,698,082	5,771,557	5,868,311
493,568	699,355	910,706	586,328	1,703,129	1,202,363
59,354,683	59,882,593	60,824,882	63,715,279	66,551,038	74,453,201
5,756,073	5,944,581	6,796,127	6,880,173	8,393,239	8,530,374
13,461,794	13,014,359	14,325,860	14,486,793	15,894,511	16,205,388
1,016,508	858,553	1,212,589	1,011,707	881,606	1,022,038
14,806,037	15,749,375	14,681,146	13,571,410	15,748,024	15,392,926
3,045,427	649,558	627,054	692,482	700,940	727,264
1,653,788	1,479,461	1,144,750	1,539,942	1,501,061	2,060,874
1,688,993	1,784,228	1,883,322	1,976,766	1,911,945	1,929,160
11,266,416	10,520,135	10,779,335	11,787,235	11,759,077	12,716,650
4,259,925	6,538,982	7,192,119	5,478,121	4,314,086	10,317,340
1,826,474	1,796,246	1,884,918	1,866,039	1,772,505	1,570,386
394,432	370,618	564,306	393,613	272,126	226,282
59,175,867	58,706,096	61,091,526	59,684,281	63,149,120	70,698,682
178,816	1,176,497	(266,644)	4,030,998	3,401,918	3,754,519
-	-	-	-	-	5,115,281
4,666,974	3,141,905	2,719,044	8,782,008	7,358,158	15,148,662
(4,942,064)	(3,468,841)	(3,868,983)	(8,782,008)	(8,776,364)	(16,434,562)
2,285,000	4,400,000	776,086	-	-	-
-	-	-	-	-	-
60,478	86,946	23,577	32,728	93,501	4,492
2,070,388	4,160,010	(350,276)	32,728	(1,324,705)	3,833,873
\$ 2,249,204	\$ 5,336,507	\$ (616,920)	\$ 4,063,726	\$ 2,077,213	\$ 7,588,392
4.08%	4.00%	4.42%	4.10%	3.48%	2.98%

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

Fiscal Year	Property Tax	Local Sales Tax	Other Tax	Total
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
2022	39,413,213	11,862,245	964,188	52,239,646

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

(Page 1 of 2)

Fiscal Year	Real Property			Present-use Value (1)	Personal Property
	Residential Property	Commercial and Industrial Property (6)	Industrial Property (6)		
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
2022	2,584,780,117	615,275,915	112,167,818	156,466,490	908,012,636

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	County Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value (4)
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%
932,211,885	5,308,914,861	0.720	5,866,204,266	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)
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
2022	0.720	0.0275	0.7475	0.650

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 2022		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Public utility	\$ 869,175,056	1	16.37%
Spuntech	Manufacturer	49,439,146	2	0.93%
CertainTeed	Manufacturer	57,291,654	3	1.08%
GKN Automotive, Inc.	Manufacturer	57,197,423	4	1.08%
Eaton Corporation	Manufacturer	44,742,328	5	0.84%
US Flue Cured Tobacco Growers	Manufacturer	38,820,755	6	0.73%
Lousiana Pacific Corp	Manufacturer	46,257,974	7	0.87%
Piedmont EMC	Public utility	29,179,118	8	0.55%
Public Service Co of NC	Public utility	20,831,762	9	0.39%
DLP Person Memorial Hospital	Service Provider	23,096,300	10	0.44%
NC Eastern Municipal Power Agency	Public Utility			
Cogentrix of NC, Inc.	Private Utility			
Totals		\$ 1,236,031,516		23.28%

Source: Person County Tax Department

Fiscal Year 2013

Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 723,851,992	1	17.76%
104,519,501	2	2.56%
39,412,327	5	0.97%
55,667,125	3	1.37%
33,133,394	7	0.81%
40,639,766	4	1.00%
26,829,934	9	0.66%
24,601,692	10	0.60%
39,207,151	6	0.96%
27,498,403	8	0.67%
<hr/>		<hr/>
\$ <u>1,115,361,285</u>		27.36%

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
2013	27,206,121	26,561,528	97.63%	633,713	27,195,241	99.96%
2014	28,565,618	27,910,626	97.71%	470,559	28,381,185	99.35%
2015	30,622,680	30,227,699	98.71%	377,255	30,604,954	99.94%
2016	31,084,929	30,737,959	98.88%	328,368	31,066,327	99.94%
2017	31,882,532	31,506,743	98.82%	354,224	31,860,967	99.93%
2018	32,070,704	31,666,404	98.74%	373,512	32,039,916	99.90%
2019	32,502,011	32,127,667	98.85%	333,778	32,461,445	99.88%
2020	33,682,129	33,312,102	98.90%	312,392	33,624,494	99.83%
2021	34,255,502	34,025,269	99.33%	147,370	34,172,639	99.76%
2022	38,252,589	37,725,897	98.62%	-	37,725,897	98.62%

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 (2)			
2013	-	14,438,120	96,273	14,534,393	371	1.18%
2014	-	10,849,283	223,532	11,072,815	282	0.85%
2015	-	9,645,448	343,175	9,988,623	255	0.74%
2016	-	9,870,612	1,121,487	10,992,099	280	0.79%
2017	2,285,000	8,351,776	801,284	11,438,060	291	0.79%
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	273	0.67%
2021	1,675,668	7,281,432	310,435	9,267,535	237	N/A*
2022	1,523,335	6,173,813	3,805,135	11,502,283	294	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.

(2) Effective for FY 2022, GASB 98 was implemented which impacted the amount reported for capital leases.

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)
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	0.11%	0.04%	45
2021	1,675,668	N/A*	0.04%	43
2022	1,523,335	N/A*	0.03%	39

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

* Information not yet available

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

(2) See Schedule 7 for property value data.

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

(Page 1 of 2)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed Value of Property	\$ 4,075,935	\$ 4,377,206	\$ 4,371,591	\$ 4,435,444
Debt Limit, 8% of Assessed Value (Statutory Limitation)	326,075	350,176	349,727	354,836
Amount of Debt Applicable to Limit	-	-	-	-
Legal Debt Margin	<u>\$ 326,075</u>	<u>\$ 350,176</u>	<u>\$ 349,727</u>	<u>\$ 354,836</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%

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

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 4,551,628	\$ 4,576,778	\$ 4,640,852	\$ 4,604,464	\$ 4,751,201	\$ 5,308,915
364,130	366,142	371,268	368,357	380,096	424,713
<u>2,285</u>	<u>2,133</u>	<u>1,980</u>	<u>1,828</u>	<u>1,676</u>	<u>11,502</u>
\$ <u>361,845</u>	\$ <u>364,010</u>	\$ <u>369,288</u>	\$ <u>366,529</u>	\$ <u>378,420</u>	\$ <u>413,211</u>
0.63%	0.58%	0.53%	0.50%	0.44%	2.71%

Legal Debt Margin Calculation:

Assessed value subject to taxation	\$ <u>5,308,915</u>
Debt limitation (8% of assessed value subject to taxation)	424,713
Debt applicable to the limit	
General Obligation bonds	<u>11,502</u>
Legal debt margin	\$ <u>413,211</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	1,281,439	20.35%	260,823
Installment purchase obligations	2,110,290	20.35%	429,527
Subtotal, overlapping debt			<u>690,350</u>
Person County direct debt			<u>11,502,283</u>
Total direct and overlapping debt			<u><u>\$ 12,192,633</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)
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	1,660,111	41,581	5,469	7.70%	8,461
2021	39,097	N/A*	N/A*	5,251	4.90%	7,367
2022	39,127	N/A*	N/A*	5,450	3.90%	8,242

* Information not yet available.

Notes:

- (1) <https://www.census.gov/quickfacts/fact/table/personcountynorthcarolina/PST045221>. 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	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Person County Board of Education	686	1	6.40%	673	1	3.70%
Polywood	632	2	5.90%			
GKN Automotive Componemts	500	3	4.66%	393	4	2.16%
Person County Government	366	4	3.41%	410	3	2.25%
Duke Energy Progress	247	5	2.30%	420	2	2.31%
Person Memorial Hospital	237	6	2.21%	220	6	1.21%
Spuntech	201	7	1.88%			
Louisiana-Pacific	159	8	1.48%	150	8	0.82%
Eaton Corporation	156	9	1.46%	284	5	1.56%
Wal-Mart Associates, Inc.	151	10	1.41%	120	10	0.66%
Piedmont Community College	142			209	7	1.15%
North American Aerodynamics	N/A*			132	9	0.73%

Source: Person County Economic Development

* Information not available in FY 2022

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	47	49	53	54	57	59	60	64	57	64
Public safety	140	162	141	149	174	181	195	165	176	151
Transportation	12	12	10	11	14	14	15	15	18	19
Human services										
Social Services	83	92	97	99	95	101	101	101	104	100
Public Health	50	50	48	47	43	36	33	21	26	27
Other	27	25	25	23	28	25	27	26	22	22
Environmental protection	2	2	2	2	2	2	2	2	2	2
Economic and physical development	8	4	5	5	7	9	6	6	7	8
Cultural and recreation	16	27	25	28	33	29	28	29	29	55
Total	<u>385</u>	<u>423</u>	<u>406</u>	<u>418</u>	<u>453</u>	<u>456</u>	<u>467</u>	<u>429</u>	<u>441</u>	<u>448</u>

Source: County Finance Department

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

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

(Page 1 of 2)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Function				
Public Safety/Sheriff's Department & Jail				
Incident Reports	1,695	1,550	3,442	1,403
Calls for Service	20,447	23,417	19,054	16,177
Criminal Papers	3,510	6,466	6,790	4,851
Arrest Reports	2,949	2,208	2,097	1,858
Civil Papers	3,595	4,012	3,119	4,031
Gun Permits	947	645	693	742
Jail bookings	2,167	2,116	2,162	1,795
Average daily population	111	124	127	95
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	62,019	57,016	54,367	47,967
Public Safety/Code Enforcement				
Number of Building Permits Issued	281	282	334	325
Number of Mobile Home Permits Issued	36	33	36	39
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	632	593	601	628
Community Services/Library				
Items Added to Collection	4,790	5,123	4,700	5,585
Circulation	191,775	201,275	213,539	188,564
Internet Use	19,148	21,566	18,421	23,139
Program Attendance	6,399	6,090	8,227	12,606
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	2,542	2,598	4,288	3,806
Average # Family & Child Medicaid Cases	3,220	3,265	4,492	3,435
Average # Households Receiving Food Stamps	3,902	3,980	3,969	3,906
Average \$ Fraud Collections per Month	5,759	4,727	6,064	4,675
Education				
Public Schools enrollment	4,625	4,567	4,562	4,550
Charter Schools enrollment	1,006	1,070	1,049	1,121
Culture and Recreation				
Total park acreage	187	187	187	222
Number of parks	10	10	11	12

Sources:

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

2017	2018	2019	2020	2021	2022
1,467	1,404	2,588	1,887	2,055	1924
18,598	14,931	14,310	12,353	14,630	13946
3,093	2,622	2,903	1,264	1,710	1749
2,444	3,426	1,762	712	1,079	982
3,719	3,936	4,170	2,103	3,172	2999
677	642	537	1,587	1,586	736
2,005	1,892	2,093	1,180	1,300	1301
106	102	104	70	61	71
48,070	46,307	43,529	43,219	41,310	43,208
382	423	406	424	576	360
47	53	45	46	44	52
555	550	590	565	868	578
5,621	5,417	5,118	3,502	6,036	4926
191,170	154,924	140,751	136,474	114,013	114367
24,159	12,944	12,014	8,436	2,136	5068
11,913	7,630	7,864	3,410	2,722	3695
3,757	3,916	3,873	4,441	4,200	4148
3,408	3,647	3,755	5,028	5,463	6115
3,511	3,295	3,158	3,106	3,532	3796
3,739	4,823	5,018	3,868	1,487	1,786
4,470	4,350	4,370	4,326	4,260	4,350
1,120	1,108	1,124	1,143	991	1,100
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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Function										
Public Safety										
Sheriff/Police (Stations)	2	2	3	3	3	3	3	3	3	3
Correction facility capacities	136	136	136	136	136	136	136	136	136	1
Fire stations	14	14	15	15	15	15	15	14	14	14
Highways and streets										
Paved	725	726	676*	676	677	677	677	677	677	677
Unpaved	48	47	34*	34	34	34	34	34	34	34
Culture and recreation										
Parks	10	10	11	12	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	12	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



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

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the 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, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprises Person County's basic financial statements, and have issued our report thereon dated 10/21/2022. Our report includes a reference to other auditors who audited the financial statements of the Person County Airport Authority, as described in our report on the Person County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Person 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 Person County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the schedule of findings and questioned costs as item [2022-001 and 2022-002] that we consider to be significant deficiencies.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Person 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 instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying schedule of findings and questioned costs as items [2022-001].

Person County's Response to Findings

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

Purpose of this Report

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2022



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**Report On Compliance With Requirements Applicable To Each Major Federal
Program And Internal Control Over Compliance In Accordance With OMB
Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Person County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Person County's major federal programs for the year ended June 30, 2022. Person County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Person County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Person County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Person County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Person County federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Person County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Person County's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Person County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Person County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Person County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-003, 2022-004, 2022-005, 2022-006] to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Person County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Person 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.

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

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2022



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**Report On Compliance With Requirements Applicable To Each Major State
Program And Internal Control Over Compliance In Accordance With
OMB Uniform Guidance and the State Single Audit Implementation Act**

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Person County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Person County's major State programs for the year ended June 30, 2022. Person County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Person County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and the State Single Audit Implementation Act. Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report. We are required to be independent of Person County and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion on compliance for each major State program. Our audit does not provide a legal determination of Person County's compliance with the compliance requirements referred to above.

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Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Person County State programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Person County's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Person County's compliance with the requirements of each major State program as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Person County's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of Person County's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Person County's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a State program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2022-003, 2022-004, 2022-005, 2022-006] to be significant deficiencies.

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

Government Auditing Standards requires the auditor to perform limited procedures on Person County's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. Person 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.

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

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

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 21, 2022

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified? X yes none reported

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified? X yes none reported

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

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

Identification of major federal programs:

<u>AL #</u>	<u>Program Name</u>
20.106	Airport Improvement Program
93.563	Child Support Enforcement
93.568	Low Income Energy Assistance
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? yes X no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? yes X no
- Significant Deficiency(s) identified? X yes none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act X yes no

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section I. Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name
 Medical Assistance Program
 School Nursing Funding Initiative
 State Aid to Airports Program
 ROAP Cluster
 Juvenile Crime Prevention
 Volunteer Fire Department Fund

Section II. Financial Statement Findings

Finding 2022-001 Budget Violation

NONCOMPLIANCE/SIGNIFICANT DEFICIENCY

Criteria: In accordance with North Carolina General Statutes § 143C, Budget revisions must be requested and approved prior to any commitment and/or expenditure that would exceed the amount budgeted. Entities should not overspend the authorized budget.

Condition: In the General Fund, expenditures were in excess of appropriation by \$1,166,141 for Human Services and \$15,949 for General Government, which is the level that the County adopts their budget at. This over expenditure occurred as a result of the first year of implementation of GASB 87. In future years, any leases entered into will be budgeted in the year of inception. In addition, the Education function was overspent by \$138,406 as a result of the fines and forfeitures not being budgeted as a result of the implementation of GASB 84.

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

Cause: County oversight of the new accounting standard.

Recommendation: The finance office should review the General Statutes and GASB Statement more carefully to ensure funds are properly authorized and are properly accounted for.

Views of responsible officials and planned corrective actions: The County agrees with this finding.

Finding 2022-002 Prior Period Adjustment

SIGNIFICANT DEFICIENCY

Criteria: Management should have a system in place to verify that transactions are recorded in the correct fund, thereby reducing the likelihood of errors in financial reporting.

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs	
Condition:	Prior Period Adjustments were made to the General Fund that increased fund balance by \$910,589. These adjustments were to record the June 2021 local option sales tax receivable, which increased fund balance by \$994,293; to correct the Register of Deeds payable which decreased fund balance by \$20,497; and to record an allowance for uncollectible EMS receivables that decreased fund balance by \$63,207.
Effect:	The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the county's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.
Cause:	Entries that should be part of the year-end close were overlooked. The County understood that the accrual for August was for June sales, not realizing that the distribution received in September was actually for June sales. Since they had 12 months in revenue, they did not believe that that September distribution should be accrued. The recording of an allowance for EMS was not something the County had ever considered, but because of the material amount of the receivable, an allowance for uncollectible accounts was needed.
Recommendation:	The County should review the ledger and financial documents regularly to ensure that necessary adjustments are made timely during the year.
Views of responsible officials and planned corrective actions:	The County agrees with this finding. Please refer to the corrective action plan for details.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

Finding: 2022-003 Inaccurate Information Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 9 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs (continued)

Context:	We examined 60 of a total of 459,159 Medicaid claims from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

Finding: 2022-004 Inaccurate Resources Entry

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or noncountable resources and explained within the documentation.
Condition:	There were 10 errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs (continued)	
Context:	We examined 60 of a total of 459,159 Medicaid claims from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2021-001.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

Section III. Federal Award Findings and Questioned Costs (continued)	
US Department of Health and Human Services	
Passed through the NC Department of Health and Human Services	
Program Name: Medical Assistance Program (Medicaid; Title XIX)	
CFDA #: 93.778	
Finding: 2022-005	Untimely Review of SSI Termination
SIGNIFICANT DEFICENCY	

Eligibility

Criteria:	In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under Supplemental Security Income (SSI) determination, the County is required to initiate the ex parte review within 5 workdays of the date the termination appears on the SSI Termination Report, and complete the redetermination within 4 months of the month the case appears on the SSI Termination Report and notify the recipient about applicant's ongoing eligibility for Medicaid.
Condition:	There were 5 applicant/beneficiaries not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs (continued)

Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 of a total of 459,159 Medicaid claims from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.
Cause:	Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.
Recommendation:	Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA #: 93.778

Finding: 2022-006 Inadequate Request for Information
SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.
Condition:	There were 1 error discovered during our procedures that inadequate information was requested at applications and/or redeterminations.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs (continued)

Context:	We examined 60 of a total of 459,159 Medicaid claims from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding.

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)
CFDA #: 93.778

SIGNIFICANT DEFICENCY/MATERIAL NONCOMPLIANCE: Finding 2022-003, 2022-004, 2022-005 and 2022-006 also apply to State requirements and State Awards.



PERSON COUNTY

BOARD OF COUNTY COMMISSIONERS

Person County Office Building, Room 212
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Corrective Action Plan For the Year Ended June 30, 2022

Section II - Financial Statement Findings

Finding: 2022-001

Name of contact person: Amy Wehrenberg (Finance Director)

Corrective Action: Due to turnover of key personnel, the reduction of staff resources, and receipt of major grants in FY22, the ability to engage in an earlier implementation of GASB 87 that would have revealed budgetary impacts in time before the close of the fiscal year was not possible. In addition, the firm we had contracted with to provide the determination on which leases would be subject to this standard did not return results in time for the County to complete the calculations before June 30, 2022, the expiration date for any budget adjustments. Now that key personnel and additional staffing resources have been obtained, measures will be put into place to calculate the lease liabilities and complete the necessary entries and budget adjustments in time before the end of the current fiscal year.

The budgetary deficit in the Education function was the result of a misunderstanding that fines and forfeitures were to be included in the GASB 84 implementation requirements. This was also the case for the Register of Deeds Excise Tax payable and Occupancy Taxes for the Person County Tourism Development Authority. These three pass-through accounts were required under GASB 84 to be reported and budgeted as revenue and expenditure accounts rather than recorded as liabilities on the balance sheet. The remaining funds that were subject to this accounting standard were reclassified as part of this implementation and appropriately amended in FY22. These three pass-through accounts have been reclassified into revenue and expenditure accounts and budgeted appropriately to correctly report in the audit for FY23.

Proposed Completion Date: 10/24/2022



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Corrective Action Plan For the Year Ended June 30, 2022

Section II - Financial Statement Findings (continued)

Finding: 2022-002

Name of contact person: Amy Wehrenberg (Finance Director)

Corrective Action: The sales tax distribution has always been recorded for the period that was stated on the N.C. Department of Revenue's monthly sales tax reports. We were unaware that the Local Government Commission had provided guidance that the sales tax reported was actually for collections for 3 months prior to the date of receipt rather than 2 months as indicated on the State's reports until our new audit firm discovered this issue during their review. As a result, a prior year adjustment was necessary to reflect sales tax collections for the correct reporting months in FY22's audit report. The monthly journal entry forms have been updated to assure the reporting of sales tax for the correct month as instructed by the Local Government Commission going forward.

The prior year adjustment for the Register of Deeds Excise Tax payable was associated with the GASB 84 implementation issue as described in Finding 2022-1. During review of the transaction detail in preparation of its reclassification, it was determined that a posting error occurred from a previous year, which caused the need for this prior year adjustment. Now that this account has been reclassified to revenue and expenditure accounts, the process for reconciliation of these funds should be much easier to perform from month to month, and reporting issues such as this one will more likely be detected.

The recording of uncollectible accounts for EMS has not been our practice in the past due to the successful collection of EMS fees by a third-party billing agency that took over this process in 2011. However, our new audit firm, recommends this entry due to the materiality of the receivable, and we concur that this aligns with best accounting practices. Therefore, the allowance for uncollectible accounts will be calculated each year, and an entry will be posted to recognize this amount for audited reports in the future.

Proposed Completion Date: 10/24/2022



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Corrective Action Plan For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs

Finding: 2022-003

Name of contact person: Brittany Majors (Program Manager), Donna Rimmer (AM Supervisor), Joanna Thompson and Meredith Farmer (Leadworkers)

Corrective Action: Some of the verifications missing were lost in the County 2020 Cyber Incident. The County consulted with State Medicaid Reps who advised the County would be in error to request information previously used to make those determination of eligibility which were lost due to not being able to 100% recover from the Cyber Incident. Therefore, the County implemented a new procedural requirement regarding document management and retention of verification used to determine eligibility. Effective January 2022, all economic benefit programs at Person County DSS were required to upload all verifications used in determining eligibility into NCFast. In regards to incorrect data being entered as evidence the Management team conducted individual and unit meeting/trainings to inform parties of the errors discovered and how to reduce/eliminate in future processing. The County would like for it to be notated that eligibility would not have been affected due to the data entry level.

Proposed Completion Date: 9/30/2022

Finding: 2022-004

Name of contact person: Brittany Majors (Program Manager), Donna Rimmer (AM Supervisor), Joanna Thompson and Meredith Farmer (Leadworkers)

Corrective Action: Adult Medicaid Supervisor updated the cover sheet/ checklist and documentation outline utilized by all caseworkers when making their determination of eligibility in hopes of reducing/eliminating any oversight which occurred during the past evaluations. The County would like to state that although data entry data occurred in regards to resource evidence there where no benefits granted in error.

Proposed Completion Date: 10/20/2022



PERSON COUNTY

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Corrective Action Plan For the Year Ended June 30, 2022

Section III. Federal Award Findings and Questioned Costs (continued)

Finding: 2022-005

Name of contact person: Brittany Majors (Program Manager), Donna Rimmer (AM Supervisor), Joanna Thompson (Leadworker)

Corrective Action: Due to a higher volume of vacancies and new hires with no previous Income Maintenance experience it has taken the Adult Medicaid unit some time to get all positions filled and staff trained adequately enough to assist with the processing of cases. During the time of extreme turnover the case workers in place prioritized cases which resulted in the client receiving a greater benefit as advised by the administrative letters issued by DHB given due to the PHE continuity of benefits was in place. During this time frame the State only allowed specific reduction of benefits/terminations. Therefore, these individuals would have continued to receive the same benefit regardless of the SSI review being completed or not. The County has since filled all IMC II positions in that unit and hired a contracted trainer to assist with training in the Adult Medicaid unit. Workloads have been evaluated and specialized based off of program to reduce/eliminate processing errors moving forward.

Proposed Completion Date: 9/23/2022

Finding: 2022-006

Name of contact person: Brittany Majors (Program Manager), Meredith Farmer (Leadworker)

Corrective Action: In this instance, the work number was being ran manually on their website and this information was housed in the County's former document management system, Compass. This verification was lost and was unable to be recovered from the Cyber Incident in 2020. The State has since updated NCFast functionality to include the running of work number through the NCFast website. Therefore, moving forward all results will already be housed in that State supported system. The County would like to State that results returned recently support the action taken. Unit meeting was held to remind the workers to run work number in NCFast.

Proposed Completion Date: 9/30/2022



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Corrective Action Plan
For the Year Ended June 30, 2022

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2022-003, 2022-004, 2022-005 and 202-006 also apply to the State findings.

Person County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2022

Finding: 2021-001
Status: Repeat as finding 2022-004.

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub- recipients	Local Expenditures
Federal Awards:						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept. of Health and Human Services: Division of Social Services: Administration:						
Supplemental Nutrition Assistance Program Cluster State Administrative Matching Grants	10.561		\$ 537,399	\$ -	\$ -	\$ 537,399
FNS - ARPA	10.561		38,724	-	-	-
FNS - CAA	10.561		14,223	-	-	-
			<u>590,346</u>	<u>-</u>	<u>-</u>	<u>537,399</u>
Passed-through N.C. Dept. of Health and Human Services Division of Public Health: Administration:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		187,633	-	-	-
Total U. S. Department of Agriculture			<u>777,979</u>	<u>-</u>	<u>-</u>	<u>537,399</u>
<u>U.S. Department of Defense</u>						
Passed-through N.C. Dept. of Public Safety National Guard Military Operations and Maintenance (O&M) Projects	12.401		6,100	6,100	-	-
Total U.S. Department of Defense			<u>6,100</u>	<u>6,100</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N.C. Department of Commerce Community Development Block Grant	14.218	17-E-2980	80,131	-	-	-
Total U.S. Dept. of Housing and Urban Development			<u>80,131</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>						
Passed through N.C. Dept. of Public Safety Edward Byrne Memorial Justice Assistance Grant Program	16.738	RMDS 1170	44,726	-	-	-
Bulletproof Vest Partnership Grant	16.607		13,095	-	-	-
Equitable Sharing Program	16.922		107,670	-	-	-
Total U.S. Dept. of Justice			<u>165,491</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>						
Passed through the N.C. Department of Transportation Public Transportation for Nonurbanized Areas						
21-CT-083 Person County, Admin	20.509	36233.81.20.1	56,064	3,504	-	-
21-CT-083 Person County, Capital	20.509	36233.81.20.3	111,836	13,979	-	-
COVID-19 21-CT-083 Person County, Operating	20.509	49233.49.1.2	68,709	-	-	-
Total Public Transportation for Nonurbanized Areas			<u>236,609</u>	<u>17,483</u>	<u>-</u>	<u>-</u>
Airport Improvement Program	20.106	36237.47.16.1	311,231	-	-	-
Airport Improvement Program	20.106	36237.47.17.1	287,503	-	-	-
Total Airport Improvement Program			<u>598,734</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total U.S. Dept. of Transportation			<u>835,343</u>	<u>17,483</u>	<u>-</u>	<u>-</u>
<u>U.S. National Endowment for the Arts</u>						
Passed-through N.C. Department of Natural and Cultural Resources Library Services and Technology Act Program	45.310		5,000	-	-	-
ARPA Library Services and Technology Act Program	45.310		17,429	-	-	-
Total U.S. National Endowment for the Arts			<u>22,429</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Election Assistance Commission</u>						
Passed-through N.C. State Board of Elections COVID-19 HAVA Election Security Grants	90.404		36,051	-	-	-
Total U.S. Election Assistance Commission			<u>36,051</u>	<u>-</u>	<u>-</u>	<u>-</u>

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub- recipients	Local Expenditures
U.S. Dept. of Health and Human Services						
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		31,285	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Family Planning Services	93.217		38,375	-	-	-
Immunization Cooperation Agreements	93.268		10,466	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		85,976	-	-	-
Total Immunization Cooperation Agreements			96,442	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		256,493	-	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		6,951	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,607	-	-	-
Maternal and Child Health Services Block Grant	93.994		26,633	10,547	-	-
Division of Social Services:						
Temporary Assistance Needy Families Cluster						
TANF - Work First	93.558		308,598	-	-	510,918
Division of Public Health						
TANF - Work First	93.558		5,928	-	-	-
Total TANF Cluster			314,526	-	-	510,918
Low Income Energy Assistance						
Administration	93.568		34,134	-	-	-
Crisis Intervention Payments	93.568		143,844	-	-	-
Energy Assistance	93.568		455,458	-	-	-
LIEAP ARPA	93.568		159,200	-	-	-
LIEAP ARPA ADMIN	93.568		39,234	-	-	-
LIHWAP ADMIN	93.568		6,244	-	-	-
LIHWAP CAA			18,031	-	-	-
Total Low-Income Energy Assistance			856,145	-	-	-
Permanency Planning - Service & Admin	93.645		1,890	-	-	630
Family Perservation	93.556		29,221	-	-	-
Refugee Assistance Admin	93.566		(11)	-	-	-
Foster Care and Adoption Cluster						
Foster Care - Title IV-E	93.658		542,459	91,335	-	297,291
Adoption Assistance	93.659		3,457	-	-	3,457
Foster Care	N/A		78,772	20,583	-	-
Total Foster Care and Adoption			624,688	111,918	-	300,748
Child Support Enforcement	93.563		472,646	-	-	243,484
Chafee Foster Care Independence Program	93.674		19,976	4,084	-	-
SSBG - Other Training & Services	93.667		276,894	-	-	92,298
Division of Aging and Adult Services						
Social Service Block Grant	93.667		22,003	629	-	-
Division of Social Services						
SSBG - Adult Day Care	93.667		45,201	789	-	8,606
SSBG - CPS TANF to SSBG	93.667		62,110	-	-	-
SSBG - State In Home Service Fund	93.667		8,312	-	-	1,187
Total Social Service Block Grant			414,520	1,418	-	102,091

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub- recipients	Local Expenditures
Subsidized Child Care: <u>Child Care Development Fund Cluster</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund- Administration	93.596		80,497	-	-	-
Total Subsidized Child Care			80,497	-	-	-
Division of Medical Assistance						
Division of Social Services Administration						
Medical Assistance Program	93.778		1,593,727	5,937	-	705,318
State Children's Insurance Program-N. C. Health Choice	93.767		35,043	(98)	-	7,961
Passed-through Kerr-Tar Regional COG						
Division of Aging and Adult Services <u>Aging Cluster</u>						
Special Programs for the Aging - Title III B Grants for Supportive Services and Senior Centers	93.044		106,095	6,241	-	-
Special Programs for the Aging - Title III C Nutrition Services	93.045		24,664	1,451	-	-
Nutrition Services Incentive Program	93.053		13,672	-	-	-
Total Aging Cluster			144,431	7,692	-	-
Family Caregiver Services	93.052		2,683	179	-	-
Passed-through Duke University						
Cardiovascular Diseases Research	93.837		19,871	-	-	-
Total U. S. Department of Health and Human Services			5,096,789	141,677	-	1,871,150
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety						
Emergency Management Performance Grant	97.042	RMDS 1500	17,782	-	-	-
COVID-19 Emergency Management Performance Grant	97.042		25,391	-	-	-
ARPA - Emergency Management Performance Grant	97.042		11,068	-	-	-
Total Emergency Management Performance Grant			54,241	-	-	-
Total U.S. Department of Homeland Security			54,241	-	-	-
Total federal awards			\$ 7,074,554	\$ 165,260	\$ -	\$ 2,408,549
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 6,412	\$ -	\$ -
PH Capacity Building			-	85,814	-	-
General Communicable Diseases Control			-	4,398	-	-
Healthy Community Activities			-	3,747	-	-
Child Health			-	7,557	-	-
HIV/STD STATE			-	541	-	-
School Nursing Funding Initiative			-	150,000	-	-
Family Planning - State			-	18,449	-	-
Maternal Health			-	10,433	-	-
Women's Health Service Fund			-	5,157	-	-
TB Control			-	9,258	-	-
Total Division of Public Health			-	301,766	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	82,423	-	-
County Funded Programs			-	-	-	962,484

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub- recipients	Local Expenditures
DCD Smart Start			-	(582)	-	-
Energy Assist Private Grant			-	2,269	-	-
Non-Allocating County Cost			-	-	-	169,883
Work First Non Reimbursable			-	-	-	211,521
Extended FC/Max Non IV-E			-	11,062	-	-
F/C at Risk Maximization			-	3,591	-	1,272
COVID-19 FC STIPEND			-	(1,600)	-	-
SFHF Maximization			-	164,313	-	146,452
State Foster Home			-	97,003	-	80,790
IV-B EFT CHAF INDEP LIV			-	61,305	-	-
Total Division of Social Services			-	419,784	-	1,572,402
Passed-through Kerr-Tar Regional COG						
Division of Aging and Adult Services						
State Appropriation - Access			-	(3,590)	-	-
State Appropriation - Home Delivery Meals			-	65,588	-	-
State Appropriation - In Home Services			-	137,561	-	-
State Appropriation			-	10,693	-	-
Total Division of Aging and Adult Services			-	210,252	-	-
Minority Disease Prevention			-	14,373	-	-
Total N.C. Dept. of Health and Human Services			-	946,175	-	1,572,402
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant			-	2,019	-	-
Total Dept. of Veterans Affairs			-	2,019	-	-
<u>N.C. Dept. of Transportation</u>						
State Aid to Airports Program						
State Aid to Airports Program		DOT-8 36244.60.9.3	-	259,332	-	28,815
State Aid to Airports Program		DOT-8 36244.60.10.1	-	78,710	-	8,745
Total State Aid to Airports Program			-	338,042	-	37,560
ROAP Cluster						
ROAP RGP		DOT-16CL 36228.22.10.1	-	123,658	-	-
ROAP EDTAP		DOT-16CL 36220.10.10.1	-	10,671	-	-
ROAP EMPLOYMENT		DOT-16CL 36236.11.9.1	-	33,641	-	-
Total ROAP Cluster			-	167,970	-	-
Total N.C. Department of Transportation			-	506,012	-	37,560
<u>N.C. Dept. of Natural and Cultural Resources</u>						
Division of State Library						
State Aid to Libraries			-	92,566	-	-
Total N.C. Dept. of Natural and Cultural Resources			-	92,566	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention		RMDS 1240	-	178,250	-	-
Sheriff Assistance Grant		2021-2023	-	44,506	-	-
Tier II Grant			-	515	-	-
Total N.C. Department of Pubic Safety			-	223,271	-	-
<u>N.C. Department of Insurance</u>						
Office of State Fire Marshal						
Volunteer Fire Department Fund		FY22-DG-0046	-	151,743	-	-
Total N.C. Department of Insurance			-	151,743	-	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2022

Grantor/Pass-through Grantor/Program Title	Federal Assistance Listing No.	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Sub- recipients	Local Expenditures
<u>N.C. Department of Agriculture & Consumer Services</u>						
Division of Soil & Water Conservation						
District Master Agreement			-	26,192	-	-
Total N.C. Department of Agriculture & Consumer Services			-	26,192	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund			-	27,503	27,503	-
Total N.C. Department of Public Instruction			-	27,503	27,503	-
Total State Awards			\$ -	\$ 1,975,481	\$ 27,503	\$ 1,609,962
Total Federal and State Awards			\$ 7,074,554	\$ 2,140,741	\$ 27,503	\$ 4,018,511

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Person County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2022. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit 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, change 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.

Note 5: Benefit Payments Issued by the State

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

Program Title	AL No.	Federal	State
Food and Nutrition Services	10.551	\$ 21,158,016	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	746,518	-
Children's Health Insurance Program	93.767	565,892	126,429
Medical Assistance Program	93.778	61,747,485	23,381,216
IV-E Adopt & Vendor	93.659	319,626	-
TANF - PEAFF	93.558	52,500	-
TANF Payments & Penalties	93.558	146,680	-
Refugee Assistance Payment	93.566	1,086	-
CWS Adopt, Vendor, Guard	N/A	-	31,925
SC/SA Domiciliary Care	N/A	-	240,152