

# Annual Comprehensive Financial Report

---

## PERSON COUNTY *North Carolina*



**For Year Ended  
June 30, 2023**

**Person County, North Carolina**  
**Annual Comprehensive Financial Report**  
**Table of Contents**

For the Year Ended June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>		
Letter of Transmittal		i-iv
Certificate of Achievement for Excellence in Financial Reporting		v
Principal Officials		vi
Organization Chart		vii
<b><u>FINANCIAL SECTION</u></b>		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-14
<b><u>Basic Financial Statements:</u></b>		
Government-wide Financial Statements:		
Statement of Net Position	1	15
Statement of Activities	2	16-17
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3a	19
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	4	20
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	5	22
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – Capital Investment Fund	6	23
Statement of Fund Net Position – Proprietary Funds	7	24
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	8	25
Statement of Cash Flows – Proprietary Funds	9	26
Statement of Fiduciary Net Position – Fiduciary Funds	10	27
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	11	28
Notes to the Financial Statements		29-71

**Person County, North Carolina**  
**Annual Comprehensive Financial Report**  
**Table of Contents**

For the Year Ended June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
<u>Required Supplemental Information:</u>		
Schedule of County's Proportionate Share of Net Pension Liability (LGERS)	A-1	72
Schedule of County Contributions (LGERS)	A-2	73
Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-3	74
Schedule of County Contributions (ROD)	A-4	75
Schedule of Changes in Total Pension Liability (LEOSSA)	A-5	76
Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEOSSA)	A-6	77
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-7	78
<u>Combining and Individual Fund Financial Statements and Schedules:</u>		
Major Governmental Funds:		
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	B-1	79-87
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Reappraisal Fund	B-1a	88
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Fund)	B-2	89
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - Airport Capital Projects Fund	B-3	90
Nonmajor Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	91-93
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	94-96
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual:		
Fire District Tax Fund	C-3	97
Emergency Telephone System Special Revenue Fund	C-4	98
Revolving Loan Special Revenue Fund	C-5	99
Economic Catalyst Fund	C-6	100
Water & Sewer Constrution Reserve Special Revenue Fund	C-7	101
Sherriff's Execution Fund	C-8	102
Person Industries Community Rehabilitation Program and Material		
Recovery Facility Fund	C-9	103-104
Social Services Representative Payee Fund	C-10	105

**Person County, North Carolina**  
**Annual Comprehensive Financial Report**  
**Table of Contents**

For the Year Ended June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Opioid Settlement Fund	C-11	106
Capital Improvement Projects Fund	C-12	107
Waterline Extension RRSF Fund	C-13	108
Public Safety Towers and Broadband Fund	C-14	109
Public School Improvements Project - LOB's Fund	C-15	110
Enterprise Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Stormwater Fund	D-1	111
Internal Service Fund		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Insurance Fund	E-1	112
Custodial Funds		
Combining Statement of Fiduciary Net Position	F-1	113
Combining Statement of Changes in Fiduciary Net Position	F-2	114
<u>Other Schedules:</u>		
Schedule of Ad Valorem Taxes Receivable	G-1	115
Analysis of Current Tax Levy	G-2	116

**STATISTICAL SECTION**

	<u>Schedule</u>	<u>Page</u>
<u>Government-wide information:</u>		
Net Position by Component	1	117-118
Changes in Net Position	2	119-120
<u>Fund information:</u>		
Governmental Activities Tax Revenues by Source	3	121
Fund Balances, Governmental Funds	4	122-123
Changes in Fund Balances, Governmental Funds	5	124-125
General Governmental Tax Revenues by Source	6	126
Assessed Value and Actual Value of Taxable Property	7	127-128
Direct and Overlapping Governments - Property Tax Rates	8	129
Principal Property Tax Payers	9	130-131
Property Tax Levies and Collections	10	132
Ratios of Outstanding Debt by Type	11	133
Ratios of Net General Bonded Debt Outstanding	12	134
Legal Debt Margin Information	13	135-136
Direct and Overlapping Governmental Activities Debt	14	137
Demographic and Economic Statistics	15	138
Principal Employers	16	139

**Person County, North Carolina**  
**Annual Comprehensive Financial Report**  
**Table of Contents**

For the Year Ended June 30, 2023

	<u>Exhibit</u>	<u>Page</u>
Full-time Equivalent County Government Employees by Function	17	140
Operating Indicators by Function	18	141-142
Capital Asset Statistics by Function	19	143

**COMPLIANCE SECTION**

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>	144-145
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	146-148
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	149-151
Schedule of Findings and Questioned Costs	152-158
Corrective Action Plan	159-161
Summary Schedule of Prior Year Audit Findings	162
Schedule of Expenditures of Federal and State Awards	163-167

# INTRODUCTORY SECTION

## INTRODUCTORY SECTION



*This page left blank intentionally*



# PERSON COUNTY

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

The Board of County Commissioners  
Person County, North Carolina  
October 30, 2023

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 Annual Comprehensive Financial Report (ACFR) of the County of Person (the "County") for the fiscal year ended June 30, 2023.

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 Thompson, Price, Scott, Adams & Co., P.A., 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, 2023, 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, 2023, 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 2023, Person County, NC, the unemployment rate was 3.8%. Average annual wages for Person County rose from \$44,066 in 2022 to \$45,822 in 2023. Person County is experiencing growth, and numerous residential developments are in various phases of development throughout the City and County.

FY 2023 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. The Golden Leaf Grant was awarded in FY22 for clearing and grading of the Person County owned North Park site. The project was closed out in Q4 of 2023.
- Marketing, Recruitment, and Business Development – Travel and events were in full swing. Economic Development staff participated in trips and events with both the Research Triangle Regional Partnership and the Economic Development Partnership of North Carolina as well as numerous other events. The expansion for POLYWOOD, LLC, continued in FY23, and is expected to be completed in FY24.
- Existing Industry and Small Business Support – Existing industry visits slowly resumed with a visit made to Person Memorial Hospital and Louisiana Pacific.
- Workforce Development – The Economic Development Director served on the Person County Schools CTE Advisory Board. Person County Economic Development participated in workforce resource events and a job fair through NCWorks.
- Administrative –The Director position was filled in February. The Assistant Director left the Department in May of 2023. As a result, that position was eliminated. The position was reclassified to an Existing Industry Coordinator. The Economic Development Specialist position was filled in May.
- Support for the City of Roxboro's Western Sewer Project.

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 2023, the Person County Capital Improvement Plan ("CIP") for the years 2024-2028 was presented and approved in April 2023, 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 decreased by \$2,839,105 (23.9%) 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 FY2023. In October 2022, the Board of Education hosted a joint meeting with the Board of Commissioners to share information regarding their request for funding needed improvements for all public schools. Another joint meeting was held in February 2023 to continue and revisit the original request, where some funding options were presented for discussion. On March 6, 2023, the Board of Commissioners approved a Resolution of Intent to issue Limited Obligation Bonds for \$38,255,000 to finance improvements to Person High School and various other School buildings, and to increase property taxes by a ¼ cent in order to make principal and interest payments on the Bonds. The Resolution stated the County's expectation to be reimbursed from the Bonds for expenditures remitted on behalf of the Schools (i.e. engineering and planning costs) in advance of receiving proceeds on the closing date. The proposed issuance will occur in three-year increments beginning with \$12.745M in October 2023 for Person High School. The two issuances for the remaining schools are scheduled to occur in 2025 for \$11.715M and in 2027 for \$13.795M. The average annual debt payment once all three tranches have been issued is estimated to be \$2.33M. The scheduled closing for the first tranche of funds for Person High School is scheduled to take place in early November 2023.

## Relevant Financial Policies

### *Financial Policies and Capital Investment Fund*

As per the guidance provided in the County's *Budget, Accounting and Fund Reserve Policies*, the County recognized excess fund balance reserves over 25% of audited expenditures for the prior audited year, resulting in a transfer of \$4,275,961 to the Capital Investment Fund (CIF) in support of future capital and debt expenditures. In addition, another \$3.3M was transferred into the CIF as recommended by this policy, to support Capital Improvement Projects for capital items over \$50,000.

## 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 April 2023, the Board of Commissioners revised the original ARPA Project Ordinance to include an appropriation for Broadband expansion for \$2.75M, with the remaining \$4.9M to be pledged for salaries and benefits associated with Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services. The approved use of ARPA funds in FY23 included \$82,110 for installing wheelchair and cargo lifts in the Kirby Cultural Arts Center, \$397,239 for a records retention program in the Register of Deeds Department, and set-aside funding of \$2M for future Economic Development opportunities. The remaining uncommitted balance of supplanted ARP/CSLFRF funds at the end of FY23 is \$2.44 million.

### *Broadband Expansion*

The County reserved \$2.75M in ARPA funding for broadband expansion. The State of North Carolina awarded Growing Rural Economies with Access to Technology (GREAT) Grants to Zitel, LLC and Connect Holding II, LLC (dba Brightspeed) to provide broadband services to a total of 1,067 households and 44 businesses. The amount awarded to Zitel was \$1,936,154 and the amount awarded to Brightspeed was \$1,932,370 with County matching funds of \$170,837 and \$40,000, respectively. The County plans to leverage remaining ARPA funding for broadband expansion by partnering with the state and internet service providers through the Completing Access to Broadband (CAB) Program.

### *Raleigh Regional Airport at Person County*

Using federal grant dollars and matching local funds, the County is currently working on projects at the Person County Airport. Currently, these include the Runway 6-24 Connector Taxiways & Apron Rehabilitation Project and a Runway Extension Project. The Corporate Hangar Project has been completed and the County has partnered with Jamestown Properties, Inc. with a 10-year lease. 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 expected to be out for bid later this year with a start date in Spring 2024 in order to

bypass the winter weather. 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 \$11.23M 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 \$12M in direct funding from the State which is being dedicated to this project. The Environmental phase has started with estimated completion of that phase around June 2024. 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 expended \$211,489 in stormwater funds in the second year of the UNRBA's Interim Alternative Implementation Approach (IAIA) program in order to meet Stage 1 compliance with the Falls Lake Watershed requirements. Stormwater funding was used for survey, design and permitting work for two stormwater projects: 1) stormwater control measures (swales, ponds, etc.) at the Rock Athletic Complex and 2) developing the "County Farm" property into a passive recreational park.

### ***Opioid Settlement Funds***

Person County received \$236,778 in FY23 in opioid settlement payments, contributing to a total of \$336,498 reported through June 30, 2023. Over the life of the settlement ending in 2040, Person County will receive approximately \$2,595,543. These funds must be used to address the opioid epidemic. The Opioid Settlement Advisory Committee held its first meeting on March 6, 2023 and then began meeting monthly the first Wednesday of the month at 10:00 am at the Health Department. Committee members attended the NCACC Overdose Prevention Summit in Durham, NC in June 2023. Currently, the committee is drafting a community survey to provide an avenue for public input.

### ***Duke Energy's Carbon Plan***

Duke Energy, the County's largest taxpayer, plans to retire the Mayo Plant by 2031 and the Roxboro (Hyco) Plant by 2034. The company plans to construct a new, hydrogen-capable natural gas plant at Hyco. The site would be home to one of the most advanced power plants in Duke Energy's fleet. A similar project in Asheville supported around 1,300 construction jobs and more than \$120M in supplier goods and services and generated more than \$1.5M in new county property taxes in 2019. Duke Energy continues to evaluate other potential future generation sources for Person County, including additional natural gas, advanced nuclear and renewables. The County supports Duke Energy's efforts to meet established carbon reduction goals and generate clean energy locally.

## **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Person County for its ACFR for the fiscal years ended June 30, 2021 and June 30, 2022. The report ending June 30, 2022 was the thirty-fifth consecutive year that the government has achieved this prestigious award.

In order to be awarded a Certificate of Achievement, a government published an easily readable and efficiently organized ACFR. 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 ACFR 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**

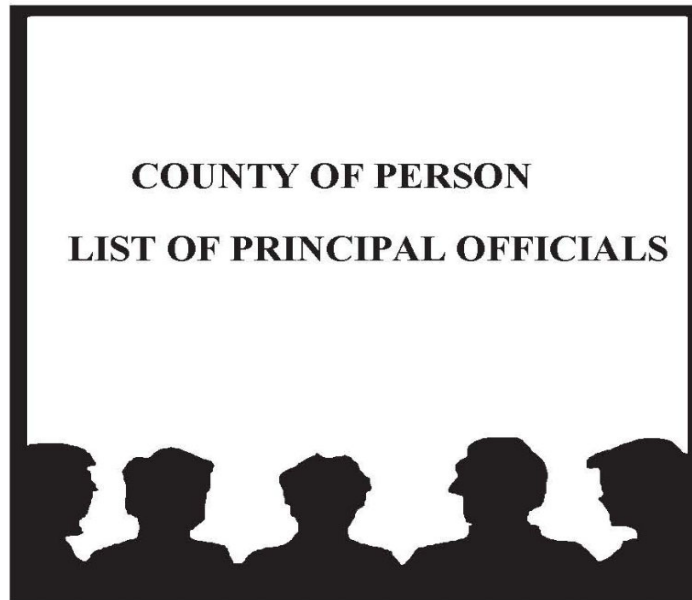
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO

# Person County, North Carolina



## **Board of County Commissioners**

Gordon Powell, Chairman  
Derek Sims, Vice-Chairman  
Charlie Palmer  
Kyle W. Puryear  
Jason D. Thomas

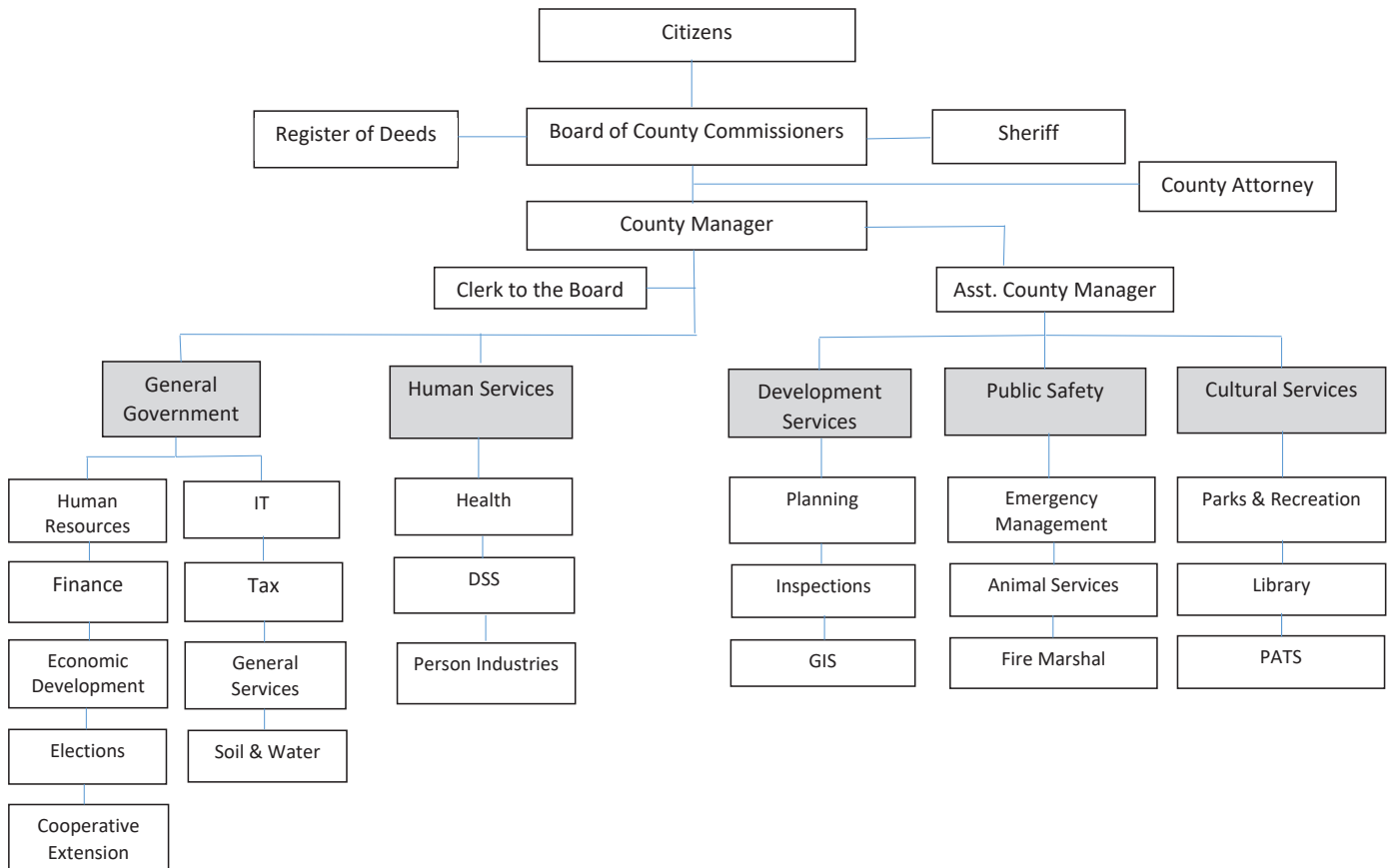
## **County Manager**

Katherine Cathey

## **Finance Director**

Amy Wehrenberg

## PERSON COUNTY GOVERNMENT





*This page left blank intentionally*

# FINANCIAL SECTION

## FINANCIAL SECTION





*This page left blank intentionally*



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

**P.O Box 398  
1626 S. Madison Street  
Whiteville, NC 28472  
Telephone (910) 642-2109  
Fax (910) 642-5958**

---

**Alan W. Thompson, CPA  
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, 2023, 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, based on our audit and the report of the other auditors, the accompanying 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 units, each major fund, and the aggregate remaining fund information of Person County, North Carolina as of June 30, 2023, 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 82.34 percent, 78.47 percent, and 90.85 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units, as of June 30, 2023, 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 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 and Person County Tourism Development Authority 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 responsible to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of 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 72 and 73, 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 74 and 75, 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 76 and 77, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 78, 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 27, 2023 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 27, 2023

# **Person County, North Carolina**

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

**For the Year Ended June 30, 2023**

---

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, 2023. 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 \$92,394,475 (net position).
- The government's total net position increased by \$14,471,490, primarily due to the increase in property tax revenues and sales tax collections. 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 \$65,355,121, after a net increase in fund balance of \$15,212,113. Approximately 38% of this total amount, or \$25,104,334 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,166,242, which represents 35.45% of total general fund expenditures and outgoing transfers for the fiscal year.
- Person County's total debt decreased by \$2,839,105 (4% of total governmental expenditures) during the current fiscal year. This decrease is a result of the paydown of scheduled debt, and reductions in reported liabilities related to leases (GASB 87) and IT subscriptions (GASB GASB 96).
- Person County had an A1 bond rating from Moody's Investor Service (Moody's) prior to when the last publicly offered bonds matured on 2/1/2009. However, after undergoing a rating assessment in November 2023 due to the need to issue new bonds for the improvement of schools, Moody's Investors Service assigned a rating of Aa2 to Person County, reflecting the County's consistent 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.

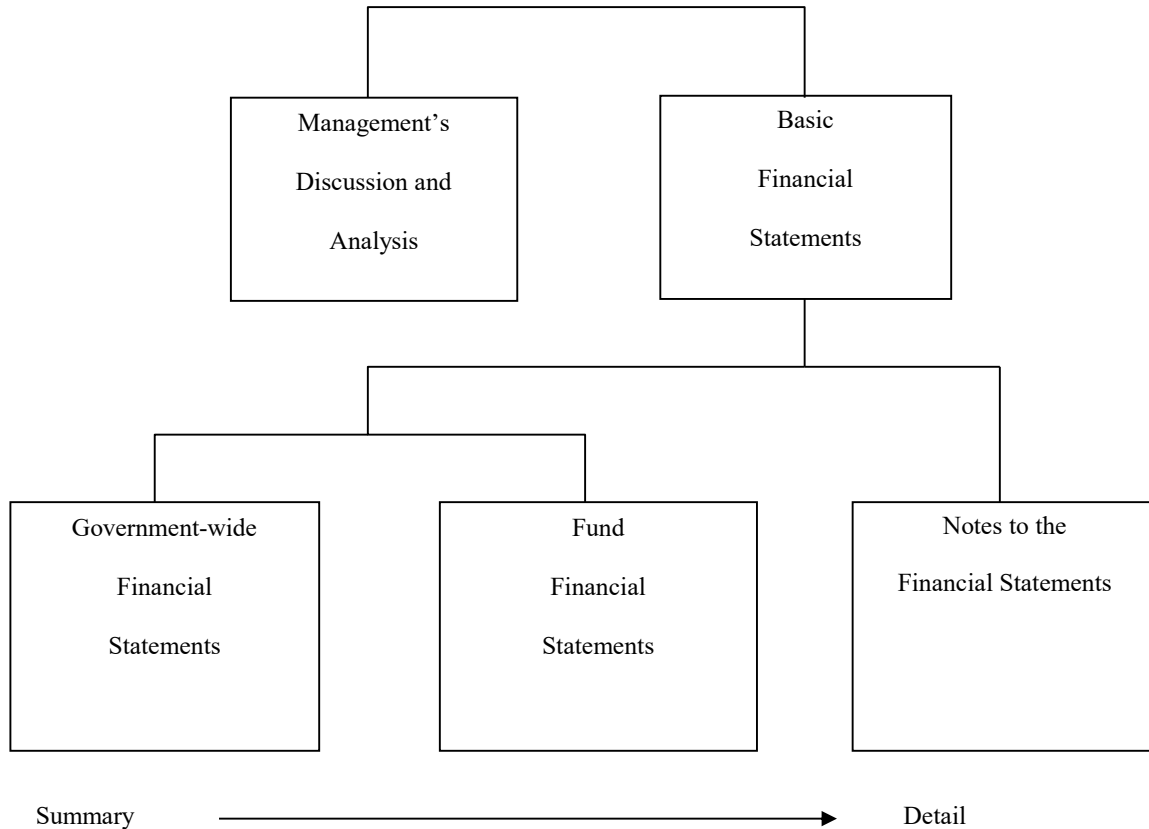
# Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2023

---

## 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, 2023

---

### 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, 2023**

---

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 72 of this report.



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

**For the Year Ended June 30, 2023**

## **Government-Wide Financial Analysis**

### **PERSON COUNTY'S NET POSITION**

**Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 87,532,593	\$ 79,103,306	\$ 580,063	\$ 747,848	\$ 88,112,656	\$ 79,851,154
Capital assets	50,631,630	48,821,774	-	-	50,631,630	48,821,774
Total assets	138,164,223	127,925,080	580,063	747,848	138,744,286	128,672,928
Total deferred outflows of resources	12,400,955	10,109,259	-	-	12,400,955	10,109,259
Long-term liabilities outstanding	33,731,520	28,529,431	-	-	33,731,520	28,529,431
Other liabilities	20,933,808	25,996,210	6,859	2,152	20,940,667	25,998,362
Total liabilities	54,665,328	54,525,641	6,859	2,152	54,672,187	54,527,793
Total deferred inflows of resources	4,078,579	6,370,909	-	-	4,078,579	6,370,909
Net position:						
Net investment in capital assets	42,111,459	41,858,897	-	-	42,111,459	41,858,897
Restricted	24,888,237	20,085,679	-	-	24,888,237	20,085,679
Unrestricted	24,821,575	15,193,213	573,204	745,696	25,394,779	15,938,909
Total net position	\$ 91,821,271	\$ 77,137,789	\$ 573,204	\$ 745,696	\$ 92,394,475	\$ 77,883,485

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 \$92,394,475 as of June 30, 2023. The County's net position increased by \$14,471,490 for the fiscal year ended June 30, 2023. Net position of \$42,111,459 (45.58%) 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 \$24,888,237 (26.94%) at June 30, 2023. The remaining balance of \$25,394,779 (27.49%) is the unrestricted portion of the total net position.

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

- Continued emphasis on the collection of property taxes. The tax collection percentage increased to 99.47%, which represents the highest collection rate on record for Person County. This compares favorably to our previous year at 98.62%. The overall tax collections for current year's taxes significantly increased by \$1,380,086.
- 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, 2023

## PERSON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 7,214,485	\$ 11,394,232	\$ 285,750	\$ 281,503	\$ 7,500,235	\$ 11,675,735
Operating grants and contributions	17,066,228	12,711,232	-	-	17,066,228	12,711,232
Capital grants and contributions	2,450,223	1,054,585	-	-	2,450,223	1,054,585
General revenues:						
Property taxes	41,805,225	39,677,327	-	-	41,805,225	39,677,327
Local option sales taxes	13,232,684	11,862,245	-	-	13,232,684	11,862,245
Other taxes	1,118,369	1,063,057	-	-	1,118,369	1,063,057
Investment earnings, unrestr	2,621,074	104,421	2,049	2,371	2,623,123	106,792
Other	787,400	1,223,128	-	-	787,400	1,223,128
Total revenues	86,295,688	79,090,227	287,799	283,874	86,583,487	79,374,101
Expenses:						
General government	11,273,568	16,574,401	-	-	11,273,568	16,574,401
Public safety	19,282,517	18,312,055	-	-	19,282,517	18,312,055
Transportation	1,366,707	1,327,587	-	-	1,366,707	1,327,587
Human services	16,426,099	16,825,196	-	-	16,426,099	16,825,196
Environmental Protection	817,478	810,927	-	-	817,478	810,927
Economic and physical development	1,947,943	2,152,488	-	-	1,947,943	2,152,488
Cultural and recreation	2,421,730	2,177,838	-	-	2,421,730	2,177,838
Education	17,817,364	13,364,453	-	-	17,817,364	13,364,453
Interest on long-term debt	298,300	228,927	-	-	298,300	228,927
Stormwater	-	-	460,291	211,460	460,291	211,460
Total expenses	71,651,706	71,773,872	460,291	211,460	72,111,997	71,985,332
Increase in net position	14,643,982	7,316,355	(172,492)	72,414	14,471,490	7,388,769
Net position, beginning	77,137,789	68,910,845	745,696	673,282	77,883,485	69,584,127
Net position, beginning, restated	77,177,289	69,821,434	745,696	673,282	77,922,985	70,494,716
Net position, ending	\$ 91,821,271	\$ 77,137,789	\$ 573,204	\$ 745,696	\$ 92,394,475	\$ 77,883,485

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

For the Year Ended June 30, 2023

---

**Governmental activities.** Governmental activities resulted in an increase of the County's net position by \$14,643,982. Key elements of this increase are as follows:

- Increase in grants and contributions by \$4.3M compared to the prior year, primarily the use of ARPA funding for revenue replacement.
- Significant increase in property taxes by \$2.1M resulting from the 2021 revaluation and higher state appraised properties.
- Sales tax revenues reflect growth showing an increase of \$1.3M over the prior fiscal year.
- Significant increase in investment earnings associated with the investment of restricted cash.

**Business-type activities.** Business-type activities decreased Person County's net position by \$172,492 in the Stormwater Fund. Key elements of this decrease are as follows:

- Minimal increase of stormwater revenue collection over previous year.
- Increase in stormwater administration and project expenses.

### 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 \$24,166,242, available fund balance was \$33,778,237, while total fund balance reached \$43,473,088. 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 35.45% of general fund expenditures and outgoing transfers less lease liabilities issued, while available fund balance represents 49.54% and total fund balance represents 63.76% of that same amount.

The Capital Investment Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$11,112,617 at June 30, 2023, an increase of \$3,199,865 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 \$296,425 at June 30, 2023. 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. For the period of July 1, 2022 through June 30, 2023, the Board of Commissioners approved to allocate \$4,920,470 of ARP/CSLRF funding to salaries and benefits associated with the Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services, as well as \$2,750,000 for broadband expansion. As a result, the funds for salaries and benefits were transferred to the General Fund to offset those expenses. The County plans to leverage the remaining \$2.75M in ARPA funding for broadband expansion by partnering with the state and internet service providers through the Completing Access to Broadband (CAB) Program.

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

**For the Year Ended June 30, 2023**

---

The Airport Capital Projects Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$1,527,975 at June 30, 2023, an increase of \$10,328 over the last year. The increase is minimal due 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.

At June 30, 2023, the governmental funds of Person County reported a combined fund balance of \$65,355,121, an increase of \$15,212,113 (30.34%) 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 decreased compared to the prior year by \$122,166, mostly due to the decreases in capital expenditures. With increased revenues and decreased expenditures in the governmental funds, total revenues exceeded expenditures, causing a net surplus of \$15M for FY 2023.

**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 \$11,002,184.

Ad valorem taxes exceeded budget by \$2,011,862 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 \$553,823. 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 \$8.8M. Approximately \$3.4M of these remaining funds was reported in the Human Services departments, primarily from lapse salary expenditures in the Health and Social Services Departments from vacated positions that occurred during the year. Unspent vehicle funds due to the unavailability of ambulances, as well as lapse salary expenditures in EMS cause the overall surplus of remaining funds in the Public Safety function of \$2.1M. General Government reported \$1.7M of available funds due to lapse salary expenditures in Administration and Human Resources Departments as a result of staffing transitions, as well as remaining contract commitments in the Human Resources and Register of Deeds Departments. Expenditures were in excess of appropriation by \$357,201 in Transfers to Other Funds that occurred by receiving more in sales tax that was accrued at year-end than anticipated. This resulted in an over-expenditure in the transfer of the sales tax-dedicated portion for Schools to the County's Capital Investment Fund.

**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 \$573,204. The total decline in net position was \$172,492. 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 \$2,298,291, an increase of \$1,462,224. This increase is primarily due to fund transfers from the General Fund to support high claims expenses that occurred during the year.

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

**For the Year Ended June 30, 2023**

## **Capital Asset and Debt Administration**

**Capital Assets.** Person County's capital assets for its governmental activities as of June 30, 2023, total \$50,631,630 (net of accumulated depreciation and amortization). These assets include land, buildings, improvements, machinery and equipment (including vehicles), and park facilities. Major capital asset transactions during the year include:

### General Government

- Construction of executive airport hangar, installation of chiller unit at North End Elementary, paving and ADA improvements at old Helena School, renovation of PCOB Auditorium, and purchase of easement for the County Farm.

### Public Safety

- Purchase of ambulance at EMS, enhancements of camera system and updates to HVAC controls at the Law Enforcement Center, purchase of pontoon boat, trailer, drone unit, and scuba suit and gear equipment for search and rescue efforts by the Sheriff's Department.

### Human Services

- Two vehicles and an immunization fridge and freezer for the Health Department, and three vehicles for DSS.

### Culture and Recreation

- Installation of athletic field lights and poles at various parks, parking & paving improvements at Mayo Park, and new playground equipment for Sportsplex.

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

**Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 4,247,822	\$ 4,187,547	\$ -	\$ -	\$ 4,247,822	\$ 4,187,547
Buildings	15,802,129	17,427,874	-	-	15,802,129	17,427,874
Improvements	16,374,782	11,278,367	-	-	16,374,782	11,278,367
Machinery and equipment	4,552,175	4,845,206	-	-	4,552,175	4,845,206
Infrastructure	2,893,057	3,211,395	-	-	2,893,057	3,211,395
Construction in Progress	3,990,499	7,871,385	-	-	3,990,499	7,871,385
Right to Use Assets	2,771,166	4,208,334	-	-	2,771,166	4,208,334
<b>Total</b>	<b>\$ 50,631,630</b>	<b>\$ 53,030,108</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 50,631,630</b>	<b>\$ 53,030,108</b>

Additional information on the County's capital assets can be found in Note 3(a) of the Notes to the Financial Statements.

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

**For the Year Ended June 30, 2023**

**Long-term Debt.** As of June 30, 2023, Person County had total bonded debt outstanding of \$1,371,002 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	
	2023	2022	2023	2022	2023	2022
Bonds Payable	\$ 1,371,002	\$ 1,523,335	\$ -	\$ -	\$ 1,371,002	\$ 1,523,335
Installment Purchases	4,914,760	6,173,813	-	-	4,914,760	6,173,813
Lease Liability	2,542,005	3,871,402	-	-	2,542,005	3,871,402
IT Subscription Liability	226,544	324,866	-	-	226,544	324,866
<b>Total</b>	<b>\$ 9,054,311</b>	<b>\$ 11,893,416</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 9,054,311</b>	<b>\$ 11,893,416</b>

Person County's total debt decreased by \$2,839,105 (23.87%) during the past fiscal year, due to the paydown of debt and reduction in liabilities related to leases (GASB 87) and IT subscriptions (GASB 96). There were no new debt financings for FY2023.

As mentioned in the financial highlights section of this document, Person County's conservative fiscal management and ability to maintain a strong financial position 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 \$427,435,932.

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 3(b) of the Notes to the Financial Statements.

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

- The County's average unemployment rate as of June 30, 2023, was 3.5%, a decrease of 0.4% from last year's rate of 3.9%, but only 0.1% under the statewide average of 3.6%.
- 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 39,386 is slightly higher than previous year.

# **Person County, North Carolina**

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

**For the Year Ended June 30, 2023**

---

### **Budget Highlights for Fiscal Year Ending June 30, 2024**

#### **Government Activities:**

The Adopted Budget for Fiscal Year 2023-2024 is \$93,608,006, which includes all annually budgeted funds, an increase of 6.14% over the previous year's adopted budget. The General Fund comprises \$73,736,306 of this total, which is an increase of \$2.8M, or 3.94% over the prior year.

Additional expenditures in the budget include 22 new positions. One of the County's largest expenditures include pay adjustments for employees to minimums and employee equity for approximately \$2.6M for implementation of a compensation market study performed in FY23. This represents an overall increase of 10.18% in employee salaries to attract and retain the best possible county workforce. The total approved FY24 CIP funding amount is \$17,550,345. These include new projects such as the merging of facilities between Person Industries Community Rehabilitation and the Material Recycling Facility for \$2.1M in FY24; a \$12.745M Limited Obligation Bonds (LOB's) issuance for the improvement of Person High School (PHS); a roof replacement at South Elementary School for \$5M, and \$839K for various improvements at Piedmont Community College. 16 new vehicles are included at a total cost of \$697K and 1 new ambulance for \$433K. Volunteer Fire Departments budget is increasing by \$99.8K due to growth in the tax base. VFD contracts increased by 2% (biannual increase). Group Health Insurance for County Employees is budgeted at \$5.9M, an increase of \$571K.

The County's revenue budget includes a property tax increase of \$0.0025 to fund debt service payments for \$38M in safety and accessibility improvements for Person County School facilities. The property tax rate increases from \$0.72 to \$0.7225 per \$100 of valuation. The fire tax rate remains the same at \$.05. Sales tax estimates are projected higher by 21.64%, providing \$13.6M in revenues. Interest earnings are budgeted at a significant increase by almost \$1.2M in response to several interest rate hikes by the Federal Reserve over the past year. Consistent with the County's financial policy, the appropriation of fund balance is budgeted for one-time expenditures, such as capital outlay. The budget includes a fund balance appropriation of \$3.63 million.

#### **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 decreased by \$110,394 for a total of \$279,000. This is primarily due to the \$114,394 reduction of the stormwater reserve/IAIA budget since this project is ongoing at fiscal year-end 2023 and will be carried forward into fiscal year 2024 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





*This page left blank intentionally*

**Person County, North Carolina**  
**Statement of Net Position**  
**June 30, 2023**

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Person County Tourism Development Authority	Person County ABC Board
<b>ASSETS</b>					
<b>Current Assets:</b>					
Cash and cash equivalents	\$ 47,865,119	\$ 568,613	\$48,433,732	\$ 577,560	\$ 958,983
Taxes receivable (net)	328,933	-	328,933	-	-
Other receivables (net)	6,447,950	11,450	6,459,400	47,570	9,685
Lease receivable - current	287,395	-	287,395	-	-
Inventories	-	-	-	-	765,326
Prepaid items	114,124	-	114,124	-	288
Restricted cash and cash equivalents	31,143,556	-	31,143,556	-	-
Total current assets	86,187,077	580,063	86,767,140	625,130	1,734,282
<b>Non-current Assets:</b>					
Net pension asset- Register of Deeds	44,520	-	44,520	-	-
Lease receivable	1,300,996	-	1,300,996	-	-
Capital assets:					
Land, improvements, and construction in progress	8,238,321	-	8,238,321	-	184,576
Other capital assets, net of depreciation	39,622,143	-	39,622,143	10,915	916,293
Right to use lease asset, net of amortization	2,771,166	-	2,771,166	-	-
Total capital assets	50,631,630	-	50,631,630	10,915	1,100,869
Total non-current assets	51,977,146	-	51,977,146	10,915	1,100,869
Total assets	138,164,223	580,063	138,744,286	636,045	2,835,151
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	12,400,955	-	12,400,955	-	130,908
<b>LIABILITIES</b>					
<b>Current Liabilities:</b>					
Accounts payable and accrued expenses	2,670,582	6,859	2,677,441	30,667	355,512
Accrued interest payable	54,852	-	54,852	-	145
Customer deposits	26,874	-	26,874	-	-
Unearned revenues	15,086,738	-	15,086,738	-	-
Current portion of long-term liabilities	3,094,762	-	3,094,762	-	92,965
Total current liabilities	20,933,808	6,859	20,940,667	30,667	448,622
<b>Long-term liabilities:</b>					
Net pension liability - LGERS	12,772,757	-	12,772,757	-	122,983
Total pension liability- LEOSSA	2,444,442	-	2,444,442	-	-
Total OPEB liability	11,080,706	-	11,080,706	-	-
Long-term liabilities due in more than one year	7,433,615	-	7,433,615	-	188,144
Total long-term liabilities	33,731,520	-	33,731,520	-	311,127
Total liabilities	54,665,328	6,859	54,672,187	30,667	759,749
<b>DEFERRED INFLOWS OF RESOURCES</b>	4,078,579	-	4,078,579	-	520
<b>NET POSITION</b>					
Net investment in capital assets	42,111,459	-	42,111,459	10,915	830,277
Restricted for:					
Stabalization by State Statute	10,607,734	-	10,607,734	-	-
Public Safety	1,226,686	-	1,226,686	-	-
Register of deeds	61,194	-	61,194	-	-
Register of deeds pension plan	65,546	-	65,546	-	-
Economic and physical development	-	-	-	47,570	-
Capital projects	12,927,077	-	12,927,077	-	100,000
Working capital	-	-	-	-	174,856
Unrestricted (deficit)	24,821,575	573,204	25,394,779	546,893	1,100,657
Total net position	\$ 91,821,271	\$ 573,204	\$92,394,475	\$ 605,378	\$ 2,205,790

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, 2023**

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 11,273,568	\$ 506,631	\$ 4,920,470	\$ -
Public safety	19,282,517	3,293,470	1,635,293	-
Transportation	1,366,707	168,054	453,990	280,704
Human services	16,426,099	1,628,286	9,419,729	-
Environmental protection	817,478	1,174,655	27,489	-
Economic and physical development	1,947,943	14,044	94,747	-
Cultural and recreation	2,421,730	429,345	171,649	-
Education	17,817,364	-	342,861	2,169,519
Interest on long-term debt	298,300	-	-	-
Total governmental activities	71,651,706	7,214,485	17,066,228	2,450,223
Business-type activities:				
Stormwater	460,291	285,750	-	-
Total primary government	\$ 72,111,997	\$ 7,500,235	\$ 17,066,228	\$ 2,450,223
Component Units:				
Person County Tourism Development Authority	\$ 339,002	\$ -	\$ -	\$ -
Person County ABC Board	4,242,960	4,546,265	-	-
Total component units	\$ 4,581,962	\$ 4,546,265	\$ -	\$ -
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				
Restatement (see Note VII)				
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
\$ (5,846,467)	\$ -	\$ (5,846,467)	\$ -	\$ -
(14,353,754)	-	(14,353,754)	-	-
(463,959)	-	(463,959)	-	-
(5,378,084)	-	(5,378,084)	-	-
384,666	-	384,666	-	-
(1,839,152)	-	(1,839,152)	-	-
(1,820,736)	-	(1,820,736)	-	-
(15,304,984)	-	(15,304,984)	-	-
(298,300)	-	(298,300)	-	-
(44,920,770)	-	(44,920,770)	-	-
-	(174,541)	(174,541)	-	-
(44,920,770)	(174,541)	(45,095,311)	-	-
-	-	-	(339,002)	-
-	-	-	-	303,305
-	-	-	(339,002)	303,305
41,805,225	-	41,805,225	-	-
13,232,684	-	13,232,684	455,554	-
1,118,369	-	1,118,369	-	-
459,487	-	459,487	-	-
2,621,074	2,049	2,623,123	2,748	773
327,913	-	327,913	-	773
59,564,752	2,049	59,566,801	458,302	1,546
14,643,982	(172,492)	14,471,490	119,300	304,851
77,137,789	745,696	77,883,485	486,078	1,900,939
39,500	-	39,500	-	-
77,177,289	745,696	77,922,985	486,078	1,900,939
\$ 91,821,271	\$ 573,204	\$ 92,394,475	\$ 605,378	\$ 2,205,790

**Person County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

	Major				Non-Major	
	General	Capital Investment Fund	ARPA Fund	Airport Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,239,472	\$ -	\$ -	\$ -	\$ 9,432,614	\$ 44,672,086
Cash and cash equivalents-Restricted	2,025,189	11,131,533	3,046,425	13,523,284	1,417,125	31,143,556
Ad valorem taxes receivables, net	300,080	-	-	-	-	300,080
Other Receivables, net	6,075,535	-	-	9,940	362,475	6,447,950
Lease Receivable	1,588,391	-	-	-	-	1,588,391
Due from other funds	1,561,099	-	-	-	-	1,561,099
Prepays items	114,124	-	-	-	-	114,124
Total assets	<u>\$ 46,903,890</u>	<u>\$ 11,131,533</u>	<u>\$ 3,046,425</u>	<u>\$ 13,533,224</u>	<u>\$ 11,212,214</u>	<u>\$ 85,827,286</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 1,398,863	\$ 18,916	\$ -	\$ 5,249	\$ 352,812	\$ 1,775,840
Deposits	26,874	-	-	-	-	26,874
Due to other funds	-	-	-	-	1,561,099	1,561,099
Unearned revenues	240	-	2,750,000	12,000,000	336,498	15,086,738
Total liabilities	<u>1,425,977</u>	<u>18,916</u>	<u>2,750,000</u>	<u>12,005,249</u>	<u>2,250,409</u>	<u>18,450,551</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid Taxes	135,789	-	-	-	-	135,789
Property taxes receivable	300,080	-	-	-	-	300,080
Lease receivable	1,568,956	-	-	-	-	1,568,956
Notes receivable	-	-	-	-	16,789	16,789
Total deferred inflows of resources	<u>2,004,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,789</u>	<u>2,021,614</u>
Fund balances:						
Nonspendable:						
Prepays	114,124	-	-	-	-	114,124
Leases	19,435	-	-	-	-	19,435
Restricted:						
Stabalization by State Statute	9,212,194	-	-	9,940	1,385,600	10,607,734
Register of Deeds	61,194	-	-	-	-	61,194
Public Safety	287,904	-	-	-	938,782	1,226,686
Human Services	-	-	-	-	148,084	148,084
Capital Projects	-	11,112,617	296,425	1,518,035	-	12,927,077
Committed:						
Tax Reappraisal	891,869	-	-	-	-	891,869
Economic Development	-	-	-	-	1,072,681	1,072,681
Enviromental protection	-	-	-	-	1,092,545	1,092,545
Public Safety	-	-	-	-	583,178	583,178
LEOSSA Pension	341,731	-	-	-	-	341,731
Capital Projects	-	-	-	-	4,315,241	4,315,241
Assigned:						
Broadband Expansion	2,750,000	-	-	-	-	2,750,000
Economic Development	2,000,000	-	-	-	-	2,000,000
Subsequent year's expenditures	3,628,395	-	-	-	-	3,628,395
Unassigned:	24,166,242	-	-	-	(591,095)	23,575,147
Total fund balances	<u>43,473,088</u>	<u>11,112,617</u>	<u>296,425</u>	<u>1,527,975</u>	<u>8,945,016</u>	<u>65,355,121</u>
Total liabilities, deferred inflows of resources, and fund balances	\$ 46,903,890	\$ 11,131,533	\$ 3,046,425	\$ 13,533,224	\$ 11,212,214	\$ 85,827,286

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

**Person County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

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

Total Fund Balance - Governmental Funds	\$ 65,355,121
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	50,631,630
Accrued interest receivable less that amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	28,853
Net pension asset - Register of Deeds	44,520
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	2,298,291
Deferred inflows of resources for taxes receivable	300,080
Deferred inflows of resources for note receivable	16,789
Pension related deferrals, net	8,309,308
OPEB related deferrals, net	1,717,813
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	(54,852)
General Obligation Bonds	(1,371,002)
Installment Purchases	(4,914,760)
Lease and IT Subscription Liabilities	(2,768,549)
Accrued post-closure care costs	(20,821)
Compensated Absences	(1,453,245)
Net pension liability- LGERS	(12,772,757)
Net pension liability- LEOSSA	(2,444,442)
Total OPEB liability	(11,080,706)
Net position of governmental activities	<u>\$ 91,821,271</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 Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2023**

	Major				Non-Major	
	General Fund	Capital Investment Fund	ARPA Fund	Airport Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Ad valorem taxes	\$ 39,852,732	\$ -	\$ -	\$ -	\$ 2,336,111	\$ 42,188,843
Local options sales taxes	13,232,684	-	-	-	-	13,232,684
Other taxes and licenses	992,859	-	-	-	-	992,859
Fees	861,860	-	-	-	-	861,860
Intergovernmental	10,379,183	2,169,519	4,920,470	280,704	2,034,726	19,784,602
Investment earnings	1,255,004	414,742	288,222	450,886	141,942	2,550,796
Charges for services	5,271,187	-	-	-	816,805	6,087,992
Other	854,745	-	-	-	19,664	874,409
Total revenues	72,700,254	2,584,261	5,208,692	731,590	5,349,248	86,574,045
<b>EXPENDITURES</b>						
Current:						
General government	8,649,976	-	-	-	-	8,649,976
Public safety	15,828,496	-	-	-	1,976,374	17,804,870
Transportation	1,152,245	-	-	-	-	1,152,245
Human services	12,282,682	-	-	-	2,220,138	14,502,820
Environmental protection	116,713	-	-	-	671,880	788,593
Economic and physical development	1,210,630	-	-	-	670,157	1,880,787
Cultural and recreational	2,275,346	-	-	-	-	2,275,346
Intergovernmental						
Education	12,371,101	2,696,498	-	-	2,101,962	17,169,561
Capital outlay	951,823	29,348	-	821,262	1,471,480	3,273,913
Debt service:						
Principal	-	2,868,453	-	-	-	2,868,453
Interest and other charges	-	314,811	-	-	-	314,811
Total expenditures	54,839,012	5,909,110	-	821,262	9,111,991	70,681,375
Excess (deficiency) of revenues over expenditures	17,861,242	(3,324,849)	5,208,692	(89,672)	(3,762,743)	15,892,670
<b>OTHER FINANCING SOURCES (USES)</b>						
Lease liabilities issued	-	2,666	-	-	-	2,666
IT subscriptions issued	-	26,682	-	-	-	26,682
Transfers from other funds	4,920,470	11,298,607	-	100,000	6,508,396	22,827,473
Transfers to other funds	(13,340,209)	(4,803,241)	(4,920,470)	-	(513,554)	(23,577,474)
Sale of capital assets	40,096	-	-	-	-	40,096
Total other financing sources and uses	(8,379,643)	6,524,714	(4,920,470)	100,000	5,994,842	(680,557)
Net change in fund balance	9,481,599	3,199,865	288,222	10,328	2,232,099	15,212,113
Fund balances-beginning	33,991,489	7,912,752	8,203	1,517,647	6,712,917	50,143,008
Fund balances-ending	\$ 43,473,088	\$ 11,112,617	\$ 296,425	\$ 1,527,975	\$ 8,945,016	\$ 65,355,121

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, 2023**

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

Net changes in fund balances - total governmental funds	\$ 15,212,113
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	3,244,566
Depreciation expense for governmental assets	(4,046,358)
Basis of assets disposed	<u>(159,518)</u>
	(961,310)
Right to Use Assets - leased assets	29,348
Amortization expense for leased assets	<u>(1,466,516)</u>
	(1,437,168)
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.	(29,348)
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.	2,868,453
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.	12,744
Contributions to the pension plan in the current year are not included on the Statement of Activities.	2,317,121
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	77,698
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.	274,170
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)	16,511
Compensated absences	(194,632)
OPEB expense	(843,277)
Pension expense	(3,742,586)
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	(357,669)
Increase in accrued taxes receivable at end of year	(25,950)
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.	1,462,224
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.	<u>(5,112)</u>
Total changes in net position of governmental activities	<u>\$ 14,643,982</u>

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



**Person County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Year Ended June 30, 2023**

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 37,840,870	\$ 37,840,870	\$ 39,852,732	\$ 2,011,862
Local option sales taxes	11,205,300	11,205,300	13,232,684	2,027,384
Other taxes and licenses	201,250	951,250	992,859	41,609
Fees	781,508	786,508	861,860	75,352
Intergovernmental	8,669,496	10,146,398	10,379,183	232,785
Investment earnings	2,600	794,100	1,255,004	460,904
Charges for services	4,359,939	4,717,364	5,271,187	553,823
Other	552,693	829,713	854,745	25,032
Total revenues	<u>63,613,656</u>	<u>67,271,503</u>	<u>72,700,254</u>	<u>5,428,751</u>
Expenditures				
Current:				
General government	9,260,979	10,300,223	8,632,194	1,668,029
Public safety	16,230,704	18,444,995	16,300,859	2,144,136
Transportation	1,425,096	1,834,906	1,152,245	682,661
Human services	15,567,872	15,964,414	12,527,740	3,436,674
Environmental protection	283,094	409,050	191,713	217,337
Economic and physical development	1,472,495	1,488,561	1,220,880	267,681
Cultural and recreation	2,178,103	2,487,527	2,281,646	205,881
Contingency	825,000	63,030	-	63,030
Intergovernmental				
Education	<u>12,256,062</u>	<u>12,606,062</u>	<u>12,479,611</u>	<u>126,451</u>
Total expenditures	<u>59,499,405</u>	<u>63,598,768</u>	<u>54,786,888</u>	<u>8,811,880</u>
Revenues over (under) expenditures	<u>4,114,251</u>	<u>3,672,735</u>	<u>17,913,366</u>	<u>14,240,631</u>
Other financing sources (uses):				
Transfer to other funds	(6,282,311)	(13,185,132)	(13,542,333)	(357,201)
Transfer from other funds	-	-	4,920,470	4,920,470
Sale of capital assets	-	-	40,096	40,096
Total other financing sources (uses)	<u>(6,282,311)</u>	<u>(13,185,132)</u>	<u>(8,581,767)</u>	<u>4,603,365</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(2,168,060)</u>	<u>(9,512,397)</u>	<u>9,331,599</u>	<u>18,843,996</u>
Appropriated Fund Balance	<u>2,168,060</u>	<u>9,512,397</u>	<u>-</u>	<u>(9,512,397)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>9,331,599</u>	<u>\$ 9,331,599</u>
Fund Balances- beginning			<u>33,968,654</u>	
Fund Balances- ending			<u>\$ 43,300,253</u>	
Legally budgeted Tax Reappraisal expenditures have been consolidated into the General Fund for reporting purposes:				
Expenditures			(52,124)	
Transfer from General Fund			202,124	
Consolidated change in fund balance			<u>9,481,599</u>	
Fund Balances- beginning			<u>33,991,489</u>	
Fund Balances- ending			<u>\$ 43,473,088</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, 2023**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Revenues:				
Lottery Proceeds	\$ 750,000	\$ 2,961,799	\$ 2,169,519	\$ (792,280)
Investment earnings	140	140	414,742	414,602
Total revenues	<u>750,140</u>	<u>2,961,939</u>	<u>2,584,261</u>	<u>(377,678)</u>
Expenditures:				
Schools	1,323,000	4,240,485	2,695,290	1,545,195
Miscellaneous	275	1,106	1,208	(102)
Reserve for future projects	-	3,887,911	-	3,887,911
Capital Outlay	-	391,425	29,348	362,077
Debt Service				
Principal retirement	1,411,387	2,873,458	2,868,453	5,005
Interest and fees	290,623	371,492	314,811	56,681
Total debt service	<u>1,702,010</u>	<u>3,244,950</u>	<u>3,183,264</u>	<u>61,686</u>
Total expenditures	<u>3,025,285</u>	<u>11,765,877</u>	<u>5,909,110</u>	<u>5,856,767</u>
Excess (deficiency) of revenues over expenditures	<u>(2,275,145)</u>	<u>(8,803,938)</u>	<u>(3,324,849)</u>	<u>5,479,089</u>
Other Financing Sources (Uses)				
Transfers In	5,081,340	10,941,784	11,298,607	356,823
Transfers Out	(4,803,241)	(4,803,241)	(4,803,241)	-
Lease liabilities issued	-	-	2,666	2,666
IT Subscriptions	-	391,425	26,682	(364,743)
Total other financing sources (uses)	<u>278,099</u>	<u>6,529,968</u>	<u>6,524,714</u>	<u>(5,254)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(1,997,046)</u>	<u>(2,273,970)</u>	<u>3,199,865</u>	<u>5,473,835</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>3,199,865</u>	<u>\$ 3,199,865</u>
Fund balance, beginning			<u>7,912,752</u>	
Fund balance, ending			<u>\$ 11,112,617</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, 2023**

	<b>Non-Major Enterprise Fund</b>	<b>Internal Service Fund</b>
	<b>Storm Water Fund</b>	<b>Insurance Funds</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 568,613	\$ 3,193,033
Accounts receivable (net)	11,450	-
Total current assets	<u>580,063</u>	<u>3,193,033</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable and accrued liabilities	6,859	894,742
Total current liabilities	<u>6,859</u>	<u>894,742</u>
Total liabilities	<u>6,859</u>	<u>894,742</u>
<b>NET POSITION</b>		
Unrestricted	573,204	2,298,291
Total net position	<u><u>\$ 573,204</u></u>	<u><u>\$ 2,298,291</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, 2023**

	<b>Non-Major Enterprise Fund</b>	<b>Internal Service Fund</b>
	<b>Storm Water Fund</b>	<b>Insurance Funds</b>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 285,750	\$ 4,565,992
Miscellaneous income	-	349,726
Total operating revenues	<u>285,750</u>	<u>4,915,718</u>
<b>OPERATING EXPENSES</b>		
Professional and contract services	49,561	-
Dues and subscriptions	89,038	-
Advertising	182	-
Stormwater administration	103,400	-
Project expenses	218,110	-
Health insurance administration	-	4,273,772
Total operating expenses	<u>460,291</u>	<u>4,273,772</u>
Operating income	<u>(174,541)</u>	<u>641,946</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest earnings	2,049	70,278
Total nonoperating revenue (expenses)	<u>2,049</u>	<u>70,278</u>
Income (loss) before transfers	<u>(172,492)</u>	<u>712,224</u>
Transfers from (to) other funds	<u>-</u>	<u>750,000</u>
Change in net position	<u>(172,492)</u>	<u>1,462,224</u>
Total net position, beginning	<u>745,696</u>	<u>836,067</u>
Total net position, ending	<u>\$ 573,204</u>	<u>\$ 2,298,291</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, 2023**

	<b>Non-Major Enterprise Fund Storm Water Fund</b>	<b>Internal Service Fund Insurance Funds</b>
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 288,559	\$ 4,915,718
Cash paid for goods and services	(455,585)	(4,449,249)
Net cash provided (used) by operating activities	(167,026)	466,469
<b>Cash flows from noncapital financing:</b>		
Transfers in	-	750,000
Net cash provided (used) by noncapital financing activities	-	750,000
<b>Cash flows from investing activities:</b>		
Interest on investments	2,049	70,278
Net increase (decrease) in cash and cash equivalents	(164,977)	1,286,747
<b>Cash and cash equivalents</b>		
Beginning of year, July 1	733,590	1,906,286
End of year, June 30	<u>\$ 568,613</u>	<u>\$ 3,193,033</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:</b>		
Operating income (loss)	\$ (174,541)	\$ 641,946
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	2,809	-
Account payable and accrued liabilities	4,706	(175,477)
Total adjustments	7,515	(175,477)
Net cash provided by (used for) operating activities	<u>\$ (167,026)</u>	<u>\$ 466,469</u>

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

**Person County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2023**

	<b>Custodial Funds</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 73,546
Taxes receivables, net	114,475
Total assets	<u>188,021</u>
<b>Liabilities</b>	
Accounts payable and accrued liabilities	567
Due to other governments	20,969
Total liabilities	<u>21,536</u>
<b>Net Position</b>	
Restricted for:	
Individuals, organizations, and other governments	166,485
Total net position	<u>\$ 166,485</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, 2023**

	<b>Custodial Funds</b>
<b>Additions</b>	
Ad valorem taxes for other governments	\$ 5,567,230
Collections on behalf of inmates	194,294
Collections on behalf of 4H	4,915
Total additions	<u>5,766,439</u>
<b>Deductions</b>	
Tax distributions to other governments	5,575,252
Payments on behalf of inmates	193,370
Payments to 4H	3,919
Total deductions	<u>5,772,541</u>
Net increase (decrease) in fiduciary net position	(6,102)
Net position - beginnning	<u>172,587</u>
Net position - ending	<u><u>\$ 166,485</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.





*This page left blank intentionally*

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

**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, 2023**

---

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, 2023**

---

*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, Waterline Extension RRSF Fund, Public Safety Towers and Broadband Fund, and the Public School Improvements - LOBs 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. 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/amortization 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, 2023**

---

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as 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, 2023**

---

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, 2023 consisted of the following:

Person County Restricted Cash		
Governmental Activities		
General Fund	Tax Revaluation	\$ 891,868
General Fund	Information Technology	424,779
General Fund	Register of Deeds	61,194
General Fund	Law Enforcement	305,617
General Fund	LEOSA Pension	341,731
ARPA Fund	Unexpended Grant Proceeds	3,046,425
Opioid Settlement Funds	Unexpended Settlement Funds	336,498
Fire Tax District Fund	Unspent Grant Proceeds	176,804
Airport Capital Projects Fund	Airport Construction	13,523,284
Emergency Telephone System Fund	Public Safety	903,823
Capital Investments Fund	Capital Projects	11,131,533
Total restricted cash		<u><u>\$ 31,143,556</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, 2022. 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, 2023**

---

**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, 2023**

---

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.

The County's capital assets also include certain right to use assets. These right to use assets arise in association with agreements where the County reports a lease (only applies when the County is the lessee) or agreements where the County reports an Information Technology (IT) subscription in accordance with the requirements of GASB 87 and GASB 96, respectively.

The right to use lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made at or prior to the start of the lease term, less lease incentives received from the lessor at or prior to the start of the lease term, and plus ancillary charges necessary to place the lease asset into service. The right to use lease assets are amortized on a straight-line basis over the life of the related lease.

The right to use IT subscription assets are initially measured at an amount equal to the initial measurement of the subscription liability plus any subscription payments made at the start of the subscription term, if applicable, plus capitalizable initial implementation costs at the start of the subscription term, less any incentives received from the IT subscription vendor at the start of the subscription term. Subscription payments, as well as payments for capitalizable implementation costs made before the start of the subscription term should be reported as a prepayment (asset). Such prepayments should be reduced by any incentives received from the same vendor before the start of the subscription term if a right of offset exists. The net amount of the prepayments and incentives should be reported as an asset or liability, as appropriate, before the start of the subscription term at which time the amount should be included in the initial measurement of the subscription asset. The right to use subscription assets should be amortized on a straight-line basis over the subscription term.

**9. 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.

**10. Long-Term Obligations**

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



**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

## **11. 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.

Depending on length of service, the ABC Board's vacation policy provides 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.

## **12. 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.

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

The County received \$236,778 as part of this settlement in FY23, contributing to the total of \$336,498 reported through June 30, 2023. 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, 2023. 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. The Opioid Settlement Advisory Committee held its first meeting in March 2023, and then began meeting monthly the first Wednesday of the month at 10:00 am at the Health Department.

### **13. 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 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.

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. In April 2023, the Board of Commissioners revised the original ARPA Project Ordinance to include an appropriation for Broadband expansion for \$2.75M, with the remaining \$4.9M to be pledged for salaries and benefits associated with Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services. The approved use of ARPA funds in FY23 included \$82,110 for installing wheelchair and cargo lifts in the Kirby Cultural Arts Center, \$397,239 for a records retention program in the Register of Deeds Department, and set-aside funding of \$2M for future Economic Development opportunities. The remaining uncommitted balance of supplanted ARP/CSLFRF funds at the end of FY23 is \$2.44 million.

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

#### **Net Position**

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

#### **Fund Balances**

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

The governmental fund types classify fund balances as follows:

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

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

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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.

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 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.

Restricted net position in Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of the Register of Deeds' Pension plan of \$65,546.

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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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.

Broadband Expansion - portion of fund balance from revenue replacement funds set aside for Broadband Expansion.

Economic Development - portion of fund balance from revenue replacement funds set aside for future economic development projects.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to transfer appropriations within the same functional areas of the same fund without limitation and without a report to the Board of Commissioners; the manager is also authorized by the budget ordinance to transfer amounts up to \$10,000 between functional areas of the same fund with an official report on such transfers at the next regular meeting of the Board of Commissioners.

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

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

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

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

**15. 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 (LERS), 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*

For the fiscal year ended June 30, 2023, the transfers made from the General Fund exceed the authorized appropriations by \$357,201. This resulted in the County receiving more in sales tax that was accrued at year end than anticipated, and inadequate budget was available for the resulting transfer to the Capital Investment Fund.

**Detail Notes on All Funds**

**NOTE III**

**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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

At June 30, 2023, the County's deposits had a carrying amount of \$5,275,1994 and a bank balance of \$5,817,406. Of the bank balance, \$500,000 was covered by federal depository insurance and \$5,317,406 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2023, Person County had \$4,094 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2023, the Person County ABC Board's deposits had a carrying amount of \$954,733 and a bank balance of \$1,783,971. 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, 2023 the Person County ABC Board also had cash on hand in the amount of \$4,250.

At June 30, 2023, the PCTDA's deposits had a carrying amount of \$577,360 and a bank balance of \$587,692. Of the bank balance, \$250,000 was covered by federal depository insurance and \$337,692 was covered by collateral held under the pooling method. At June 30, 2023, the Authority maintained a cash on hand balance of \$200.

## 2. Investments

At June 30, 2023, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation Measurement Method</u>	<u>Fair Value</u>	<u>Less Than 6 months</u>
NC Capital Management Trust - Government Portfolio (Operating)	Fair Value- Level I	\$ 53,285,988	\$ 53,285,988
NC Capital Management Trust - Government Portfolio ( Home Health & Hospice)	Fair Value- Level I	191,368	191,368
NC Capital Management Trust - Government Portfolio ( OSBMVFD Grant)	Fair Value- Level I	464,123	464,123
NC Capital Management Trust - Government Portfolio (Airport Grant)	Fair Value- Level I	12,463,167	12,463,167
NC Capital Management Trust - Government Portfolio (American Rescue Plan)	Fair Value- Level I	7,966,895	7,966,895
TOTAL		<u>\$ 74,371,541</u>	<u>\$ 74,371,541</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 and AAA-mf by Moody's Investors Service as of June 30, 2023.

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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

*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, 2023, 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, 2023, 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, 2023.

*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.

### 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
2023	\$ 2,435,199	\$ 140,024	\$ 2,575,223
2022	2,403,725	354,550	2,758,275
2021	1,884,127	447,480	2,331,607
2020	1,895,332	620,721	2,516,053
Total	<u>\$ 8,618,383</u>	<u>\$ 1,562,775</u>	<u>\$ 10,181,158</u>

### 4. Receivables

Receivables at the government-wide level at June 30, 2023, were as follows:

	Other Accounts	Taxes Receivable	Accrued Interest	Lease Receivable	Total
Governmental Activities:					
General	\$ 6,258,335	\$ 463,380	\$ 28,853	\$ 1,588,391	\$ 8,338,959
Airport Capital Project Fund	9,940	-	-	-	9,940
Non-major funds	362,475	-	-	-	362,475
Total Receivables	<u>\$ 6,630,750</u>	<u>\$ 463,380</u>	<u>\$ 28,853</u>	<u>\$ 1,588,391</u>	<u>\$ 8,711,374</u>
Less: allowance for doubtful accounts	(182,800)	(163,300)	-	-	(346,100)
Total Governmental Activities	<u>\$ 6,447,950</u>	<u>\$ 300,080</u>	<u>\$ 28,853</u>	<u>\$ 1,588,391</u>	<u>\$ 8,365,274</u>
Business-type activities					
Stormwater	<u>\$ 11,450</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,450</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

**Lease Receivable**

For the year ended 6/30/2023, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, Person County, NC entered into a 92 month lease as Lessor for the use of Lease 1-Airport Lease. An initial lease receivable was recorded in the amount of \$569,236. As of 06/30/2023, the value of the lease receivable is \$441,530. The lessee is required to make monthly fixed payments of \$7,076. The lease has an interest rate of 3.5100%. The value of the deferred inflow of resources as of 06/30/2023 was \$421,542, and Person County, NC recognized lease revenue of \$78,104 during the fiscal year.

On 06/01/2023, Person County, NC entered into a 60 month lease as Lessor for the use of Airport Hangar Lease. An initial lease receivable was recorded in the amount of \$1,166,861. As of 06/30/2023, the value of the lease receivable is \$1,146,861. The lessee is required to make monthly fixed payments of \$20,000. The lease has an interest rate of 2.2370%. The value of the deferred inflow of resources as of 06/30/2023 was \$1,147,414, and Person County, NC recognized lease revenue of \$19,445 during the fiscal year.

**Principal and Interest Expected to Maturity**

<u>Fiscal Year</u>	<u>Governmental Activities</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 287,395	\$ 37,814	\$ 325,209
2025	298,454	30,360	328,814
2026	309,850	22,622	332,472
2027	321,280	14,592	335,872
2028	308,652	6,307	314,959
2029-2033	62,760	921	63,681
Total	<u>\$ 1,588,391</u>	<u>\$ 112,616</u>	<u>\$ 1,701,007</u>



**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**5. Capital Assets**

**Primary Government**

Capital asset activity for the year ended June 30, 2023, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,187,547	\$ 75,000	\$ 14,725	\$ 4,247,822
Construction in Progress	7,871,385	2,292,743	6,173,629	3,990,499
Total capital assets not being depreciated	12,058,932	2,367,743	6,188,354	8,238,321
Capital assets being depreciated				
Buildings	36,380,603	-	-	36,380,603
Improvements	21,455,695	6,028,860	-	27,484,555
Equipment	18,878,913	1,021,592	375,977	19,524,528
Infrastructure	15,311,223	-	-	15,311,223
Total capital assets being depreciated	92,026,434	7,050,452	375,977	98,700,909
Less accumulated depreciation for:				
Buildings	18,952,729	1,625,745	-	20,578,474
Improvements	10,177,328	932,445	-	11,109,773
Equipment	14,033,707	1,169,830	231,184	14,972,353
Infrastructure	12,099,828	318,338	-	12,418,166
Total accumulated depreciation	55,263,592	4,046,358	231,184	59,078,766
Total capital assets being depreciated, net	36,762,842	3,004,094	144,793	39,622,143
Capital assets being amortized:				
Leased buildings	4,991,867	-	-	4,991,867
Leased equipment	189,681	2,666	778	191,569
IT subscriptions	364,366	26,682	-	391,048
Total capital assets being amortized	5,545,914	29,348	778	5,574,484
Less accumulated amortization for:				
Leased buildings	1,274,151	1,277,820	-	2,551,971
Leased equipment	63,429	62,428	778	125,079
IT subscriptions	-	126,268	-	126,268
Total accumulated amortization	1,337,580	1,466,516	778	2,803,318
Total capital assets being amortized, net	4,208,334	(1,437,168)	-	2,771,166
Governmental activities capital assets, net	\$ 53,030,108	\$ 3,934,669	\$ 6,333,147	\$ 50,631,630

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

General government	\$ 3,182,249
Public Safety	263,505
Transportation	160,955
Human Services	1,139,059
Environmental Protection	33,098
Economic and physical development	23,732
Cultural and Recreational	62,473
Education	647,803
Total depreciation expense	<u>\$ 5,512,874</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

Construction Commitments

As of June 30, 2023, 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>	<u>Spent-to-date</u>	<u>Remaining commitment</u>
Airport Construction Fund	\$ 798,263	\$ 572,346
Capital Improvement Projects Fund	475,155	143,983
Stormwater Management Fund	114,632	54,368
Total	<u>\$ 1,388,050</u>	<u>\$ 770,697</u>

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2023, 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
Total capital assets not being depreciated	<u>184,576</u>	<u>-</u>	<u>-</u>	<u>184,576</u>
Capital assets being depreciated				
Buildings	1,089,661	27,075	-	1,116,736
Office furniture and fixtures	15,156	3,411	-	18,567
Store equipment	149,153	-	-	149,153
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	<u>1,270,552</u>	<u>30,486</u>	<u>-</u>	<u>1,301,038</u>
Less accumulated depreciation for:				
Buildings	182,512	29,644	-	212,156
Office furniture and fixtures	15,156	351	-	15,507
Store equipment	130,149	10,351	-	140,500
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	<u>344,399</u>	<u>40,346</u>	<u>-</u>	<u>384,745</u>
Total capital assets being depreciated, net	<u>926,153</u>	<u>\$ (9,860)</u>	<u>\$ -</u>	<u>916,293</u>
Governmental activities capital assets, net	<u>\$ 1,110,729</u>			<u>\$ 1,100,869</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**B. Liabilities**

**1. Payables**

Payables at the government-wide level at June 30, 2023, were as follows :

	Vendors	Accrued Interest	Other	Total
Governmental Activities:				
General	\$ 1,398,863	\$ 54,852	\$ -	\$ 1,453,715
Capital Investment Fund	18,916	-	-	18,916
Airport Capital Project Fund	5,249	-	-	5,249
Non-major funds	352,812	-	-	352,812
Internal service funds	894,742	-	-	894,742
Total governmental activities	<u>\$ 2,670,582</u>	<u>\$ 54,852</u>	<u>\$ -</u>	<u>\$ 2,725,434</u>
Business-type activities				
Stormwater	<u>\$ 6,859</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,859</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](http://www.osc.nc.gov).

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

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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, 2023, was 13.04% of covered payroll for law enforcement officers and 12.15% 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 \$2,313,874 for the year ended June 30, 2023.

*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, 2023, the County reported a liability of \$12,772,757 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was .2264%, which was a decrease of .00149% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$3,528,128. At June 30, 2023, 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	\$ 550,366	\$ 53,960
Changes of assumptions	1,274,435	-
Net difference between projected and actual earnings on pension plan investments	4,221,530	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	40,292	264,400
	2,313,874	-
Total	<u>\$ 8,400,497</u>	<u>\$ 318,360</u>

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

\$2,313,874 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2024	\$ 1,789,830
2025	1,564,547
2026	402,670
2027	2,011,216
2028	-
Thereafter	-
Total	<u>\$ 5,768,263</u>

Actuarial Assumptions. The total pension liability in the December 31, 2021 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, 2021 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	33%	0.9%
Global Equity	38%	6.5%
Real Estate	8%	5.9%
Alternatives	8%	8.2%
Credit	7%	5.0%
Inflation Protection	6%	2.7%
	<u>100%</u>	

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

The information above is based on 30 year expectations developed with the consulting actuary for the 2022 asset, liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. 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)	\$ 23,053,182	\$ 12,772,757	\$ 4,301,090

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, 2022, the Separation Allowance's membership consisted of:

Retirees receiving benefits	9
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	48
Total	<u>57</u>

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

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, 2021 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	4.31 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, 2021 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 Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

Deaths After Retirement (Disabled): Mortality rates are based on the Non-Safety Mortality Table for Disabled Retirees. Rates are Set Back 3 years for all ages.

Deaths Before Retirement: Mortality rates are based on the Safety Mortality Table for Employees.

Mortality Projection: All mortality rates are projected from 2010 using generational improvement with Scale MP-2019.

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 \$122,412 as benefits came due for the reporting period.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

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

At June 30, 2023, the County reported a total pension liability of \$2,444,442. The total pension liability was measured as of December 31, 2022 based on a December 31, 2021 actuarial valuation. The total pension liability was rolled forward to December 31, 2022 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2023, the County recognized pension expense of \$206,452. At June 30, 2023, 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	\$ 139,656	\$ 2,174
Changes of assumptions	354,197	363,232
County benefit payments and plan administrative expense made subsequent to the measurement date	77,698	-
Total	<u>\$ 571,551</u>	<u>\$ 365,406</u>

\$77,698 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2024	\$ 93,165
2025	95,759
2026	18,770
2027	(77,677)
2028	(1,570)

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 4.31 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.31 percent) or 1-percentage-point higher (5.31 percent) than the current rate:

	1% Decrease (3.31%)	Discount Rate (4.31%)	1% Increase (5.31%)
Total pension liability	\$ 2,626,224	\$ 2,444,442	\$ 2,277,816

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, 2021 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, 2023**

---

**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 five 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 \$946,714 for the reporting year to all full-time employees, a portion of which was contributed for law enforcement officers of \$140,456. 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](http://www.osc.nc.gov).

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,247 for the year ended June 30, 2023.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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

At June 30, 2023, the County reported an asset of \$44,520 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2021. The total pension liability was then rolled forward to the measurement date of June 30, 2022 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, 2023, the County's proportion was .3363%, which was a increase of .0176% from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the County recognized pension expense of \$8,006. At June 30, 2023, 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	\$ 343	\$ 807
Changes of assumptions	2,357	-
Net difference between projected and actual earnings on pension plan	18,504	-
Changes in proportion and differences between County Contributions and	-	2,618
County contributions subsequent to the measurement date	3,247	-
Total	<u>\$ 24,451</u>	<u>\$ 3,425</u>

\$3,247 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, 2024. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

2024	\$ 4,069
2025	2,896
2026	6,160
2027	4,654
2028	-
Thereafter	-
Total	<u>\$ 17,779</u>

**Actuarial Assumptions.** The total pension liability in the December 31, 2021 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, 2021 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, 2023**

---

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 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 rate:

	1% Decrease <u>(2.00%)</u>	Discount Rate <u>(3.00%)</u>	1% Increase <u>(4.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ (51,315)	\$ 44,520	\$ (75,771)

*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, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021. The total pension liability for LEOSA was measured as of June 30, 2022, with an actuarial valuation date of December 31, 2021.

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, 2023**

	<u><b>LGERS</b></u>	<u><b>ROD</b></u>	<u><b>LEOSSA</b></u>	<u><b>Total</b></u>
Proportionate share of the Net Pension Liability (Asset)	\$ 12,772,757	\$ (44,520)	\$ -	\$ 12,728,237
Proportionate of the Net Pension Liability (Asset)	0.2264%	0.3363%	n/a	
Total Pension Liability	-	-	2,444,442	2,444,442
Pension Expense	3,528,128	8,006	206,452	3,742,586

At June 30, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**Deferred Outflows of Resources**

Differences between expected and actual experience	550,366	343	139,656	690,365
Changes of assumptions	1,274,435	2,357	354,197	1,630,989
Net difference between project and actual earnings on plan investments	4,221,530	18,504	-	4,240,034
Changes in proportion and differences between contributions and proportionate share of contributions	40,292	-	-	40,292

Benefit payments and administrative costs paid subsequent to the measurement date	2,313,874	3,247	77,698	2,394,819
---	-----------	-------	--------	-----------

**Deferred Inflows of Resources**

Difference between expected and actual experience	53,960	807	2,174	56,941
Changes of assumptions	-	-	363,232	363,232
Changes in proportion and differences between contributions and proportionate share of contributions	264,400	2,618	-	267,018

**f. Other Postemployment Benefits**

Under the terms of the County's 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). The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The plan, which has a June 30, 2023 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><b>Years of Service at Retirement</b></u>	<u><b>County Contribution</b></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**  
**For the Year Ended June 30, 2023**

---

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 \$11,080,706 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2022 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	2.16%
Measurement Date	3.54%
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**

	<b>Total OPEB Liability</b>
<b>Balance at June 30, 2021</b>	\$ 12,280,647
<b>Changes for the year</b>	
Service Cost	622,943
Interest	272,375
Changes of benefit terms	-
Difference between expected and actual experience	261,185
Changes in assumptions or other inputs	(1,765,983)
Benefit payments	(590,461)
<b>Net changes</b>	<u>(1,199,941)</u>
<b>Balance at June 30, 2022</b>	<u>\$ 11,080,706</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, 2023**

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2022 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, 2023 was 3.54 percent which was a change from the discount rate of 2.16 percent at June 30, 2022. 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 3.54 percent at June 30, 2023 per the S&P Municipal Bond 20 Year High Grade Rate Index. As of June 30, 2023, the S&P Municipal Bond 20 Year High Grade rate was 3.54 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 (2.54 percent) or 1-percentage-point higher (4.54 percent) than the current discount rate:

	1% Decrease (2.54%)	Discount Rate (3.54%)	1% Increase (4.54%)
Total OPEB Liability	\$ 12,330,785	\$ 11,080,706	\$ 9,974,259

*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	\$ 9,683,832	\$ 11,080,706	\$ 12,745,737

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

For the year ended June 30, 2023, the County recognized OPEB expense of \$843,277. At June 30, 2023, 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	\$ 1,237,279	\$ -
Changes of assumptions	1,893,007	1,686,643
Benefit payments and administrative costs made subsequent to the measurement date	274,170	-
Total	<u>\$ 3,404,456</u>	<u>\$ 1,686,643</u>

\$274,170 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, 2024. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2024	\$ 264,420
2025	302,557
2026	330,500
2027	334,239
2028	287,636
Thereafter	(75,709)

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

**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 - Person 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 \$36,368 in post-closure care costs for the year ending June 30, 2023. The \$20,821 reported as Accrued Post-closure Care Costs represents the estimated costs remaining at June 30, 2023. 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, 2023**

---

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 550,366	\$ 53,960
Register of Deeds	343	807
LEOSSA	139,656	2,174
OPEB	1,237,279	-
Changes of Assumptions		
LGERS	1,274,435	-
Register of Deeds	2,357	-
LEOSSA	354,197	363,232
OPEB	1,893,007	1,686,643
Pensions - difference between projected and actual investment		
LGERS	4,221,530	-
Register of Deeds	18,504	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	40,292	264,400
Register of Deeds	-	2,618
Contributions to pension plan in current fiscal year		
LGERS	2,313,874	-
Register of Deeds	3,247	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	77,698	-
OPEB	274,170	-
Leases (General)	-	1,568,956
Prepaid taxes (General)	-	135,789
Government-wide deferred outflows and inflows	<u>12,400,955</u>	<u>4,078,579</u>
Leases (General)	-	1,568,956
Prepaid taxes (General)	-	135,789
Taxes receivable, net (General)	-	300,080
Notes receivable (Person Industries)	-	16,789
Fund Statement deferred outflows and inflows	<u>\$ -</u>	<u>\$ 2,021,614</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.



**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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. The pools also provide \$1,000,000 in Cyber Event Coverage per loss occurrence. The County has opted to purchase a higher liability and cyber limit 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 are provided by the pools.

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 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 \$750,000, up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation. For Cyber, the pool retains the first \$250,000 per loss occurrence.

Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$500,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$997.5 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, 2023, 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.

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

**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:

On 07/01/2021, Person County, NC entered into a 49 month lease as Lessee for the use of Lease 2d-HS Lease-DSS Dept. An initial lease liability was recorded in the amount of \$2,290,988. As of 06/30/2023, the value of the lease liability is \$1,206,273. Person County, NC is required to make monthly fixed payments of \$50,107. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$2,290,988 with accumulated amortization of \$1,122,117 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 49 month lease as Lessee for the use of Lease 2c-HS Lease-Health Dept. An initial lease liability was recorded in the amount of \$1,290,559. As of 06/30/2023, the value of the lease liability is \$679,518. Person County, NC is required to make monthly fixed payments of \$28,226. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$1,290,559 with accumulated amortization of \$632,110 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 49 month lease as Lessee for the use of Lease 2b-HS Lease-Mental Health. An initial lease liability was recorded in the amount of \$906,067. As of 06/30/2023, the value of the lease liability is \$477,071. Person County, NC is required to make monthly fixed payments of \$19,817. The lease has an interest rate of 3.5100%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$906,067 with accumulated amortization of \$443,788 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 49 month lease as Lessee for the use of Lease 2a-HS Lease-Juvenile Probation. An initial lease liability was recorded in the amount of \$207,034. As of 06/30/2023, the value of the lease liability is \$109,010. Person County, NC is required to make monthly fixed payments of \$4,528. The lease has an interest rate of 3.5100%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2023 of \$207,034 with accumulated amortization of \$101,404 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 46 month lease as Lessee for the use of the Walker Property, that currently houses Person Industries, a County department that provides Community Rehabilitation Program Services.. An initial lease liability was recorded in the amount of \$23,823. As of 06/30/2023, the value of the lease liability is \$12,032. Person County, NC is required to make monthly fixed payments of \$542. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$23,823 with accumulated amortization of \$12,243 is included with Buildings on the Capital Assets schedule above.

On 07/01/2021, Person County, NC entered into a 28 month lease as Lessee for the use of the Maxway Building. An initial lease liability was recorded in the amount of \$273,396. As of 06/30/2023, the value of the lease liability is \$40,321. Person County, NC is required to make monthly fixed payments of \$10,154. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$273,396 with accumulated amortization of \$240,348 is included with Buildings on the Capital Assets schedules above.

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

On 07/01/2021, Person County, NC entered into a 16 month lease as Lessee for the use of Pitney Bowes equipment at the Library. An initial lease liability was recorded in the amount of \$778. As of 06/30/2023, the value of the lease liability is \$0. The asset was shown as a retirement on the right to use asset on the Capital Assets schedules above.

On 11/29/2022, Person County, NC entered into a 60 month lease as Lessee for the use of Pitney Bowes equipment at the Library. An initial lease liability was recorded in the amount of \$2,666. As of 06/30/2023, the value of the lease liability is \$2,275. Person County, NC is required to make quarterly fixed payments of \$145. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$2,666 with accumulated amortization of \$314 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 36 month lease as Lessee for the use of Monitors for the EMS department. An initial lease liability was recorded in the amount of \$143,978. As of 06/30/2023, the value of the lease liability is \$0. Person County, NC is required to make annual fixed payments of \$73,659. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$143,978 with accumulated amortization of \$95,192 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 50 month lease as Lessee for the use of Pitney Bowes equipment at the Health Department. An initial lease liability was recorded in the amount of \$3,713. As of 06/30/2023, the value of the lease liability is \$2,029. Person County, NC is required to make quarterly fixed payments of \$235. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$3,713 with accumulated amortization of \$1,767 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 30 month lease as Lessee for the use of a forklift for Person Industries. An initial lease liability was recorded in the amount of \$18,686. As of 06/30/2023, the value of the lease liability is \$4,365. Person County, NC is required to make monthly fixed payments of \$631. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$18,686 with accumulated amortization of \$14,514 is included with Equipment on the Capital Assets schedule above.

On 07/01/2021, Person County, NC entered into a 29 month lease as Lessee for the use of Pitney Bowes equipment at Person Industries. An initial lease liability was recorded in the amount of \$1,515. As of 06/30/2023, the value of the lease liability is \$311. Person County, NC is required to make quarterly fixed payments of \$158. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$1,515 with accumulated amortization of \$1,229 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 37 month lease as Lessee for the use of Pitney Bowes equipment for DSS. An initial lease liability was recorded in the amount of \$10,733. As of 06/30/2023, the value of the lease liability is \$4,241. Person County, NC is required to make quarterly fixed payments of \$871. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$10,733 with accumulated amortization of \$6,796 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, Person County, NC entered into a 43 month lease as Lessee for the use of Pitney Bowes equipment for the Human Resources department. An initial lease liability was recorded in the amount of \$9,482. As of 06/30/2023, the value of the lease liability is \$4,560. Person County, NC is required to make quarterly fixed payments of \$674. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2023 of \$9,482 with accumulated amortization of \$5,228 is included with Equipment on the Capital Assets schedules above.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 1,222,497	\$ 69,194	\$ 1,291,691
2025	1,215,650	26,865	1,242,515
2026	103,154	338	103,492
2027	561	17	578
2028	143	1	144
Total	<u>\$ 2,542,005</u>	<u>\$ 96,415</u>	<u>\$ 2,638,420</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.

\$ 939,760

**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.

600,000

**Roxplex and Various Improvements Fund**

On February 11, 2016, the County entered into an installment purchase contract with BB&T to finance a portion of the cost of acquisition and improvement of land and facilities of the recreational facilities known as the Roxplex Property; the re-roofing of the South Elementary School, Woodland Elementary School and Oak Lane Elementary School; the replacement of windows at North End Elementary School; the replacement of the chiller equipment at Southern Middle School, and the re-Roofing of the Huck Sansbury Recreation Complex (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.

475,000

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

**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.

2,900,000

Total installment purchases remaining balance

\$ 4,914,760

Future minimum payments for Installment Purchases:

	Principal	Interest
2024	\$ 958,836	\$ 158,418
2025	858,836	128,376
2026	783,836	100,415
2027	633,836	74,777
2027	529,416	52,362
2028-2032	1,150,000	79,759
Total	<u>\$ 4,914,760</u>	<u>\$ 594,107</u>

**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, 2023, 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% \$ 1,371,002

Future minimum payments for General Obligation Bonds:

	Principal	Interest
2024	\$ 152,333	\$ 35,509
2025	152,333	31,564
2026	152,333	27,618
2027	152,333	23,673
2028	152,333	19,727
2029-2033	609,337	39,455
Total	<u>\$ 1,371,002</u>	<u>\$ 177,546</u>

At June 30, 2023, Person County had a legal debt margin of \$427,435,932.

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

**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, \$1,445,569 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, 2023.

**e. Subscriptions**

For the year ended June 30, 2023 the County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions). The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

Subscriptions in affect at the end of the prior fiscal year had their assets and liabilities initially measured at the present value of the subscription payments expected over the remaining term of the Subscription after July 1, 2022.

On 07/01/2022, Person County, NC entered into a 36 month subscription for the use of HR-NEOGOV Software. An initial subscription liability was recorded in the amount of \$171,439. As of 06/30/2023, the value of the subscription liability is \$124,974. Person County, NC is required to make annual fixed payments of \$50,199. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$183,939 with accumulated amortization of \$61,313 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, Person County, NC entered into a 35 month subscription for the use of GIS-ESRI Software. An initial subscription liability was recorded in the amount of \$66,238. As of 06/30/2023, the value of the subscription liability is \$37,677. Person County, NC is required to make annual fixed payments of \$30,000. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$66,238 with accumulated amortization of \$22,120 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 09/26/2022, Person County, NC entered into a 36 month subscription for the use of PI-SETWorks Subscription. An initial subscription liability was recorded in the amount of \$26,682. As of 06/30/2023, the value of the subscription liability is \$19,409. Person County, NC is required to make monthly fixed payments of \$765. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$26,682 with accumulated amortization of \$6,794 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, Person County, NC entered into a 32 month subscription for the use of PI-Client Payroll Manager. An initial subscription liability was recorded in the amount of \$6,627. As of 06/30/2023, the value of the subscription liability is \$4,416. Person County, NC is required to make monthly fixed payments of \$162. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$6,625 with accumulated amortization of \$2,484 is included in the IT Subscription Class on the Capital Outlay schedule above.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

On 07/01/2022, Person County, NC entered into a 23 month subscription for the use of EM-WebEOC. An initial subscription liability was recorded in the amount of \$27,516. As of 06/30/2023, the value of the subscription liability is \$0.00. Person County, NC is required to make annual fixed payments of \$28,031. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2023 of \$27,516 with accumulated amortization of \$14,294 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, Person County, NC entered into a 49 month subscription for the use of IT-govAccess-Website Design. An initial subscription liability was recorded in the amount of \$53,049. As of 06/30/2023, the value of the subscription liability is \$40,068. Person County, NC is required to make annual fixed payments of \$13,168. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of 06/30/2023 of \$80,049 with accumulated amortization of \$19,263 is included in the IT Subscription Class on the Capital Outlay schedule above.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2023, were as follows:

Year Ending June 30	Principal	Interest	Total
2024	\$ 123,615	\$ 4,871	\$ 128,486
2025	87,333	2,159	89,492
2026	15,596	324	15,920
Total	<u>\$ 226,544</u>	<u>\$ 7,354</u>	<u>\$ 233,898</u>

**f. 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, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ 1,523,335	\$ -	\$ 152,333	\$ 1,371,002	\$ 152,333
Installment purchases (direct borrowings)	6,173,813	-	1,259,053	4,914,760	958,836
Lease Liability	3,871,402	2,666	1,332,063	2,542,005	1,222,497
IT Subscription Liability	324,866	26,682	125,004	226,544	123,615
Accrued post-closure care costs	33,565	23,624	36,368	20,821	-
Compensated absences	1,258,613	1,549,276	1,354,644	1,453,245	363,311
Net Pension liability (LGERS)	3,701,027	9,071,730	-	12,772,757	-
Total Pension Liability (LEOSSA)	2,785,062	-	340,620	2,444,442	-
Total OPEB Liability	12,280,647	-	1,199,941	11,080,706	274,170
Total	<u>\$ 31,952,330</u>	<u>\$ 10,673,978</u>	<u>\$ 5,800,026</u>	<u>\$ 36,826,282</u>	<u>\$ 3,094,762</u>

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

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

**C. Interfund Balances and Activity**

Transfers to/from other fund at June 30, 2023, 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.	\$ 687,478
From the General Fund to the Capital Investment Fund to provide resources for debt payments, construction projects, and School and College capital needs.	9,139,224
From the General Fund to the Capital Investment Fund to track sales tax dedicated for school debt.	2,141,209
From the General Fund to the Emergency Telephone Fund to reimburse ETSF costs deemed ineligible for FY 22.	22,297
From the General Fund to the Economic Catalyst Fund to provide support for economic development incentives.	500,000
From the General Fund to the Airport Capital Project Fund to provide additional support for Airport hangar construction.	100,000
From the General Fund to Internal Service Fund in support of elevated health claims in the Self-Funded Insurance Fund.	750,000
From the ARPA Fund to the General Fund to transfer allowable grant proceeds for salary and benefits under the revenue replacement option.	4,920,470
From the Waterline Extension Fund to the Economic Catalyst Fund to transfer unused project proceeds to use for other projects.	42,850
From the Public Safety Tower Capital Project Fund to the Capital Investment Project Fund to transfer unused project proceeds to use for other projects.	207,530
From the Person Industries Fund to the Capital Investment Fund to transfer funds for lease payments that qualify under GASB 87 and GASB 96.	18,174
From the Capital Improvement Project Fund to the Water and Sewer Reserve Fund to support the City of Roxboro's Western Sewer project.	245,000
From the Capital Improvement Project Fund to the Capital Investment Fund to provide funding for capital projects.	<u>4,803,240</u>
Total	<u><u>\$ 23,577,472</u></u>



**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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
---	------------

Due from the School LOB's Project Fund to the General Fund for planning expenditures for PHS improvements in advance of receiving bond proceeds.	1,081,855
--	-----------

Total governmental activities	<u><u>\$ 1,561,099</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.

**D. Net Investment in Capital Assets**

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

Net capital assets	\$ 50,631,630
Capital debt calculation:	
Total debt, gross	9,054,311
Retainage payable	21,330
Less:	
School debt for assets to which the County does not hold title	555,470
Unexpended debt proceeds	-
Total capital debt	<u>8,520,171</u>
Net investment in capital assets	<u><u>\$ 42,111,459</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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

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	\$ 43,473,088
Less:	
Prepays	114,124
Leases	19,435
Stabilization by State Statute	9,212,194
Appropriated Fund Balance in Subsequent Year's Budget	3,628,395
Broadband Expansion	2,750,000
Economic Development	2,000,000
Register of Deeds	61,194
Public Safety	287,904
Tax Reappraisal	891,869
LEOSSA	341,731
Remaining Fund Balance	<u>\$ 24,166,242</u>

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

General	\$ 1,575,560
Other Major Funds	-
Non-major Funds	1,039,914

**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 \$1,374,450 to the community college for operating purposes during the fiscal year ended June 30, 2023. 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, 2023. Complete financial statements for the community college may be obtained from the community college's administrative offices at 1715 College Drive, Roxboro, NC 27573.

**Person County, North Carolina  
Notes to the Financial Statements  
For the Year Ended June 30, 2023**

---

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 Vaya Health. 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, 2023. 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, 2023. Complete financial statements for the Authority can be obtained from the Authority's offices at 3013 Mail Service Center, Raleigh, NC 27699.

**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 \$19,816 to the KTRCOG during the fiscal year ended June 30, 2023. The County was the subrecipient of grants for \$390,949 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources and which were passed through the KTRCOG.

Person County provides support in the form of appropriations and pass-through grants from the State of North Carolina and the KTRCOG to the Person County Senior Center (PCSC), which is currently operated by Kerr-Tar whose intention it is of creating a non-profit for use by the counties within the region. The Senior Center provides services to senior citizens in Person County. The PCSC also receives support from the United Way, donations from the general public and program service fees. Its location is in a County-owned facility at 87 Semora Road, NC 27573.

The Person County Business and Industrial Center, Inc. (PCBIC) is a nonprofit organization created to promote business and industrial development in Person County. The governing board of the organization consists of the members of the board of directors of the Person County Economic Development Commission. There were no staffing expenditures in the year ended June 30, 2023 due to the County having a full-time Economic Development Director on staff.

The Person Caswell Lake Authority regulates activities concerning Lake Hyco. This organization is governed by a Board of Directors appointed by Person and Caswell County Commissioners. Person County appoints three members and Caswell County appoints two members for a total five-member governing board. The Lake Authority is self-supporting and receives no funds from Person County. The County is not financially responsible for the Person Caswell Lake Authority and has no authority to approve the budget.

**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.

**Person County, North Carolina**  
**Notes to the Financial Statements**  
**For the Year Ended June 30, 2023**

---

**NOTE VII: Restatement (Change in Accounting Principles)**

The County has implemented GASB 96, *Subscription Based Information Technology (IT) Agreements*, as described in the notes above. As a result of this implementation, the County has reported beginning IT Subscription liability balances of \$324,866 and Right to Use IT Subscription Assets of \$364,366, which resulted in an increase in net position for Governmental Activities on the Government-wide Statement of Net Position of \$39,500 for prior year implementation costs.

**NOTE VIII: Subsequent Events**

The County has evaluated events and transactions that occurred between June 30, 2023 and October 27, 2023, which is the date the financial statements were available to be issued.



*This page left blank intentionally*

# 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



*This page left blank intentionally*

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

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>
County's proportion of the net pension liability (asset) (%)	0.22641%	0.24133%	0.24300%	0.23900%	0.24600%
County's proportion of the net pension liability (asset) (\$)	\$ 12,772,757	\$ 3,701,027	\$ 8,677,708	\$ 6,538,373	\$ 5,839,757
County's covered payroll	\$ 17,791,563	\$18,583,709	\$16,908,809	\$16,800,789	\$16,252,824
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	71.79%	19.92%	51.32%	38.92%	35.93%
Plan fiduciary net position as a percentage of the total pension liability**	84.14%	95.51%	88.61%	91.63%	91.63%
	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) (%)	0.25100%	0.25700%	0.26900%	0.26600%	27.40000%
County's proportion of the net pension liability (asset) (\$)	\$ 3,840,085	\$ 5,463,315	\$ 1,207,480	\$ (1,570,847)	\$ 3,299,136
County's covered payroll	\$ 16,201,554	\$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	23.70%	33.90%	7.54%	-10.15%	35.31%
Plan fiduciary net position as a percentage of the total pension liability**	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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



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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 2,313,874	\$ 2,046,808	\$ 1,920,053	\$ 1,623,326	\$ 1,325,452
Contributions in relation to the contractually required contribution	2,313,874	2,046,808	1,920,053	1,623,326	1,325,452
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 18,842,836	\$ 17,791,563	\$ 18,583,709	\$ 16,908,809	\$ 16,800,789
Contributions as a percentage of covered payroll	12.28%	11.50%	10.33%	9.60%	7.89%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,245,106	\$ 1,206,010	\$ 1,099,065	\$ 1,017,439	\$ 1,098,928
Contributions in relation to the contractually required contribution	1,245,106	1,206,010	1,099,065	1,017,439	1,098,928
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799	\$ 15,479,514
Contributions as a percentage of covered payroll	7.66%	7.44%	6.82%	6.35%	7.10%

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's proportionate share of the net pension liability (asset) %	0.3363%	0.3187%	0.3160%	0.3030%	0.3490%
County's proportionate share of the net pension liability (asset) \$	\$ (44,520)	\$ (61,226)	\$ (72,322)	\$ (59,775)	\$ (57,924)
Plan fiduciary net position as a percentage of the total pension liability	139.04%	156.53%	173.62%	164.11%	153.31%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (asset) %	0.3450%	0.3510%	0.3540%	0.3730%	35.2000%
County's proportionate share of the net pension liability (asset) \$	\$ (58,832)	\$ (65,677)	\$ (82,140)	\$ (84,639)	\$ (75,159)
Plan fiduciary net position as a percentage of the total pension liability	153.77%	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 Ten Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
County's required contribution	\$ 3,247	\$ 3,855	\$ 4,086	\$ 2,760	\$ 2,878
Contributions in relation to contractually required contribution	<u>3,247</u>	<u>3,855</u>	<u>4,086</u>	<u>2,760</u>	<u>2,878</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 2,993	\$ 2,995	\$ 3,148	\$ 2,558	\$ 3,049
Contributions in relation to contractually required contribution	<u>2,993</u>	<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>	<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 Seven Fiscal Years\***

	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Beginning Balance	\$ 2,785,062	\$ 2,685,736	\$ 1,734,475	\$ 1,519,755
Service Cost	113,920	125,349	80,650	70,958
Interest on the total pension liability	61,287	50,996	55,744	54,440
Differences between expected and actuarial experience in the measurement of the total pension liability	(1,342)	77,534	138,125	86,216
Changes of assumptions and other inputs	(392,073)	(67,692)	725,804	51,418
Benefit payments	(122,412)	(86,861)	(49,062)	(48,312)
Ending balance of total pension liability	<u>\$ 2,444,442</u>	<u>\$ 2,785,062</u>	<u>\$ 2,685,736</u>	<u>\$ 1,734,475</u>

	<b>2019</b>	<b>2018</b>	<b>2017</b>
Beginning Balance	\$ 1,526,510	\$ 1,395,651	\$ 1,352,634
Service Cost	68,578	57,617	61,293
Interest on the total pension liability	47,389	52,959	47,709
Differences between expected and actuarial experience in the measurement of the total pension liability	(9,694)	(28,783)	(33,504)
Changes of assumptions and other inputs	(59,313)	96,356	(32,481)
Benefit payments	(53,715)	(47,290)	(47,290)
Ending balance of total pension liability	<u>\$ 1,519,755</u>	<u>\$ 1,526,510</u>	<u>\$ 1,348,361</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 Seven Fiscal Years**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Total pension liability	\$ 2,444,442	\$ 2,785,062	\$ 2,685,736	\$ 1,734,475
Covered-employee payroll	2,614,455	2,769,912	2,792,438	2,627,756
Total pension liability as a percentage of covered-employee payroll	93.50%	100.55%	96.18%	66.01%

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,519,755	\$ 1,526,510	\$ 1,395,651
Covered-employee payroll	2,425,376	2,359,987	2,374,905
Total pension liability as a percentage of covered-employee payroll	62.66%	64.68%	58.77%

Notes to the schedules:

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

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 622,943	\$ 530,072	\$ 384,074
Interest on the total OPEB liability	272,375	218,843	286,912
Differences between expected and actuarial experience in the measurement of the total pension liability	261,185	961,707	121,084
Changes of assumptions and other inputs	(1,765,983)	1,416,167	1,219,426
Benefit payments	<u>(590,461)</u>	<u>(434,558)</u>	<u>(468,955)</u>
<b>Net change in total OPEB liability</b>	<u>(1,199,941)</u>	<u>2,692,231</u>	<u>1,542,541</u>
<b>Total OPEB liability - beginning</b>	<u>12,280,647</u>	<u>9,588,416</u>	<u>8,045,875</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 11,080,706</u></u>	<u><u>\$ 12,280,647</u></u>	<u><u>\$ 9,588,416</u></u>
<b>Covered-employee payroll</b>	\$ 16,029,745	\$ 16,029,745	\$ 15,391,787
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	69.13%	76.61%	62.30%
	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service Cost	\$ 345,200	\$ 3,579,979	\$ 388,858
Interest on the total OPEB liability	277,842	252,125	215,478
Change in benefit terms	-	-	-
Differences between expected and actuarial experience in the measurement of the total pension liability	343,866	81,127	115,642
Changes of assumptions and other inputs	133,808	(259,495)	(436,481)
Benefit payments	<u>(390,865)</u>	<u>(352,654)</u>	<u>(367,832)</u>
<b>Net change in total OPEB liability</b>	<u>709,851</u>	<u>79,082</u>	<u>(84,335)</u>
<b>Total OPEB liability - beginning</b>	<u>7,336,024</u>	<u>7,256,942</u>	<u>7,341,277</u>
<b>Total OPEB liability - ending</b>	<u><u>\$ 8,045,875</u></u>	<u><u>\$ 7,336,024</u></u>	<u><u>\$ 7,256,942</u></u>
<b>Covered-employee payroll</b>	\$ 15,391,787	\$ 14,860,267	\$ 14,860,267
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	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>
2023	3.54%
2022	2.16%
2021	2.21%
2020	3.50%
2019	3.89%
2018	3.56%



*This page left blank intentionally*

## 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 Funds

- ♦ **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 Fund

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.





*This page left blank intentionally*

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			
	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>				
<u>Ad valorem Taxes</u>				
Current year levy	\$ 37,421,370	\$ 37,421,370	\$ 39,031,555	\$ 1,610,185
Prior year levy	225,000	225,000	565,364	340,364
Penalties and interest	151,500	151,500	215,951	64,451
Advertising	43,000	43,000	39,862	(3,138)
Total ad valorem taxes	37,840,870	37,840,870	39,852,732	2,011,862
<u>Local option sales taxes</u>				
Article 39 one per cent	5,077,300	5,077,300	5,967,085	889,785
Article 40 one per cent	2,901,600	2,901,600	3,418,977	517,377
Article 42 one per cent	2,496,400	2,496,400	2,923,611	427,211
Article 44 one per cent	730,000	730,000	923,011	193,011
Total local option sales taxes	11,205,300	11,205,300	13,232,684	2,027,384
<u>Other taxes</u>				
Deed stamp excise tax	170,000	460,000	506,986	46,986
Occupancy tax	10,750	470,750	464,574	(6,176)
Gross receipts tax	18,000	18,000	18,660	660
Animal taxes	-	-	39	39
Privilege licenses tax	2,500	2,500	2,600	100
Total other taxes	201,250	951,250	992,859	41,609
<u>Fees</u>				
Planning and zoning fees	60,458	60,458	86,095	25,637
Register of Deeds fees	196,400	196,400	182,853	(13,547)
Inspection fees	524,500	529,500	592,662	63,162
Special Use permit fees	150	150	250	100
Total fees	781,508	786,508	861,860	75,352
<u>Intergovernmental revenues</u>				
State and Federal Funds				
Public Health Services	836,661	1,191,311	1,168,015	(23,296)
Environmental Health Services	-	3,469	3,469	-
Social Services	5,806,127	5,906,219	6,492,473	586,254
Home and Community Care	403,000	403,000	357,612	(45,388)
Elderly and Handicapped Transportation	10,671	260,199	259,569	(630)
Community Alternatives	152,010	152,010	145,905	(6,105)
Beer and Wine Tax	136,300	136,300	141,876	5,576
Video Programming	56,000	56,000	50,560	(5,440)
DWI Revenues	10,560	65,450	57,304	(8,146)
Court Facilities fees	45,000	45,000	49,222	4,222
Sheriffs Grants	74,000	121,040	98,904	(22,136)

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			
	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
Inmate cost reimbursement	152,000	152,000	118,988	(33,012)
Fines and Forfeitures	-	345,000	239,549	(105,451)
Drug Enforcement-related Revenues	115,000	243,800	313,563	69,763
Emergency Management	42,113	62,738	39,032	(23,706)
ARP Airport Grant	-	32,000	32,000	-
Library Grants	97,566	153,974	155,897	1,923
Soil and Water Conservation	26,800	26,800	27,489	689
Transportation Grant	468,188	552,588	421,990	(130,598)
Veterans Services Grant	500	500	2,083	1,583
Subtotal State and Federal funds	8,432,496	9,909,398	10,175,500	266,102
Local Funds				
E-911 City Participation	137,000	137,000	103,683	(33,317)
Republic Services	100,000	100,000	100,000	-
Subtotal Local Funds	237,000	237,000	203,683	(33,317)
Total Intergovernmental Revenues	8,669,496	10,146,398	10,379,183	232,785
<u>Investment Income</u>	2,600	794,100	1,255,004	460,904
<u>Charges for services</u>				
Sheriff and Jail fees	233,000	233,000	249,796	16,796
School Resources Officer Contract	187,000	187,000	185,004	(1,996)
ABC Officer Contract	35,000	35,000	35,000	-
PCC Officer Contract	60,000	60,000	60,000	-
Solid waste and recycling fees	830,000	893,000	839,856	(53,144)
EMS fees	1,495,276	1,717,574	2,037,882	320,308
Animal fees	33,500	33,500	47,032	13,532
Cooperative Extension fees	6,130	6,168	1,544	(4,624)
Library fines and fees	8,100	8,100	9,904	1,804
Recreation fees	313,600	385,689	394,660	8,971
Map fees	500	500	270	(230)
GIS fees	250	250	662	412
EDC reimbursement from other governme	7,500	7,500	12,500	5,000
IT Services to other governments	85,900	85,900	82,847	(3,053)
Stormwater Admin fees	103,400	103,400	103,400	-
Transportation services	115,623	115,623	156,631	41,008
Tax collection fees	66,000	66,000	73,846	7,846
Arts Council Reimbursement	25,000	25,000	25,000	-
Health fees	547,160	547,160	775,329	228,169
Environmental Health fees	206,000	206,000	179,749	(26,251)
DSS fees	1,000	1,000	275	(725)
Total charges for services	4,359,939	4,717,364	5,271,187	553,823

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Other revenues</u>				
Rents and leases	122,093	122,093	159,328	37,235
ABC Board distributions	357,000	357,000	260,217	(96,783)
Miscellaneous	52,600	288,912	288,244	(668)
Donations	21,000	61,708	146,956	85,248
Total other revenues	552,693	829,713	854,745	25,032
Total general revenues	63,613,656	67,271,503	72,700,254	5,428,751
<b>Expenditures</b>				
<u>General Government:</u>				
Governing Body				
Personnel Expenses			79,187	
Operating Expenses			89,755	
ABC profits to City of Roxboro			68,962	
Total	299,788	342,005	237,904	104,101
Administration				
Personnel Expenses			387,681	
Operating Expenses			25,454	
Capital Outlay			3,682	
Total	614,560	583,160	416,817	166,343
Information Technology				
Personnel Expenses			843,869	
Operating Expenses			741,791	
Capital Outlay			11,905	
Total	1,679,969	1,792,848	1,597,565	195,283
Human Resources				
Personnel Expenses			630,198	
Operating Expenses			325,144	
Capital Outlay			3,633	
Total	1,088,874	1,275,930	958,975	316,955
Fleet Sales Management				
Operating Expenses			23,046	
Capital Outlay			-	
Total	238,393	25,817	23,046	2,771
Elections				
Personnel Expenses			192,103	
Operating Expenses			63,730	
Total	375,294	375,294	255,833	119,461

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Finance				
Personnel Expenses			583,997	
Operating Expenses			629,257	
Capital Outlay			2,746	
Total	809,520	1,297,240	1,216,000	81,240
Tax Administration				
Personnel Expenses			763,114	
Operating Expenses			235,214	
Total	1,071,000	1,074,057	998,328	75,729
Legal				
Personnel Expenses			1,862	
Operating Expenses			103,108	
Total	83,635	132,273	104,970	27,303
Register of Deeds				
Personnel Expenses			273,194	
Operating Expenses			386,585	
Capital Outlay			3,213	
Total	345,462	1,040,887	662,992	377,895
Courts				
Operating Expenses			6,640	
Total	7,000	8,174	6,640	1,534
General Services				
Personnel Expenses			995,700	
Operating Expenses			1,149,775	
Capital Outlay			7,649	
Total	2,445,360	2,352,538	2,153,124	199,414
Total general government	9,058,855	10,300,223	8,632,194	1,668,029
<u>Public Safety</u>				
Sheriff				
Personnel Expenses			4,266,361	
Operating Expenses			820,180	
Capital Outlay			226,180	
Total	4,822,395	5,522,240	5,312,721	209,519
Jail				
Personnel Expenses			1,843,825	
Operating Expenses			1,355,733	
Total	3,092,536	3,093,100	3,199,558	(106,458)

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Judicial				
Personnel Expenses			462,810	
Operating Expenses			7,689	
Total	465,082	488,082	470,499	17,583
JCPC Administration				
Personnel Expenses			1,417	
Operating Expenses			16,910	
Total	79,992	18,310	18,327	(17)
Roots & Wings				
Operating Expenses			152,794	
Total	101,775	154,804	152,794	2,010
Community Connections				
Operating Expenses			16,291	
Total	-	22,608	16,291	6,317
4H YES				
Personnel Expenses			6,920	
Total	7,014	7,014	6,920	94
Emergency Mangement				
Personnel Expenses			158,591	
Operating Expenses			25,169	
Total	290,987	399,139	183,760	215,379
Fire and Rescue				
Personnel Expenses			145,524	
Operating Expenses			68,390	
Capital Outlay			1,720	
City Fire Contract			404,791	
Total	638,301	639,767	620,425	19,342
Ambulance Service				
Personnel Expenses			3,546,953	
Operating Expenses			637,404	
Capital Outlay			147,455	
Total	4,558,102	5,853,074	4,331,812	1,521,262
Code Enforcement				
Personnel Expenses			488,472	
Operating Expenses			56,188	
Total	580,213	587,168	544,660	42,508

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Emergency Communications				
Personnel Expenses			899,795	
Operating Expenses			36,745	
Total	1,099,847	1,106,322	936,540	169,782
Medical Examiner	27,000	27,000	30,150	(3,150)
Animal Control				
Personnel Expenses			350,379	
Operating Expenses			79,874	
Capital Outlay			46,149	
Total	467,460	526,367	476,402	49,965
Total public safety	16,230,704	18,444,995	16,300,859	2,144,136
<u>Transportation</u>				
Airport Operations				
Operating Expenses			64,814	
Total	48,800	84,756	64,814	19,942
Public Transportation				
Personnel Expenses			795,980	
Operating Expenses			291,451	
Capital Outlay			-	
Total	1,376,296	1,750,150	1,087,431	662,719
Total transportation	1,425,096	1,834,906	1,152,245	682,661
<u>Human Services</u>				
Public Health				
Personnel Expenses			1,802,659	
Operating Expenses			481,346	
Capital Outlay			97,823	
Total	2,771,820	3,013,580	2,381,828	631,752
Enviromental Health				
Personnel Expenses			494,501	
Operating Expenses			62,317	
Capital Outlay			43,371	(43,371)
Total	706,337	802,855	600,189	202,666
Mental Health				
Operating Expenses			296,288	
Total	598,077	468,624	296,288	172,336

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Social Services				
Personnel Expenses			6,262,652	
Operating Expenses			619,368	
Capital Outlay			147,757	
Public Assistance			1,741,827	
Total	10,966,001	11,150,318	8,771,604	2,378,714
Veteran Services				
Personnel Expenses			13,354	
Operating Expenses			4,124	
Total	18,495	21,895	17,478	4,417
Senior Center				
Operating Expenses			460,353	
Total	507,142	507,142	460,353	46,789
Total Human Services	15,567,872	15,964,414	12,527,740	3,436,674
<u>Education</u>				
Public Schools				
Current Expense			10,860,612	
Terrell Fund			5,000	
Fines and Forfeitures			239,549	
Total	10,881,612	11,231,612	11,105,161	126,451
Community College				
Operating Expenses			1,374,450	
Total	1,374,450	1,374,450	1,374,450	-
Total Education	12,256,062	12,606,062	12,479,611	126,451
<u>Enviromental Protection</u>				
Landfill Maintenance				
Operating Expenses			36,368	
Total	47,900	47,900	36,368	11,532
Soil and Water Conservation				
Personnel Expenses			114,407	
Operating Expenses			17,696	
Total	162,194	264,908	132,103	132,805
Hazard Waste Day	73,000	96,242	23,242	73,000
Total enviromental protection	283,094	409,050	191,713	217,337



**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
<u>Economic and Physical Development</u>				
Economic Development				
Personnel Expenses			223,878	
Operating Expenses			165,589	
Capital Outlay			2,141	
Total	405,609	458,906	391,608	67,298
Planning and Zoning				
Personnel Expenses			229,864	
Operating Expenses			96,583	
Total	417,894	420,364	326,447	93,917
GIS				
Personnel Expenses			178,820	
Operating Expenses			12,163	
Total	221,205	191,866	190,983	883
Cooperative Extension Service				
Personnel Expenses			3,616	
Operating Expenses			230,638	
Total	250,199	263,079	234,254	28,825
Forestry Services				
Operating Expenses			77,588	
Total	77,588	77,588	77,588	-
Reserve - Community Development	100,000	76,758	-	76,758
Total economic and physical development	1,472,495	1,488,561	1,220,880	267,681
<u>Cultural and Recreational</u>				
Library				
Personnel Expenses			485,935	
Operating Expenses			157,234	
Total	664,544	721,327	643,169	78,158
Recreation, Arts and Parks				
Personnel Expenses			996,133	
Operating Expenses			574,056	
Capital Outlay			2,098	
Total	1,466,559	1,699,200	1,572,287	126,913

**Person County, North Carolina**  
**General Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Amended Budget	Actual	Positive (Negative)
Museum of History				
Operating Expenses			66,190	
Total	47,000	67,000	66,190	810
Total culture and recreational	2,178,103	2,487,527	2,281,646	205,881
<u>Contingency</u>	825,000	63,030	-	63,030
Total expenditures	59,297,281	63,598,768	54,786,888	8,811,880
Excess (deficiency) of revenues over expenditures	4,316,375	3,672,735	17,913,366	14,240,631
<b>Other Financing Sources (uses):</b>				
Transfers out				
Special revenue funds	(1,100,971)	(1,209,776)	(1,209,775)	1
Capital project funds	(100,000)	(100,000)	(100,000)	-
Internal service funds	-	(750,000)	(750,000)	-
Capital reserve funds	(5,081,340)	(10,923,232)	(11,280,434)	(357,202)
Revaluation Fund	(202,124)	(202,124)	(202,124)	-
Transfer in				
Special revenue funds	-	-	4,920,470	4,920,470
Sale of capital assets	-	-	40,096	40,096
Total other financing sources (uses)	(6,484,435)	(13,185,132)	(8,581,767)	4,603,365
Excess (deficiency) of revenues and other financing sources over expenditures	(2,168,060)	(9,512,397)	9,331,599	18,843,996
Appropriated Fund Balance	2,168,060	9,512,397	-	(9,512,397)
Net Change in Fund Balance	\$ -	\$ -	9,331,599	\$ 9,331,599
Fund balance, beginning of year			33,968,654	
Fund balance, end of year			\$ 43,300,253	

**Person County, North Carolina**  
**Reappraisal Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Amended Budget	Actual	Variance Positive (Negative)
<b>Revenues</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Expenditures:</b>				
General government				
Operating expenses	202,124	202,124	52,124	150,000
Total expenditures	<u>202,124</u>	<u>202,124</u>	<u>52,124</u>	<u>150,000</u>
Excess (deficiency) of revenues over expenditures	<u>(202,124)</u>	<u>(202,124)</u>	<u>(52,124)</u>	<u>150,000</u>
<b>Other Financing Sources (uses):</b>				
Transfers in				
General Funds	202,124	202,124	202,124	-
Total other financing sources (uses)	<u>202,124</u>	<u>202,124</u>	<u>202,124</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	150,000	<u>\$ 150,000</u>
Fund balance, beginning			<u>741,868</u>	
Fund balance, ending			<u>\$ 891,868</u>	

**Person County, North Carolina**  
**Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Fund)**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
ARPA Funds	\$ 7,670,470	\$ -	\$ 4,920,470	\$ 4,920,470	\$ (2,750,000)
Interest Earnings	-	8,203	288,222	296,425	296,425
Total revenues	<u>7,670,470</u>	<u>8,203</u>	<u>5,208,692</u>	<u>5,216,895</u>	<u>(2,453,575)</u>
Excess (deficiency) of revenues over expenditures	7,670,470	8,203	5,208,692	5,216,895	(2,453,575)
<b>Other Financing Sources (uses):</b>					
Transfers out					
General Fund	(7,670,470)	-	(4,920,470)	(4,920,470)	2,750,000
Total other financing sources (uses)	<u>(7,670,470)</u>	<u>-</u>	<u>(4,920,470)</u>	<u>(4,920,470)</u>	<u>2,750,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 8,203</u>	288,222	<u>\$ 296,425</u>	<u>\$ 296,425</u>
Fund balance, beginning			<u>8,203</u>		
Fund balance, ending			<u>\$ 296,425</u>		

**Person County, North Carolina**  
**Airport Capital Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project	Actual				Variance
	Authorization	Prior	Current	Closed Out	Total	(Positive)
		Years	Year	Projects	to Date	Negative
Revenues:						
Restricted intergovernmental	\$ 15,154,440	\$ 1,344,113	\$ 280,704	\$ (1,344,113)	\$ 280,704	\$(14,873,736)
Investment earnings	2,400	85,312	450,886	-	536,198	533,798
Other revenues	176,791	-	-	-	-	(176,791)
Total revenues	<u>15,333,631</u>	<u>1,429,425</u>	<u>731,590</u>	<u>(1,344,113)</u>	<u>816,902</u>	<u>(14,516,729)</u>
Expenditures:						
Construction	20,150,633	5,054,724	821,262	(4,723,715)	1,152,271	18,998,362
Miscellaneous	2,000	5,021	-	-	5,021	(3,021)
Total expenditures	<u>20,152,633</u>	<u>5,059,745</u>	<u>821,262</u>	<u>(4,723,715)</u>	<u>1,157,292</u>	<u>18,995,341</u>
Excess (deficiency) of revenues over expenditures	(4,819,002)	(3,630,320)	(89,672)	3,379,602	(340,390)	4,478,612
Other Financing Sources (Uses):						
Transfer from General Fund	2,537,002	5,147,967	100,000	(3,379,602)	1,868,365	(668,637)
Transfer from Capital Improvement Fund	2,277,000	-	-	-	-	(2,277,000)
Total Other Financing Sources	<u>4,814,002</u>	<u>5,147,967</u>	<u>100,000</u>	<u>(3,379,602)</u>	<u>1,868,365</u>	<u>(2,945,637)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(5,000)</u>	<u>1,517,647</u>	<u>10,328</u>	<u>-</u>	<u>1,527,975</u>	<u>1,532,975</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>\$ 1,517,647</u>	<u>10,328</u>	<u>\$ -</u>	<u>\$ 1,527,975</u>	<u>\$ 1,527,975</u>
Fund balance, beginning			<u>1,517,647</u>			
Fund balance, ending			<u>\$ 1,527,975</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 the 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.
- ♦ **Public School Improvements Project - LOB's Fund:** accounts for revenues and expenditures related to public school construction and renovation improvements funded primarily with Limited Obligation Bonds (LOB's).



*This page left blank intentionally*

**Person County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

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
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,011,103	\$ -	\$ 40,257	\$ 1,678,487	\$ 1,092,545	\$ 37,310
Restricted cash	176,804	903,823	-	-	-	-
Accounts receivable (net)	-	30,134	-	5,445	17,298	-
Notes receivable	-	-	16,789	-	-	-
Total assets	<u>\$ 1,187,907</u>	<u>\$ 933,957</u>	<u>\$ 57,046</u>	<u>\$ 1,683,932</u>	<u>\$ 1,109,843</u>	<u>\$ 37,310</u>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable and accrued liabilities	\$ 25,728	\$ 1,583	\$ -	\$ 189,585	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-
Total liabilities	<u>25,728</u>	<u>1,583</u>	<u>-</u>	<u>189,585</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	-	-	16,789	-	-	-
<b>Fund balances:</b>						
Restricted:						
Stabalization by State Statute	579,001	30,902	-	461,923	17,298	-
Public Safety	-	901,472	-	-	-	37,310
Human Services	-	-	-	-	-	-
Committed:						
Economic development	-	-	40,257	1,032,424	-	-
Enviromental protection	-	-	-	-	1,092,545	-
Public Safety	583,178	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total fund balances	<u>1,162,179</u>	<u>932,374</u>	<u>40,257</u>	<u>1,494,347</u>	<u>1,109,843</u>	<u>37,310</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,187,907</u>	<u>\$ 933,957</u>	<u>\$ 57,046</u>	<u>\$ 1,683,932</u>	<u>\$ 1,109,843</u>	<u>\$ 37,310</u>



**Person County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

Exhibit C-1  
(continued)

	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
<b>ASSETS</b>				
Cash and cash equivalents	\$ 332,426	\$ 152,649	\$ -	\$ 4,344,777
Restricted cash	-	-	336,498	1,417,125
Accounts receivable (net)	292,345	464	-	345,686
Notes receivable	-	-	-	16,789
Total assets	<u>\$ 624,771</u>	<u>\$ 153,113</u>	<u>\$ 336,498</u>	<u>\$ 6,124,377</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities:</b>				
Accounts payable and accrued liabilities	\$ 25,231	\$ 4,565	\$ -	\$ 246,692
Due to other funds	479,244	-	-	479,244
Unearned revenues	-	-	336,498	336,498
Total liabilities	<u>504,475</u>	<u>4,565</u>	<u>336,498</u>	<u>1,062,434</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred revenue	-	-	-	16,789
<b>Fund balances:</b>				
<b>Restricted:</b>				
Stabalization by State Statute	296,012	464	-	1,385,600
Public Safety	-	-	-	938,782
Human Services	-	148,084	-	148,084
<b>Committed:</b>				
Economic development	-	-	-	1,072,681
Enviromental protection	-	-	-	1,092,545
Public Safety	-	-	-	583,178
Capital projects	-	-	-	-
Unassigned:	(175,716)	-	-	(175,716)
Total fund balances	<u>120,296</u>	<u>148,548</u>	<u>-</u>	<u>5,045,154</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 624,771</u>	<u>\$ 153,113</u>	<u>\$ 336,498</u>	<u>\$ 6,124,377</u>

**Person County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**June 30, 2023**

Exhibit C-1  
(continued)

Capital Project Funds						
	Capital Improvement Projects Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Public School Improvements Project - LOB's Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 4,421,361	\$ -	\$ -	\$ 666,476	\$ 5,087,837	\$ 9,432,614
Restricted cash	-	-	-	-	-	1,417,125
Accounts receivable (net)	-	-	-	-	-	345,686
Notes receivable	-	-	-	-	-	16,789
Total assets	<u>\$ 4,421,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,476</u>	<u>\$ 5,087,837</u>	<u>\$ 11,212,214</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable and accrued liabilities	\$ 106,120	\$ -	\$ -	\$ -	\$ 106,120	\$ 352,812
Due to other funds	-	-	-	1,081,855	1,081,855	1,561,099
Unearned revenues	-	-	-	-	-	336,498
Total liabilities	<u>106,120</u>	<u>-</u>	<u>-</u>	<u>1,081,855</u>	<u>1,187,975</u>	<u>2,250,409</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Deferred revenue	-	-	-	-	-	16,789
<b>Fund balances:</b>						
<b>Restricted:</b>						
Stabalization by State Statute	-	-	-	-	-	1,385,600
Public Safety	-	-	-	-	-	938,782
Human Services	-	-	-	-	-	148,084
<b>Committed:</b>						
Economic development	-	-	-	-	-	1,072,681
Enviromental protection	-	-	-	-	-	1,092,545
Public Safety	-	-	-	-	-	583,178
Capital projects	4,315,241	-	-	-	4,315,241	4,315,241
Unassigned:	-	-	-	(415,379)	(415,379)	(591,095)
Total fund balances	<u>4,315,241</u>	<u>-</u>	<u>-</u>	<u>(415,379)</u>	<u>3,899,862</u>	<u>8,945,016</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,421,361</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 666,476</u>	<u>\$ 5,087,837</u>	<u>\$ 11,212,214</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2023**

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	\$ 2,336,111	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	300,000	361,615	-	21,821	68,425	17,601
Investment earnings	15,413	23,929	1,545	54,059	32,415	-
Charges for Services	-	-	-	-	-	-
Other revenues	-	-	5,112	-	-	-
Total revenues	<u>2,651,524</u>	<u>385,544</u>	<u>6,657</u>	<u>75,880</u>	<u>100,840</u>	<u>17,601</u>
Expenditures:						
Current:						
Human services	-	-	-	-	-	-
Public Safety	1,831,475	130,362	-	-	-	14,537
Economic and physical development	-	-	4	670,055	98	-
Environmental protection	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Total expenditures	<u>1,831,475</u>	<u>130,362</u>	<u>4</u>	<u>670,055</u>	<u>98</u>	<u>14,537</u>
Excess (deficiency) of revenues over expenditures	820,049	255,182	6,653	(594,175)	100,742	3,064
Other financing sources (uses):						
Transfers from other funds	-	22,297	-	542,851	245,000	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>22,297</u>	<u>-</u>	<u>542,851</u>	<u>245,000</u>	<u>-</u>
Net change in fund balance	820,049	277,479	6,653	(51,324)	345,742	3,064
Fund balances (deficit), beginning	<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>
Fund balances, ending	<u>\$ 1,162,179</u>	<u>\$ 932,374</u>	<u>\$ 40,257</u>	<u>\$ 1,494,347</u>	<u>\$ 1,109,843</u>	<u>\$ 37,310</u>

Exhibit C-2  
(continued)

**Person County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

	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	\$ -	\$ -	\$ -	\$ 2,336,111
Intergovernmental	435,266	829,998	-	2,034,726
Investment earnings	14,580	-	-	141,941
Charges for Services	816,805	-	-	816,805
Other revenues	10,740	-	-	15,852
Total revenues	<u>1,277,391</u>	<u>829,998</u>	<u>-</u>	<u>5,345,435</u>
Expenditures:				
Current:				
Human services	1,433,176	786,962	-	2,220,138
Public Safety	-	-	-	1,976,374
Economic and physical development	-	-	-	670,157
Environmental protection	671,880	-	-	671,880
Education	-	-	-	-
Capital Outlay	-	-	-	-
Total expenditures	<u>2,105,056</u>	<u>786,962</u>	<u>-</u>	<u>5,538,549</u>
Excess (deficiency) of revenues over expenditures	(827,665)	43,036	-	(193,114)
Other financing sources (uses):				
Transfers from other funds	687,478	-	-	1,497,626
Transfers to other funds	(18,174)	-	-	(18,174)
Total other financing sources (uses)	<u>669,304</u>	<u>-</u>	<u>-</u>	<u>1,479,452</u>
Net change in fund balance	(158,361)	43,036	-	1,286,338
Fund balances (deficit), beginning	<u>278,657</u>	<u>105,512</u>	<u>-</u>	<u>3,758,816</u>
Fund balances, ending	<u>\$ 120,296</u>	<u>\$ 148,548</u>	<u>\$ -</u>	<u>\$ 5,045,154</u>

Exhibit C-2  
(continued)

**Person County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-Major Governmental Funds**  
**For the Year Ended June 30, 2023**

	Capital Project Funds					
	Capital Improvement Projects Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Public School Improvements Project - LOB's Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,336,111
Intergovernmental	-	-	-	-	-	2,034,726
Investment earnings	-	-	1	-	1	141,942
Charges for Services	-	-	-	-	-	816,805
Other revenues	3,812	-	-	-	3,812	19,664
Total revenues	3,812	-	1	-	3,813	5,349,248
Expenditures:						
Current:						
Human services	-	-	-	-	-	2,220,138
Public Safety	-	-	-	-	-	1,976,374
Economic and physical development	-	-	-	-	-	670,157
Environmental protection	-	-	-	-	-	671,880
Education	1,686,583	-	-	415,379	2,101,962	2,101,962
Capital Outlay	1,396,875	-	74,605	-	1,471,480	1,471,480
Total expenditures	3,083,458	-	74,605	415,379	3,573,442	9,111,991
Excess (deficiency) of revenues over expenditures	(3,079,646)	-	(74,604)	(415,379)	(3,569,629)	(3,762,743)
Other financing sources (uses):						
Transfers from other funds	5,010,770	-	-	-	5,010,770	6,508,396
Transfers to other funds	(245,000)	(42,850)	(207,530)	-	(495,380)	(513,554)
Total other financing sources (uses)	4,765,770	(42,850)	(207,530)	-	4,515,390	5,994,842
Net change in fund balance	1,686,124	(42,850)	(282,134)	(415,379)	945,761	2,232,099
Fund balances (deficit), beginning	2,629,117	42,850	282,134	-	2,954,101	6,712,917
Fund balances, ending	\$ 4,315,241	\$ -	\$ -	\$ (415,379)	\$ 3,899,862	\$ 8,945,016

**Person County, North Carolina**  
**Fire Tax District Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 2,206,940	\$ 2,206,940	\$ 2,336,111	\$ 129,171
Restricted intergovernmental	-	309,794	300,000	(9,794)
Investment earnings	-	-	15,413	15,413
Total revenues	<u>2,206,940</u>	<u>2,516,734</u>	<u>2,651,524</u>	<u>134,790</u>
Expenditures:				
VFD & Rescue Squad capital payments	2,206,940	2,516,940	1,671,624	845,316
Grant expenditures	-	159,851	159,851	-
Total expenditures	<u>2,206,940</u>	<u>2,676,791</u>	<u>1,831,475</u>	<u>845,316</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(160,057)</u>	<u>820,049</u>	<u>980,106</u>
Appropriated Fund Balance	<u>-</u>	<u>160,057</u>	<u>-</u>	<u>(160,057)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>820,049</u>	<u>\$ 820,049</u>
Fund balance, beginning			<u>342,130</u>	
Fund balance, ending			<u>\$ 1,162,179</u>	

**Columbus County, North Carolina**  
**Emergency Telephone Systems Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 361,616	\$ 361,616	\$ 361,615	\$ (1)
Investment earnings	-	-	23,929	23,929
Total revenues	<u>361,616</u>	<u>361,616</u>	<u>385,544</u>	<u>23,928</u>
Expenditures:				
Implemental functions	6,000	28,298	1,531	26,767
Telephone	20,247	20,247	19,186	1,061
Software maintenance	76,700	76,700	33,225	43,475
Hardware maintenance	241,179	281,179	65,484	215,695
Training	<u>17,490</u>	<u>17,490</u>	<u>10,936</u>	<u>6,554</u>
Total expenditures	<u>361,616</u>	<u>423,914</u>	<u>130,362</u>	<u>293,552</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(62,298)</u>	<u>255,182</u>	<u>317,480</u>
Other financing sources (uses)				
Transfers in	-	22,298	22,297	(1)
Total other financing sources (uses)	<u>-</u>	<u>22,298</u>	<u>22,297</u>	<u>(1)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>-</u>	<u>(40,000)</u>	<u>277,479</u>	<u>317,479</u>
Appropriated Fund Balance	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>277,479</u>	<u>\$ 277,479</u>
Fund balance, beginning			<u>654,895</u>	
Fund balance, ending			<u>\$ 932,374</u>	

**Person County, North Carolina**  
**Revolving Loan Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Investment earnings	\$ 380	\$ 380	\$ 1,545	\$ 1,165
Other Revenues				
Loan principle received	5,112	5,112	5,112	-
Total revenues	<u>5,492</u>	<u>5,492</u>	<u>6,657</u>	<u>1,165</u>
Expenditures:				
Other operating expenditures	5,492	5,492	4	5,488
Total expenditures	<u>5,492</u>	<u>5,492</u>	<u>4</u>	<u>5,488</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	6,653	<u>\$ 6,653</u>
Fund balance, beginning			<u>33,604</u>	
Fund balance, ending			<u>\$ 40,257</u>	



**Person County, North Carolina**  
**Economic Catalyst Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 11,147	\$ 984,897	\$ 21,821	\$ (963,076)
Investment earnings	100	100	54,059	53,959
Total revenues	<u>11,247</u>	<u>984,997</u>	<u>75,880</u>	<u>(909,117)</u>
Expenditures:				
Other operating expenditures	<u>1,673,183</u>	<u>2,646,933</u>	<u>670,055</u>	<u>1,976,878</u>
Total expenditures	<u>1,673,183</u>	<u>2,646,933</u>	<u>670,055</u>	<u>1,976,878</u>
Excess (deficiency) of revenues over expenditures	<u>(1,661,936)</u>	<u>(1,661,936)</u>	<u>(594,175)</u>	<u>1,067,761</u>
Other Financing Sources (Uses)				
Transfers in				
General Fund	<u>1,661,936</u>	<u>542,851</u>	<u>542,851</u>	<u>-</u>
Total other financing sources	<u>1,661,936</u>	<u>542,851</u>	<u>542,851</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>-</u>	<u>(1,119,085)</u>	<u>(51,324)</u>	<u>1,067,761</u>
Appropriated Fund Balance	<u>-</u>	<u>1,119,085</u>	<u>-</u>	<u>(1,119,085)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(51,324)</u>	<u>\$ (51,324)</u>
Fund balance, beginning			<u>1,545,671</u>	
Fund balance, ending			<u>\$ 1,494,347</u>	

**Person County, North Carolina**  
**Water and Sewer Construction Reserve Special Revenue Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 62,000	\$ 62,000	\$ 68,425	\$ 6,425
Investment earnings	200	200	32,415	32,215
Total revenues	<u>62,200</u>	<u>62,200</u>	<u>100,840</u>	<u>38,640</u>
Expenditures:				
Water and sewer construction	62,200	61,500	-	61,500
Miscellaneous	<u>1,000,000</u>	<u>1,000,700</u>	<u>98</u>	<u>1,000,602</u>
Total expenditures	<u>1,062,200</u>	<u>1,062,200</u>	<u>98</u>	<u>1,062,102</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>100,742</u>	<u>1,100,742</u>
Other Financing Sources:				
Transfers in (out)				
Capital Improvement Fund	-	245,000	245,000	-
Total Other Financing Sources	<u>-</u>	<u>245,000</u>	<u>245,000</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(1,000,000)</u>	<u>(755,000)</u>	<u>345,742</u>	<u>1,100,742</u>
Appropriated Fund Balance	<u>1,000,000</u>	<u>755,000</u>	<u>-</u>	<u>(755,000)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>345,742</u>	<u>\$ 345,742</u>
Fund balance, beginning			<u>764,101</u>	
Fund balance, ending			<u>\$ 1,109,843</u>	



*This page left blank intentionally*

**Person County, North Carolina**  
**Sheriff's Execution Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental revenues	\$ 100,000	\$ 100,000	\$ 17,601	\$ (82,399)
Total revenues	<u>100,000</u>	<u>100,000</u>	<u>17,601</u>	<u>(82,399)</u>
Expenditures:				
Public buildings and grounds				
Operating	100,000	100,000	14,537	85,463
Total expenditures	<u>100,000</u>	<u>100,000</u>	<u>14,537</u>	<u>85,463</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	3,064	<u>\$ 3,064</u>
Fund balance, beginning			<u>34,246</u>	
Fund balance, ending			<u>\$ 37,310</u>	

**Person County, North Carolina**  
**Person Industries Community Rehabilitation Program and Material Recovery Facility Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Intergovernmental Revenues:				
Adult vocation and rehabilitation program	\$ 431,900	\$ 431,900	\$ 307,156	\$ (124,744)
White goods disposal tax	16,000	16,000	19,542	3,542
Scrap Tire disposal tax	55,000	55,335	74,840	19,505
Solid waste disposal tax	28,000	28,000	33,728	5,728
Total Intergovernmental Revenues	<u>530,900</u>	<u>531,235</u>	<u>435,266</u>	<u>(95,969)</u>
Charge for Services				
Sales	710,000	710,000	225,719	(484,281)
Medicaid	678,000	678,000	425,589	(252,411)
Transportation	40,500	40,500	34,098	(6,402)
Local Services	50,000	50,000	55,004	5,004
Recycling Fee	25,000	25,000	25,000	-
Recycling Sales	36,800	36,800	51,395	14,595
Total charge for services	<u>1,540,300</u>	<u>1,540,300</u>	<u>816,805</u>	<u>(723,495)</u>
Investment earnings	-	-	14,580	14,580
Other Revenues				
Donations and miscellaneous	5,000	8,449	10,740	2,291
Total Revenues	<u>2,076,200</u>	<u>2,079,984</u>	<u>1,277,391</u>	<u>(802,593)</u>
Expenditures:				
Human Services				
Personnel Expenditures	1,643,530	1,643,530	1,284,593	358,937
Operating Expenditures	342,675	370,531	148,583	221,948
Total	<u>1,986,205</u>	<u>2,014,061</u>	<u>1,433,176</u>	<u>580,885</u>
Environmental Protection				
Personnel Expenditures	490,716	490,716	420,788	69,928
Operating Expenditures	200,250	263,887	251,092	12,795
Total	<u>690,966</u>	<u>754,603</u>	<u>671,880</u>	<u>82,723</u>
Total Expenditures	<u>2,677,171</u>	<u>2,768,664</u>	<u>2,105,056</u>	<u>663,608</u>
Excess (deficiency) of revenues over expenditures	<u>(600,971)</u>	<u>(688,680)</u>	<u>(827,665)</u>	<u>(138,985)</u>
Other Financing Sources:				
Transfers in (out)				
General Fund	275,205	361,712	361,712	-
Capital Project Fund	325,766	325,766	325,766	-
Capital Investment Fund	-	(18,552)	(18,174)	378
Total Other Financing Sources	<u>600,971</u>	<u>668,926</u>	<u>669,304</u>	<u>378</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>-</u>	<u>(19,754)</u>	<u>(158,361)</u>	<u>(138,607)</u>

**Person County, North Carolina**  
**Person Industries Community Rehabilitation Program and Material Recovery Facility Fund**  
**Schedule of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Appropriated Fund Balance	-	19,754	-	(19,754)
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(158,361)	<u>\$ (158,361)</u>
Fund Balance Beginning			<u>278,657</u>	
Fund Balance Ending			<u>\$ 120,296</u>	

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

**Person County, North Carolina**  
**Social Services Representative Payee Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Representative Payee Funds	\$ 900,000	\$ 900,000	\$ 829,998	\$ (70,002)
Investment earnings	170	170	-	(170)
Total revenues	<u>900,170</u>	<u>900,170</u>	<u>829,998</u>	<u>(70,172)</u>
Expenditures:				
Human Services	900,170	900,170	786,962	113,208
Total Expenditures	<u>900,170</u>	<u>900,170</u>	<u>786,962</u>	<u>113,208</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	43,036	<u>\$ 43,036</u>
Fund balance, beginning			<u>105,512</u>	
Fund balance, ending			<u>\$ 148,548</u>	

**Person County, North Carolina**  
**Opioid Settlement Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
Opioid Settlement Funds	\$ 2,595,543	\$ -	\$ -	\$ -	\$ (2,595,543)
Total revenues	<u>2,595,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,595,543)</u>
Expenditures:					
Human Services - Opioid Recovery	2,595,543	-	-	-	2,595,543
Total expenditures	<u>2,595,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,595,543</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**  
**Capital Improvement Projects Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Completed Project	Total to Date	Variance (Positive) Negative
<b>Revenues:</b>						
Restricted intergovernmental						
City of Roxboro Contributions	\$ 17,167	\$ 17,166	\$ -	\$ -	\$ 17,166	\$ (1)
Other revenues	3,812	-	3,812	-	3,812	-
Investment earnings	-	92,764	-	(92,764)	-	-
Total revenues	<u>20,979</u>	<u>109,930</u>	<u>3,812</u>	<u>(92,764)</u>	<u>20,978</u>	<u>(1)</u>
<b>Expenditures:</b>						
County	3,338,592	1,058,543	1,396,875	(550,709)	1,904,709	1,433,883
Schools	2,641,747	778,028	1,257,840	(738,172)	1,297,696	1,344,051
PCC	2,695,108	851,268	428,743	(179,818)	1,100,193	1,594,915
Miscellaneous	3,000	1,576	-	-	1,576	1,424
Total expenditures	<u>8,678,447</u>	<u>2,689,415</u>	<u>3,083,458</u>	<u>(1,468,699)</u>	<u>4,304,174</u>	<u>4,374,273</u>
Excess (deficiency) of revenues over expenditures	<u>(8,657,468)</u>	<u>(2,579,485)</u>	<u>(3,079,646)</u>	<u>1,375,935</u>	<u>(4,283,196)</u>	<u>4,374,272</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in						
County Capital Reserve Fund	8,449,937	5,208,602	4,803,240	(1,375,935)	8,635,907	185,970
Water and Sewer Reserve	207,531	-	207,530	-	207,530	(1)
Transfers out						
Capital Projects Fund	<u>(245,000)</u>	<u>-</u>	<u>(245,000)</u>	<u>-</u>	<u>(245,000)</u>	<u>-</u>
Total Other Financing Sources	<u>8,412,468</u>	<u>5,208,602</u>	<u>4,765,770</u>	<u>(1,375,935)</u>	<u>8,598,437</u>	<u>185,969</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(245,000)</u>	<u>2,629,117</u>	<u>1,686,124</u>	<u>-</u>	<u>4,315,241</u>	<u>4,560,241</u>
Appropriated Fund Balance	<u>245,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(245,000)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ 2,629,117</u>	<u>1,686,124</u>	<u>\$ -</u>	<u>\$ 4,315,241</u>	<u>\$ 4,315,241</u>
Fund balance, beginning			<u>2,629,117</u>			
Fund balance, ending			<u>\$ 4,315,241</u>			

**Person County, North Carolina**  
**Waterline Extension RRSF Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	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	<u>(401,032)</u>	<u>(358,182)</u>	<u>-</u>	<u>(358,182)</u>	<u>42,850</u>
Other Financing Sources (Uses):					
Fund balance appropriation	42,851	-	-	-	(42,851)
Transfers in					
General Fund	401,032	401,032	-	401,032	-
Transfers out					
Economic Catalyst Fund	(42,851)	-	(42,850)	(42,850)	1
Total Other Financing Sources	<u>401,032</u>	<u>401,032</u>	<u>(42,850)</u>	<u>358,182</u>	<u>(42,850)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 42,850</u>	<u>(42,850)</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>42,850</u>		
Fund balance, ending			<u>\$ -</u>		

**Person County, North Carolina**  
**Public Safety Towers and Broadband Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Investment earnings	\$ -	\$ 235	\$ 1	\$ 236	\$ 236
Total revenues	-	235	1	236	236
Expenditures:					
County	3,475,370	3,275,532	74,605	3,350,137	125,233
Schools	1,089,550	1,089,540	-	1,089,540	10
Issuance costs	53,780	53,780	-	53,780	-
Contingency funds	176,300	-	-	-	176,300
Total expenditures	4,795,000	4,418,852	74,605	4,493,457	301,543
Excess (deficiency) of revenues over expenditures	(4,795,000)	(4,418,617)	(74,604)	(4,493,221)	301,779
Other Financing Sources (Uses):					
Fund balance appropriated	207,531	-	-	-	(207,531)
Transfers in				-	-
CIP Projects Fund	395,000	395,000	-	395,000	-
Installment purchase obligations issued	4,400,000	4,400,000	-	4,400,000	-
Transfer out					
CIP Projects Fund	(207,531)	-	(207,530)	(207,530)	1
Total Other Financing Sources	4,795,000	4,795,000	(207,530)	4,587,470	(207,530)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 376,383	(282,134)	\$ 94,249	\$ 94,249
Fund balance, beginning			282,134		
Fund balance, ending			\$ -		

**Person County, North Carolina**  
**Public School Improvements Project - LOB's Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Expenditures:					
Construction and Renovation	\$ 32,318,553	\$ -	\$ -	\$ -	\$ 32,318,553
Planning and Engineering	3,301,405	-	415,379	415,379	2,886,026
Issuance Costs	900,000	-	-	-	900,000
Contingency Funds	1,735,042	-	-	-	1,735,042
Total expenditures	<u>38,255,000</u>	<u>-</u>	<u>415,379</u>	<u>415,379</u>	<u>37,839,621</u>
Excess (deficiency) of revenues over expenditures	<u>(38,255,000)</u>	<u>-</u>	<u>(415,379)</u>	<u>(415,379)</u>	<u>37,839,621</u>
Other Financing Sources (Uses):					
Limited Obligation Bonds of 2023	12,745,000	-	-	-	(12,745,000)
Limited Obligation Bonds of 2025	11,715,000	-	-	-	(11,715,000)
Limited Obligation Bonds of 2027	13,795,000	-	-	-	(13,795,000)
Total Other Financing Sources	<u>38,255,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(38,255,000)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(415,379)</u>	<u>\$ (415,379)</u>	<u>\$ (415,379)</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ (415,379)</u>		



*This page left blank intentionally*

# 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



*This page left blank intentionally*

**Person County, North Carolina**  
**Stormwater Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Charges for services	\$ 277,000	\$ 277,000	\$ 285,750	\$ 8,750
Investment earnings	2,500	2,500	2,049	(451)
Total revenues	<u>279,500</u>	<u>279,500</u>	<u>287,799</u>	<u>8,299</u>
Expenditures:				
Enviromental Protection				
Operating expenses	<u>389,394</u>	<u>845,650</u>	<u>460,291</u>	<u>385,359</u>
Total expenditures	<u>389,394</u>	<u>845,650</u>	<u>460,291</u>	<u>385,359</u>
Revenues over (under) expenditures	(109,894)	(566,150)	(172,492)	393,658
Other financing sources (uses)				
Fund balance appropriated	<u>109,894</u>	<u>566,150</u>	<u>-</u>	<u>(566,150)</u>
Total other financing sources (uses)	<u>109,894</u>	<u>566,150</u>	<u>-</u>	<u>(566,150)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(172,492)	<u>\$ (172,492)</u>
Fund balance, beginning			<u>745,696</u>	
Fund balance, ending			<u>\$ 573,204</u>	





*This page left blank intentionally*

# 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



*This page left blank intentionally*

**Person County, North Carolina**  
**Insurance Fund**  
**Schedule of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Year Ended June 30, 2023**

	2023			Variance
	Original Budget	Final Budget	Actual	Positive (Negative)
Revenues:				
Charges for services	\$ 4,791,048	\$ 4,791,048	\$ 4,565,992	\$ (225,056)
Investment earnings	250	32,000	70,278	38,278
Miscellaneous	370,430	370,430	349,726	(20,704)
Total revenues	<u>5,161,728</u>	<u>5,193,478</u>	<u>4,985,996</u>	<u>(207,482)</u>
Expenditures:				
Health insurance administration	1,157,113	1,218,629	1,063,898	154,731
Claims	4,004,615	4,754,615	3,209,874	1,544,741
Total expenditures	<u>5,161,728</u>	<u>5,973,244</u>	<u>4,273,772</u>	<u>1,699,472</u>
Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(779,766)</u>	<u>712,224</u>	<u>1,491,990</u>
Other Financing Sources				
Transfers in				
General Fund	-	750,000	750,000	-
Fund balance appropriated	-	29,766	-	(29,766)
Total other financing sources (uses)	<u>-</u>	<u>779,766</u>	<u>750,000</u>	<u>(29,766)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>1,462,224</u>	<u>\$ 1,462,224</u>
Fund balance, beginning			<u>836,067</u>	
Fund balance, ending			<u>\$ 2,298,291</u>	



*This page left blank intentionally*

# 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.



*This page left blank intentionally*

**Person County, North Carolina**  
**Custodial Funds**  
**Combining Statement of Fiduciary Net Position**  
**June 30, 2023**

	Roxborro Property Tax Fund	Inmate Fund	4H Program Fund	Total Custodial Funds
<b>Assets</b>				
Cash and cash equivalents	\$ 20,969	\$ 16,571	\$ 36,006	\$ 73,546
Taxes receivable for other governments, net	114,475	-	-	114,475
Total assets	<u>135,444</u>	<u>16,571</u>	<u>36,006</u>	<u>188,021</u>
<b>Liabilities</b>				
Accounts payable and accrued liabilities	-	-	567	567
Due to other governments	20,969	-	-	20,969
Total liabilities	<u>20,969</u>	<u>-</u>	<u>567</u>	<u>21,536</u>
<b>Net Position</b>				
Restricted for:				
Individuals, organizations, and other governments	114,475	16,571	35,439	166,485
Total net position	<u>\$ 114,475</u>	<u>\$ 16,571</u>	<u>\$ 35,439</u>	<u>\$ 166,485</u>



**Person County, North Carolina**  
**Custodial Funds**  
**Combining Statement of Changes in Fiduciary Net Position**  
**For the Year Ended June 30, 2023**

	Roxboro Property Tax Fund	Jail Inmate Pay Fund	4H Program Fund	Total Custodial Funds
<b>Additions</b>				
Ad valorem taxes for other governments	\$ 5,567,230	\$ -	\$ -	\$ 5,567,230
Collections on behalf of inmate	-	194,294	-	194,294
Collections on behalf of 4H	-	-	4,915	4,915
Total additions	<u>5,567,230</u>	<u>194,294</u>	<u>4,915</u>	<u>5,766,439</u>
<b>Deductions</b>				
Tax distributions to other governments	5,575,252	-	-	5,575,252
Payments on behalf of inmates	-	193,370	-	193,370
Payments to 4H	-	-	3,919	3,919
Total deductions	<u>5,575,252</u>	<u>193,370</u>	<u>3,919</u>	<u>5,772,541</u>
Net increase (decrease) in fiduciary net position	(8,022)	924	996	(6,102)
Net position, beginning	<u>122,497</u>	<u>15,647</u>	<u>34,443</u>	<u>172,587</u>
Net position, ending	<u>\$ 114,475</u>	<u>\$ 16,571</u>	<u>\$ 35,439</u>	<u>\$ 166,485</u>

# Other Schedules

This section contains additional information on property taxes.

- ♦ Schedule of Ad Valorem Taxes Receivable
- ♦ Analysis of Current Tax Levy



*This page left blank intentionally*

**Person County, North Carolina**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**For the Year Ended June 30, 2023**

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Uncollected Balance June 30, 2022</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2023</u>
2022-2023	2022	\$ -	\$ 39,309,759	\$ 39,100,179	\$ 209,580
2021-2022	2021	526,692	-	451,778	74,914
2020-2021	2020	82,863	-	44,493	38,370
2019-2020	2019	57,636	-	22,612	35,024
2018-2019	2018	40,565	-	16,731	23,834
2017-2018	2017	30,788	-	11,666	19,122
2016-2017	2016	21,565	-	4,776	16,789
2015-2016	2015	18,602	-	4,953	13,649
2014-2015	2014	17,726	-	3,763	13,963
2013-2014	2013	21,168	-	3,032	18,136
2012-2013	2012	21,279	-	21,279	-
Totals		<u>\$ 838,884</u>	<u>\$ 39,309,759</u>	<u>\$ 39,685,262</u>	<u>463,381</u>
Less Allowance for Doubtful Accounts					163,300
Taxes Receivable (Net)					<u>\$ 300,081</u>
<u>Reconcilement with revenues:</u>					
Ad valorem taxes - General Fund					\$ 39,852,732
Reconciling items:					
Refunds					
Adjustments to prior years taxes					70,200
Amounts written off for tax year 2012 per statute of limitations					18,144
Subtotal					<u>88,344</u>
Penalties and Interest					(215,952)
Advertising Fees					<u>(39,862)</u>
Total Collections and Credits					<u>\$ 39,685,262</u>

**Person County, North Carolina**  
**Analysis of Current Tax Levy**  
**County - Wide Levy**  
**For the Year Ended June 30, 2023**

	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	\$ 5,447,223,689	\$ 0.72	\$ 39,220,011	\$ 35,885,722	\$ 3,334,289
Late Listing Penalties	-		25,637	25,637	
Total	<u>5,447,223,689</u>		<u>39,245,648</u>	<u>35,911,359</u>	<u>3,334,289</u>
Discoveries and Corrections					
Current Year's Taxes	<u>15,845,879</u>	0.72	<u>114,090</u>	<u>114,090</u>	<u>-</u>
Releases	<u>(6,941,528)</u>	0.72	<u>(49,979)</u>	<u>(49,979)</u>	<u>-</u>
Total for Year	<u>\$ 5,456,128,040</u>		<u>39,309,759</u>	<u>35,975,470</u>	<u>3,334,289</u>
Less Uncollected taxes at June 30, 2023			<u>209,580</u>	<u>209,580</u>	<u>-</u>
Current year's taxes collected			<u>\$ 39,100,179</u>	<u>\$ 35,765,890</u>	<u>\$ 3,334,289</u>
Current levy collection percentage			<u>99.47%</u>	<u>99.42%</u>	<u>100.00%</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	1
<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	12
<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	13
<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	1
<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)

	<b>Fiscal Year</b>			
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Governmental activities				
Net investment in capital assets	\$ 23,065,359	\$ 31,664,023	\$ 38,358,826	\$ 32,964,043
Restricted	7,729,273	7,043,470	8,700,798	9,036,709
Unrestricted	4,533,912	9,074,436	10,855,661	14,010,974
Total governmental activities net position	<u>35,328,544</u>	<u>47,781,929</u>	<u>57,915,285</u>	<u>56,011,726</u>
Business-type activities				
Unrestricted	71,668	144,184	237,204	322,258
Total business-type activities net position	<u>71,668</u>	<u>144,184</u>	<u>237,204</u>	<u>322,258</u>
Primary government				
Net investment in capital assets	23,065,359	31,664,023	38,358,826	32,964,043
Restricted	7,729,273	7,043,470	8,700,798	9,036,709
Unrestricted	4,605,580	9,218,620	11,092,865	14,333,232
Total primary governmental net position	<u>\$ 35,400,212</u>	<u>\$ 47,926,113</u>	<u>\$ 58,152,489</u>	<u>\$ 56,333,984</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 36,548,803	\$ 37,183,541	\$ 38,473,970	\$ 38,679,199	\$ 41,858,897	\$ 42,111,459
11,648,228	9,606,570	12,595,100	13,813,793	20,085,679	24,888,237
13,433,622	17,854,387	17,159,390	16,417,853	15,193,213	24,821,575
<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>	<u>91,821,271</u>
415,658	528,061	564,442	673,282	745,696	573,204
<u>415,658</u>	<u>528,061</u>	<u>564,442</u>	<u>673,282</u>	<u>745,696</u>	<u>573,204</u>
36,548,803	37,183,541	38,473,970	38,679,199	41,858,897	42,111,459
11,648,228	9,606,570	12,595,100	13,813,793	20,085,679	24,888,237
13,849,280	18,382,448	17,723,832	17,091,135	15,938,909	25,394,779
<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>	<u>\$ 92,394,475</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				
	2014	2015	2016	2017	2018
<b>Expenses</b>					
Governmental activities					
General government	\$ 7,616,061	\$ 7,149,705	\$ 6,589,856	\$ 7,693,371	\$ 8,511,007
Public safety	12,476,577	12,475,439	12,818,151	13,843,079	13,040,023
Transportation	1,286,978	1,277,326	1,333,946	1,339,616	1,291,899
Human services	16,563,554	14,335,792	14,535,066	15,048,142	16,273,304
Environmental protection	649,147	2,510,486	2,469,444	3,083,626	648,644
Economic and physical development	1,404,663	1,433,353	1,246,837	1,608,085	1,443,587
Cultural and recreation	1,592,550	1,615,447	1,800,505	1,812,818	1,745,964
Education	12,096,514	11,626,709	12,987,242	12,404,456	10,633,360
Interest on long term debt	530,279	242,746	436,753	370,388	363,297
Total governmental activities expenses	<u>54,216,323</u>	<u>52,667,003</u>	<u>54,217,800</u>	<u>57,203,581</u>	<u>53,951,085</u>
Business-type activities					
Stormwater Department	199,674	196,024	175,115	182,996	183,136
Total primary government expenses	<u>\$ 54,415,997</u>	<u>\$ 52,863,027</u>	<u>\$ 54,392,915</u>	<u>\$ 57,386,577</u>	<u>\$ 54,134,221</u>
<b>Program Revenues</b>					
Governmental activities					
Charges for services:					
General government	\$ 396,260	\$ 415,643	\$ 394,378	\$ 421,621	\$ 719,193
Public safety	1,842,884	1,987,725	1,968,436	2,047,699	1,876,352
Transportation	294,459	419,617	449,196	381,887	332,338
Human services	2,728,473	2,522,871	3,139,853	3,388,953	3,712,493
Environmental protection	822,423	761,116	754,409	819,123	715,722
Economic and physical development	11,433	14,731	16,063	15,688	83,041
Cultural and recreation	345,570	323,353	368,606	409,525	412,458
Operating grants and contributions:					
General government	2	-	3,276	-	185,470
Public safety	1,208,057	1,323,629	1,277,367	1,650,012	1,199,209
Transportation	362,452	271,196	506,589	494,012	242,456
Human services	8,392,466	8,560,360	8,031,774	8,141,712	6,972,508
Environmental protection	114,204	118,251	125,363	126,967	91,576
Economic and physical development	392,042	166,357	277,603	259,959	53,027
Cultural and recreation	100,281	514,960	141,363	104,096	120,048
Education	-	-	-	-	-
Capital grants and contributions:					
General Government	19	-	-	-	-
Transportation	231,347	188,211	65,488	194,607	486,117
Environmental protection	4,510	-	6,000	1,998	-
Economic and physical development	171,039	110,925	-	-	-
Cultural and recreation	12,269	15,877	14,513	7,750	-
Education	72,465	229,808	198,948	142,569	6,487,181
Total governmental activities program revenues	<u>17,502,655</u>	<u>17,944,630</u>	<u>17,739,225</u>	<u>18,608,178</u>	<u>23,689,189</u>
Business-type activities					
Charges for services:					
Stormwater Department	271,342	268,540	268,135	268,050	274,882
Total primary government program revenues	<u>\$ 17,773,997</u>	<u>\$ 18,213,170</u>	<u>\$ 18,007,360</u>	<u>\$ 18,876,228</u>	<u>\$ 23,964,071</u>
<b>Net (Expense)/Revenue</b>					
Governmental activities	\$ (36,713,668)	\$ (34,722,373)	\$ (36,478,575)	\$ (38,595,403)	\$ (30,261,896)
Business-type activities	71,668	72,516	93,020	85,054	91,746
Total primary government net expenses	<u>\$ (36,642,000)</u>	<u>\$ (34,649,857)</u>	<u>\$ (36,385,555)</u>	<u>\$ (38,510,349)</u>	<u>\$ (30,170,150)</u>
<b>General Revenues and Other Changes in Net Position</b>					
Governmental activities					
Property taxes	\$ 30,883,915	\$ 31,358,952	\$ 31,272,619	\$ 32,103,402	\$ 32,143,716
Local option sales tax	6,430,850	6,732,660	7,058,217	7,571,089	8,075,831
Other taxes and licenses	462,739	563,360	698,818	566,446	454,676
Unrestricted intergovernmental	-	208,437	-	-	-
Investment earnings	508	(32,398)	52,812	132,958	216,223
Miscellaneous, unrestricted					
Loss on disposal of capital asset	-	15,325	163,861	60,478	(560,899)
Contributed capital	-	10,363,160	6,392,856	-	-
Other miscellaneous	372,661	88,262	519,861	(2,400,589)	694,671
Total governmental activities	<u>38,150,673</u>	<u>49,297,758</u>	<u>46,159,044</u>	<u>38,033,784</u>	<u>41,024,218</u>
Business-type activities					
Investment earnings	-	-	-	-	1,654
Total primary government general revenues, special items and transfers	<u>\$ 38,150,673</u>	<u>\$ 49,297,758</u>	<u>\$ 46,159,044</u>	<u>\$ 38,033,784</u>	<u>\$ 41,025,872</u>
<b>Change in Net Position</b>					
Governmental activities	\$ 1,437,005	\$ 14,575,385	\$ 9,680,469	\$ (561,619)	\$ 10,762,322
Business-type activities	71,668	72,516	93,020	85,054	93,400
Total primary government	<u>\$ 1,508,673</u>	<u>\$ 14,647,901</u>	<u>\$ 9,773,489</u>	<u>\$ (476,565)</u>	<u>\$ 10,855,722</u>

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$	11,204,154	\$ 11,072,339	\$ 12,935,151	\$ 16,574,401	\$ 11,273,568
	14,574,861	15,662,933	17,240,103	18,312,055	19,282,517
	1,611,457	1,331,856	1,212,218	1,327,587	1,366,707
	14,662,401	14,833,071	16,788,184	16,825,196	16,426,099
	657,940	703,154	788,995	810,927	817,478
	1,127,571	1,610,834	1,598,740	2,152,488	1,947,943
	1,942,027	2,116,574	2,109,894	2,177,838	2,421,730
	11,427,138	11,846,237	12,715,831	13,364,453	17,817,364
	545,966	412,610	248,213	228,927	298,300
	<u>57,753,515</u>	<u>59,589,608</u>	<u>65,637,329</u>	<u>71,773,872</u>	<u>71,651,706</u>
	168,596	245,619	174,143	211,460	460,291
\$	<u>57,922,111</u>	<u>59,835,227</u>	<u>65,811,472</u>	<u>71,985,332</u>	<u>72,111,997</u>
\$	756,078	\$ 826,543	\$ 1,077,017	\$ 4,781,307	\$ 506,631
	2,263,955	2,131,221	2,879,774	3,574,416	3,293,470
	339,142	269,714	165,407	277,427	168,054
	2,461,438	1,957,968	1,123,017	1,129,338	1,628,286
	718,500	813,290	1,143,744	1,268,645	1,174,655
	94,404	96,151	80,130	11,415	14,044
	382,003	271,042	217,340	351,684	429,345
	199,660	194,989	189,523	-	-
	1,718,231	1,763,381	1,415,887	2,064,271	4,920,470
	482,771	471,627	412,355	402,312	1,635,293
	6,918,742	7,760,588	8,884,556	9,846,574	453,990
	81,079	67,632	-	39,667	9,419,729
	112,567	85,241	96,166	76,237	27,489
	96,538	157,313	135,407	122,765	94,747
	-	-	-	159,406	171,649
	-	-	-	-	342,861
	201,245	22,738	106,147	946,951	280,704
	-	-	-	-	-
	336,326	360,027	223,516	80,131	-
	-	-	-	-	-
	121,122	1,309,423	-	27,503	2,169,519
	<u>17,283,801</u>	<u>18,558,888</u>	<u>18,149,986</u>	<u>25,160,049</u>	<u>26,730,936</u>
	278,791	279,446	280,429	281,503	285,750
\$	<u>17,562,592</u>	<u>18,838,334</u>	<u>18,430,415</u>	<u>25,441,552</u>	<u>27,016,686</u>
\$	(40,469,714)	\$ (41,030,720)	\$ (47,487,343)	\$ (46,613,823)	\$ (44,920,770)
	110,195	33,827	106,286	70,043	(174,541)
\$	<u>(40,359,519)</u>	<u>(40,996,893)</u>	<u>(47,381,057)</u>	<u>(46,543,780)</u>	<u>(45,095,311)</u>
\$	32,985,331	\$ 34,906,804	\$ 35,587,594	\$ 39,677,327	\$ 41,805,225
	8,701,260	9,013,933	10,507,215	11,862,245	13,232,684
	210,388	177,306	247,726	1,063,057	1,118,369
	-	-	-	672,461	459,487
	680,640	424,332	116,113	104,421	2,621,074
	-	(489,170)	(133,252)	-	-
	-	-	-	-	-
	905,940	581,477	1,698,193	550,667	327,913
	<u>43,483,559</u>	<u>44,614,682</u>	<u>48,023,589</u>	<u>53,930,178</u>	<u>59,564,752</u>
	2,208	2,554	2,554	2,371	2,049
\$	<u>43,485,767</u>	<u>44,617,236</u>	<u>48,026,143</u>	<u>53,932,549</u>	<u>59,566,801</u>
\$	3,013,845	\$ 3,583,962	\$ 536,246	\$ 7,316,355	\$ 14,643,982
	112,403	36,381	108,840	72,414	(172,492)
\$	<u>3,126,248</u>	<u>3,620,343</u>	<u>645,086</u>	<u>7,388,769</u>	<u>14,471,490</u>



*This page left blank intentionally*

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

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Total</b>
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
2023	41,805,225	13,232,684	1,118,369	56,156,278

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

(Page 1 of 2)

	<b>Fiscal Year</b>			
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
General Fund				
Nonspendable	\$ 305,868	\$ 101,957	\$ 183,550	\$ 108,934
Restricted	6,226,227	4,696,872	5,508,761	5,981,436
Committed	204,718	264,569	645,154	726,480
Assigned	3,284,997	2,721,258	3,471,017	2,734,736
Unassigned	9,644,006	13,163,785	13,599,981	14,172,971
Total general fund	<u>\$ 19,665,816</u>	<u>\$ 20,948,441</u>	<u>\$ 23,408,463</u>	<u>\$ 23,724,557</u>
All Other Governmental Funds				
Nonspendable	\$ 90,000	\$ 70,000	\$ -	\$ -
Restricted	1,503,046	2,346,598	3,192,037	3,055,273
Committed	1,941,502	1,785,342	1,787,660	4,341,003
Assigned	11,700	-	-	-
Unassigned	(852,204)	(217,136)	-	(483,469)
Total all other governmental funds	<u>\$ 2,694,044</u>	<u>\$ 3,984,804</u>	<u>\$ 4,979,697</u>	<u>\$ 6,912,807</u>

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 145,382	\$ 177,691	\$ 105,187	\$ 126,044	\$ 136,594	\$ 133,559
6,279,373	6,197,001	7,533,859	7,179,951	9,454,394	9,561,292
726,481	969,306	968,937	983,319	1,124,272	1,233,600
2,594,047	5,900,352	3,898,600	965,506	2,168,060	8,378,395
16,223,464	15,491,651	17,680,799	21,726,864	21,108,169	24,166,242
<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>	<u>\$ 43,473,088</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,368,855	3,409,569	5,061,241	6,108,028	10,736,224	15,409,483
3,968,392	3,466,399	4,181,240	3,386,385	5,415,295	7,063,645
698,143	-	-	640,925	-	-
(30,266)	(255,018)	(9,186)	1,191	-	(591,095)
<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>	<u>\$ 21,882,033</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)

	<b>Fiscal Year</b>			
	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
<b>Revenues</b>				
Property	\$ 31,076,698	\$ 30,915,707	\$ 31,276,307	\$ 32,078,642
Sales	6,430,850	6,732,660	7,058,217	7,571,089
Other	326,400	348,207	477,014	356,461
Total taxes	37,833,948	37,996,574	38,811,538	40,006,192
Fees	424,116	516,700	433,330	573,352
Intergovernmental	11,244,979	11,457,497	11,046,450	11,598,701
Investment earnings	(47,531)	(32,398)	52,401	131,895
Charges for services	5,951,527	5,751,890	6,404,761	6,550,975
Other	622,808	998,161	604,799	493,568
Total Revenues	56,029,847	56,688,424	57,353,279	59,354,683
<b>Expenditures</b>				
General government	5,993,331	6,020,465	5,849,007	5,756,073
Public safety	12,133,878	12,748,522	13,834,037	13,461,794
Transportation	918,658	863,199	1,007,835	1,016,508
Human services	16,338,419	14,534,583	14,694,995	14,806,037
Environmental protection	675,440	2,500,386	2,446,162	3,045,427
Economic and physical development	1,395,811	1,442,248	1,258,242	1,653,788
Cultural and recreational	1,583,278	2,117,676	1,731,294	1,688,993
Education	12,096,514	11,021,422	12,085,890	11,266,416
Capital projects	3,589,154	1,461,191	2,169,724	4,259,925
Debt service:				
Principal	3,685,110	3,563,836	1,979,648	1,826,474
Interest and other charges	522,599	423,876	408,585	394,432
Total expenditures	58,932,192	56,697,404	57,465,419	59,175,867
Excess of revenues over (under) expenditures	(2,902,345)	(8,980)	(112,140)	178,816
<b>Other Financing Sources (Uses)</b>				
Lease Liabilities issued	-	-	-	-
IT Subscriptions Issued	-	-	-	-
Transfers in	2,190,561	1,200,989	2,170,034	4,666,974
Transfers out	(2,190,561)	(1,200,989)	(2,195,123)	(4,942,064)
Installment purchase obligations issued	-	2,360,000	1,884,000	2,285,000
Lease obligations issued	223,532	207,040	1,099,125	-
Sale of capital assets	30,925	15,325	156,131	60,478
Total other financing sources (uses)	254,457	2,582,365	3,114,167	2,070,388
Net change in fund balances	\$ (2,647,888)	\$ 2,573,385	\$ 3,002,027	\$ 2,249,204
Debt service as a percentage of noncapital expenditures	7.56%	7.34%	4.31%	4.08%

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 32,141,941	\$ 33,051,014	\$ 34,966,925	\$ 35,827,112	\$ 39,413,213	\$ 42,188,843
8,075,831	8,701,260	9,013,933	10,507,215	11,862,245	13,232,684
454,676	210,388	177,306	247,726	964,188	992,859
40,672,448	41,962,662	44,158,164	46,582,053	52,239,646	56,414,386
578,565	596,492	650,681	725,897	881,347	861,860
10,312,203	10,268,281	12,210,125	11,652,532	14,159,159	19,784,602
346,990	667,713	411,899	115,870	102,375	2,550,796
7,273,032	6,419,028	5,698,082	5,771,557	5,868,311	6,087,992
699,355	910,706	586,328	1,703,129	1,202,363	874,409
59,882,593	60,824,882	63,715,279	66,551,038	74,453,201	86,574,045
5,944,581	6,796,127	6,880,173	8,393,239	8,530,374	8,649,976
13,014,359	14,325,860	14,486,793	15,894,511	16,205,388	17,804,870
858,553	1,212,589	1,011,707	881,606	1,022,038	1,152,245
15,749,375	14,681,146	13,571,410	15,748,024	15,392,926	14,502,820
649,558	627,054	692,482	700,940	727,264	788,593
1,479,461	1,144,750	1,539,942	1,501,061	2,060,874	1,880,787
1,784,228	1,883,322	1,976,766	1,911,945	1,929,160	2,275,346
10,520,135	10,779,335	11,787,235	11,759,077	12,716,650	17,169,561
6,538,982	7,192,119	5,478,121	4,314,086	10,317,340	3,273,913
1,796,246	1,884,918	1,866,039	1,772,505	1,570,386	2,868,453
370,618	564,306	393,613	272,126	226,282	314,811
58,706,096	61,091,526	59,684,281	63,149,120	70,698,682	70,681,375
1,176,497	(266,644)	4,030,998	3,401,918	3,754,519	15,892,670
-	-	-	-	5,115,281	2,666
-	-	-	-	-	26,682
3,141,905	2,719,044	8,782,008	7,358,158	15,148,662	22,827,473
(3,468,841)	(3,868,983)	(8,782,008)	(8,776,364)	(16,434,562)	(23,577,474)
4,400,000	776,086	-	-	-	-
-	-	-	-	-	-
86,946	23,577	32,728	93,501	4,492	40,096
4,160,010	(350,276)	32,728	(1,324,705)	3,833,873	(680,557)
\$ <u>5,336,507</u>	\$ <u>(616,920)</u>	\$ <u>4,063,726</u>	\$ <u>2,077,213</u>	\$ <u>7,588,392</u>	\$ <u>15,212,113</u>
4.00%	4.42%	4.10%	3.48%	2.98%	4.72%





*This page left blank intentionally*

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

---

<b>Fiscal Year</b>	<b>Property Tax</b>	<b>Local Sales Tax</b>	<b>Other Tax</b>	<b>Total</b>
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
2023	42,188,843	13,232,684	992,859	56,414,386

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

(Page 1 of 2)

<b>Fiscal Year</b>	<b>Real Property</b>			<b>Present-use Value (1)</b>	<b>Personal Property</b>
	<b>Residential Property</b>	<b>Commercial and Industrial Property (6)</b>	<b>Industrial Property (6)</b>		
2014	\$ 2,309,609,512	\$ 416,429,268	\$ -	\$ 110,582,155	\$ 730,291,185
2015	2,317,684,346	426,682,434	-	112,156,063	666,236,563
2016	2,206,654,052	426,359,519	-	122,245,652	814,937,206
2017	2,227,240,421	428,570,249	-	123,815,353	883,731,276
2018	2,260,294,438	417,808,197	-	127,826,715	881,797,478
2019	2,099,071,038	527,044,234	111,069,448	125,314,460	900,763,236
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 (5)	2,584,780,117	615,275,915	112,167,818	156,466,490	908,012,636
2023	2,648,341,407	621,529,510	113,063,887	158,669,746	948,098,606

**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, 2021, meeting the eight year minimum time period for property revaluation. This was the basis for fiscal 2022 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.

<b>Public Service Companies (2)</b>	<b>Total Taxable Assessed Value</b>	<b>County Direct Tax Rate (3)</b>	<b>Estimated Actual Taxable Value (4)</b>	<b>Assessed Value as a Percentage of Actual Value (4)</b>
\$ 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	0.700	4,945,213,718	93%
920,233,559	4,751,201,023	0.730	5,249,945,882	91%
932,211,885	5,308,914,861	0.720	5,812,892,654	91%
966,424,834	5,456,127,990	0.720	6,820,159,988	80%



*This page left blank intentionally*

**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)	
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	0.7575		0.670
2021	0.720	0.0275	0.7475		0.670
2022	0.720	0.0275	0.7475		0.650
2023	0.720	0.0500	0.7700		0.700

**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 2023		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Public utility	\$ 918,126,327	1	16.83%
CertainTeed	Manufacturer	58,373,914	2	1.07%
Spuntech	Manufacturer	53,824,553	3	0.99%
GKN Automotive, Inc.	Manufacturer	48,013,967	4	0.88%
Eaton Corporation	Manufacturer	40,453,512	5	0.74%
Piedmont EMC	Public utility	32,326,420	6	0.59%
Polywood	Finance company	31,187,576	7	0.57%
DLP Person Memorial Hospital	Service provider	23,634,257	8	0.43%
Public Service Co of NC	Public utility	21,747,358	9	0.40%
Admiral Properties, LLC	Realtor	20,435,271	10	0.37%
NC Eastern Municipal Power Agency	Public utility			
US Flue Cured Tobacco Growers	Manufacturer			
Lousiana Pacific Corp	Manufacturer			
Congentrix of NC, Inc	Private Utility			
Totals		\$ <u>1,248,123,155</u>		22.88%

**Source:** Person County Tax Department

---

**Fiscal Year 2014**

---

	<b>Assessed Valuation</b>	<b>Rank</b>	<b>Percentage of Total Assessed Valuation</b>
\$	706,909,585	1	16.15%
	103,750,589	2	
	48,853,623	4	1.12%
	67,116,830	3	1.53%
	26,182,531	10	0.60%
	27,090,087	9	0.62%
	45,066,604	5	1.03%
	32,516,865	7	0.74%
	38,006,461	6	0.87%
	27,174,219	8	
<hr/>			
\$	<u>1,122,667,394</u>		25.65%



**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 (1)	Total Net Collections and Adjustments to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2014	\$ 28,565,618	\$ 27,910,626	97.71%	\$ 473,591	\$ 28,384,217	99.36%
2015	30,622,680	30,227,699	98.71%	381,018	30,608,717	99.95%
2016	31,084,929	30,737,959	98.88%	333,321	31,071,280	99.96%
2017	31,882,532	31,506,743	98.82%	359,000	31,865,743	99.95%
2018	32,070,704	31,666,404	98.74%	385,178	32,051,582	99.94%
2019	32,502,011	32,127,667	98.85%	350,509	32,478,176	99.93%
2020	33,682,129	33,312,102	98.90%	335,004	33,647,106	99.90%
2021	34,255,502	34,025,269	99.33%	191,863	34,217,132	99.89%
2022	38,252,589	37,725,897	98.62%	453,659	38,179,556	99.81%
2023	39,309,759	39,098,298	99.46%	-	39,098,298	99.46%

**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	Leases GASB 87 (2)	IT Subscription Agreements GASB 96 (3)			
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	0.51%
2022	1,523,335	6,173,813	-	3,871,402	324,866	11,893,416	304	N/A*
2023	1,371,002	4,914,761	-	2,542,005	226,544	9,054,312	230	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 87 was implemented which impacted the amount reported for leases.
- (3) Effective for FY 2023, GASB 96 was implemented which impacted the amount reported for IT Subscription Agreements.



*This page left blank intentionally*

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

<b>Fiscal Year</b>	<b>General Obligation Bonds</b>	<b>Percentage of Personal Income (1)</b>	<b>Percentage of Actual Taxable Value of Property (2)</b>	<b>Per Capita (1)</b>
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	0.09%	0.04%	43
2022	1,523,335	N/A*	0.03%	39
2023	1,371,002	N/A*	0.03%	35

\* 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) 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)

	Fiscal Year			
	2014	2015	2016	2017
Assessed Value of Property	\$ 4,377,206	\$ 4,371,591	\$ 4,435,444	\$ 4,551,628
Debt Limit, 8% of Assessed Value (Statutory Limitation)	350,176	349,727	354,836	364,130
Amount of Debt Applicable to Limit	-	-	-	2,285
Legal Debt Margin	<u>\$ 350,176</u>	<u>\$ 349,727</u>	<u>\$ 354,836</u>	<u>\$ 361,845</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.63%

**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.

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$	4,576,778	\$ 4,640,852	\$ 4,604,464	\$ 4,751,201	\$ 5,308,915	\$ 5,456,128
	366,142	371,268	368,357	380,096	424,713	436,490
	<u>2,133</u>	<u>1,980</u>	<u>1,828</u>	<u>1,676</u>	<u>11,502</u>	<u>9,055</u>
\$	<u><u>364,010</u></u>	<u><u>369,288</u></u>	<u><u>366,529</u></u>	<u><u>378,420</u></u>	<u><u>413,211</u></u>	<u><u>427,435</u></u>

0.58%                  0.53%                  0.50%                  0.44%                  2.71%                  2.07%

**Legal Debt Margin Calculation:**

Assessed value subject to taxation	\$ <u>5,456,128</u>
Debt limitation (8% of assessed value subject to taxation)	436,490
Debt applicable to the limit	
General Obligation bonds	<u>9,055</u>
Legal debt margin	\$ <u><u>427,435</u></u>

**Person County, North Carolina**  
**Schedule 14**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
<b>Debt repaid with property taxes:</b>			
City of Roxboro	\$ -	na	\$ -
<b>Other debt</b>			
City of Roxboro			
Capitalized leases	771,980	13.97%	107,832
Installment purchase obligations	1,993,205	13.97%	278,415
Subtotal, overlapping debt			<u>386,247</u>
Person County direct debt			<u>9,054,312</u>
Total direct and overlapping debt			<u><u>\$ 9,440,559</u></u>

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

**Notes:**

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

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

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

<b>Year</b>	<b>Population (1)</b>	<b>Personal Income (2) (thousands of dollars)</b>	<b>Per Capita Personal Income (2)</b>	<b>Public &amp; Charter Schools Enrollment</b>	<b>Unemployment Rate (3)</b>	<b>Number of Building Inspections Performed (4)</b>
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	1,834,238	46,879	5,251	4.90%	7,367
2022	39,127	N/A*	N/A*	5,450	3.90%	8,242
2023	39,386	N/A*	N/A*	5,471	3.70%	10,657

\* 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	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Polywood	632	1	3.40%			
Person County Board of Education	577	2	3.10%	673	1	
GKN Automotive Components	480	3	2.58%	393	4	2.22%
Person County Government	400	4	2.15%	420	3	2.38%
Duke Energy Progress	328	5	1.76%			
Spuntech	209	6	1.12%	150	10	0.85%
Louisiana-Pacific	157	7	0.84%	120	9	0.68%
Wal-Mart Associates, Inc.	151	8	0.81%	220	6	1.24%
Person Memorial Hospital	150	9	0.81%	313	5	1.77%
Eaton Corporation	140	10	0.75%	604	2	3.42%
Piedmont Community College	108			209	8	1.18%
North American Aerodynamics	N/A*			132	7	0.75%

**Source:** Person County Economic Development

\* Information not available

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

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	49	53	54	57	59	60	64	57	64	72
Public safety	162	141	149	174	181	195	165	176	151	137
Transportation	12	10	11	14	14	15	15	18	19	18
Human services										
Social Services	92	97	99	95	101	101	101	104	100	100
Public Health	50	48	47	43	36	33	21	26	27	31
Other	25	25	23	28	25	27	26	22	22	59
Environmental protection	2	2	2	2	2	2	2	2	2	8
Economic and physical										
development	4	5	5	7	9	6	6	7	8	4
Cultural and recreation	27	25	28	33	29	28	29	29	55	34
Total	423	406	418	453	456	467	429	441	448	463

**Source:** County Finance Department

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

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

(Page 1 of 2)

Function	Fiscal Year			
	2014	2015	2016	2017
Public Safety/Sheriff's Department & Jail				
Incident Reports	1,550	3,442	1,403	1,467
Calls for Service	23,417	19,054	16,177	18,598
Criminal Papers	6,466	6,790	4,851	3,093
Arrest Reports	2,208	2,097	1,858	2,444
Civil Papers	4,012	3,119	4,031	3,719
Gun Permits	645	693	742	677
Jail bookings	2,116	2,162	1,795	2,005
Average daily population	124	127	95	106
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	57,016	54,367	47,967	48,070
Public Safety/Code Enforcement				
Number of Building Permits Issued	282	334	325	382
Number of Mobile Home Permits Issued	33	36	39	47
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	593	601	628	555
Community Services/Library				
Items Added to Collection	5,123	4,700	5,585	5,621
Circulation	201,275	213,539	188,564	191,170
Internet Use	21,566	18,421	23,139	24,159
Program Attendance	6,090	8,227	12,606	11,913
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	2,598	4,288	3,806	3,757
Average # Family & Child Medicaid Cases	3,265	4,492	3,435	3,408
Average # Households Receiving Food Stamps	3,980	3,969	3,906	3,511
Average \$ Fraud Collections per Month	4,727	6,064	4,675	3,739
Education				
Public Schools enrollment	4,567	4,562	4,550	4,470
Charter Schools enrollment	1,070	1,049	1,121	1,120
Culture and Recreation				
Total park acreage	187	187	222	222
Number of parks	10	11	12	12

**Sources:**

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

2018	2019	2020	2021	2022	2023
1,404	2,588	1,887	2,055	1924	2295
14,931	14,310	12,353	14,630	13946	13169
2,622	2,903	1,264	1,710	1749	1222
3,426	1,762	712	1,079	982	931
3,936	4,170	2,103	3,172	2999	3138
642	537	1,587	1,586	736	504
1,892	2,093	1,180	1,300	1301	1566
102	104	70	61	71	81
46,307	43,529	43,219	41,310	43,208	41999
423	406	424	576	360	663
53	45	46	44	52	80
550	590	565	868	578	567
5,417	5,118	3,502	6,036	4926	4237
154,924	140,751	136,474	114,013	114367	99403
12,944	12,014	8,436	2,136	5068	7624
7,630	7,864	3,410	2,722	3695	8796
3,916	3,873	4,441	4,200	4148	4300
3,647	3,755	5,028	5,463	6115	6900
3,295	3,158	3,106	3,532	3796	3746
4,823	5,018	3,868	1,487	1,786	3712
4,350	4,370	4,326	4,260	4,350	4322
1,108	1,124	1,143	991	1,100	1149
222	222	222	222	222	222
12	12	12	12	12	12

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

Function	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety										
Sheriff/Police (Stations)	2	3	3	3	3	3	3	3	3	3
Correction facility capacities	136	136	136	136	136	136	136	136	136	136
Fire stations	14	15	15	15	15	15	14	14	14	14
Highways and streets										
Paved	726	676*	676	677	677	677	677	677	677	677
Unpaved	47	34*	34	34	34	34	34	34	34	34
Culture and recreation										
Parks	10	11	12	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	12	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



*This page left blank intentionally*



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023, and the related notes to the financial statements, which collectively comprises Person County's basic financial statements, and have issued our report thereon dated October 27, 2023. Our report includes a reference to other auditors who audited the financial statements of the Person County ABC Board as described in our report on Person County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Person County ABC Board and Person County TDA were not audited in accordance with *Government Auditing Standards*.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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.

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

Members

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



### 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 no instances of noncompliance or other matters<sup>6</sup> that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the 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 27, 2023



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023. 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, 2023.

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.

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.

Members

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

### 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 [2023-001, 2023-002, 2023-003, 2023-004] 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 27, 2023



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

P.O. Box 398

1626 S Madison Street

Whiteville, NC 28472

Telephone (910) 642-2109

Fax (910) 642-5958

Alan W. Thompson, CPA

R. Bryon Scott, CPA

Gregory S. Adams, CPA

**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, 2023. 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, 2023.

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.

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.

Members

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

### 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 [2023-001, 2023-002, 2023-003, 2023-004] 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 27, 2023

**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

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 ☒no
- Significant Deficiency(s) identified? ☐yes ☒none reported

Noncompliance material to financial statements noted ☐yes ☒no

Federal Awards

Internal control over major federal programs:

- Material Weakness(es) identified? ☐yes ☒no
- Significant Deficiency(s) identified? ☒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)? ☒yes ☐no

Identification of major federal programs:

<u>AL #</u>	<u>Program Name</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund
93.658, 93.659	Foster Care and Adoption Cluster
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 ☐no

State Awards

Internal control over major State programs:

- Material Weakness(es) identified? ☐yes ☒no
- Significant Deficiency(s) identified? ☒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 ☒yes ☐no



**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

Section I. Summary of Auditors' Results (continued)

---

Identification of major State programs:

Program Name  
 Foster Care and Adoption Cluster  
 Medical Assistance Program  
 Public School Building Capital Fund

Dollar threshold used to determine  
 State major program \$ 500,000

Auditee qualified as low-risk auditee?   X   yes        no

---

Section II. Financial Statement Findings

---

None reported

---

Section III. Federal Award Findings and Questioned Costs

---

**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)

AL #: 93.778

**Finding: 2023-001      Inaccurate Information Entry**

**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. 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 1 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 costs.
Context:	We examined 60 cases from of a total of 435,666 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.

**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

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

---

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.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-003.
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.

**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)

AL #: 93.778

**Finding: 2023-002      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 2 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.

**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

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 cases from of a total of 435,666 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, 2022-004.
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.

**Person County, North Carolina  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2023**

---

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)

AL #: 93.778

**Finding: 2023-003      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 2 applicant/beneficiaries not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 435,666 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.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2022-005.
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.

**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

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

---

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)

AL #: 93.778

**Finding: 2023-004      Inadequate Request for Information**  
**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. Electronic matches are required at applications and redeterminations.

Condition: There were 4 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 costs.

Context: We examined 60 cases from of a total of 435,666 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.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2022-006.

**Person County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended June 30, 2023**

---

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

---

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)  
AL #: 93.778

SIGNIFICANT DEFICENCY/MATERIAL NONCOMPLIANCE: Finding 2023-001, 2023-002, 2023-003, 2023-004 also apply to State requirements and State Awards.

# PERSON COUNTY



## BOARD OF COUNTY COMMISSIONERS

Person County Office Building, Room 212  
304 South Morgan Street  
Roxboro, North Carolina 27573-5245  
(336) 597-1720  
FAX (336) 599-1609

### Corrective Action Plan For the Year Ended June 30, 2023

---

#### Section II - Financial Statement Findings

---

None reported

---

#### Section III. Federal Award Findings and Questioned Costs

---

##### **Finding: 2023-001**

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

Corrective Action: The County continues to revise the procedural requirement regarding document management and retention of verification used to determine eligibility. Each supervisor continues to conduct individual and unit meeting/trainings to inform parties of the errors discovered and how to reduce/eliminate in future processing. The County would like to notate that these errors discovered was during COVID where individuals could not be reduced/terminated. Staff has also completed the State Mastering Medicaid Policy Training that is provided monthly. The supervisor has also conducted an Income and Deductible training.

Proposed Completion Date: 10/20/2023

##### **Finding: 2023-002**

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

Corrective Action: Family and Children's conducted an MAF/M Deductible Training and resources were discussed. 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. Supervisor had staff to go back and complete ABD Financial Resources in Learning Gateway, both units continue to conduct unit meetings monthly.

Proposed Completion Date: 2/28/2023; 7/10/2023; 7/25/2023; 8/17/2023

# PERSON COUNTY



## BOARD OF COUNTY COMMISSIONERS

Person County Office Building, Room 212  
304 South Morgan Street  
Roxboro, North Carolina 27573-5245  
(336) 597-1720  
FAX (336) 599-1609

### Corrective Action Plan For the Year Ended June 30, 2023

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

##### **Finding: 2023-003**

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 appointed an individual to assist/complete those SDX cases in order to maintain timeliness.

Proposed Completion Date: 11/23/2022; 3/16/2023; 6/15/2023; 8/7/2023

##### **Finding: 2023-004**

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

Corrective Action: 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. As an agency and per State requirement all documents are now being uploaded into NCFast. The State has since updated NCFast functionality to include the running of work number through the NCFast website however, once the functionality was implemented the State guidance was that we no longer run TWN outside of NCFast until May 30, 2023. Due to an NCFast functionality error with TWN the State gave permission to go back and run them manually. Adult Medicaid has since had a unit meeting and revise the checklist that staff use to provide dates that it is sent and due back on the 5097.

Proposed Completion Date: 6/1/2020; 5/30/2023





## PERSON COUNTY

---

### **BOARD OF COUNTY COMMISSIONERS**

Person County Office Building, Room 212  
304 South Morgan Street  
Roxboro, North Carolina 27573-5245  
(336) 597-1720  
FAX (336) 599-1609

Corrective Action Plan  
For the Year Ended June 30, 2023

---

#### Section IV - State Award Findings and Question Costs

---

Corrective Actions for Finding 2023-001, 2023-002, 2023-003, 2023-004 also apply to the State findings.

**Person County, North Carolina**  
**Summary Schedule of Prior Year Audit Findings**  
**For the Year Ended June 30, 2023**

Finding: 2022-001  
Status: Corrected

Finding: 2022-002  
Status: Corrected

Finding: 2022-003  
Status: Repeat finding at 2023-001

Finding: 2022-004  
Status: Repeat finding at 2023-002

Finding: 2022-005  
Status: Repeat finding at 2023-003

Finding: 2022-006  
Status: Repeat finding at 2023-004

**Person County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

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
<b>Federal Awards:</b>						
<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		\$ 672,243	\$ -	\$ -	\$ 672,243
FNS - ARPA	10.561		76,803	-	-	-
			749,046	-	-	672,243
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		202,703	-	-	-
Total U. S. Department of Agriculture			951,749	-	-	672,243
<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	23,159	-	-	-
Bulletproof Vest Partnership Grant	16.607		4,192	-	-	-
Equitable Sharing Program	16.922		135,995	-	-	-
Total U.S. Dept. of Justice			163,346	-	-	-
<u>U.S. Dept. of Transportation</u>						
Passed through the N.C. Department of Transportation						
Public Transportation for Nonurbanized Areas						
		DOT-11				
22-CT-083 Person County, Admin	20.509	36233.81.21.1	124,237	7,765	-	-
		DOT-11				
23-CT-083 Person County, Admin	20.509	36233.81.22.1	109,762	6,860	-	-
		DOT-14				
21-CT-083 Person County, Capital II	20.509	36233.81.20.4	12,569	1,571	-	-
COVID-19 21-CT-083 Person County, Operating	20.509	49233.49.1.2	152,860	-	10,041	-
ARPA - 22-AP-083 Person County, Operating	20.509	50371.27.1.2	82,528	-	-	-
Total Public Transportation for Nonurbanized Areas			481,956	16,196	10,041	-
Airport Improvement Program	20.106	36237.47.16.1	176,682	-	-	-
ARPA - Airport Improvement Program	20.106	36237.47.16.2	32,000	-	-	-
Airport Improvement Program	20.106	36237.47.17.1	45,829	-	-	-
Total Airport Improvement Program			254,511	-	-	-
Total U.S. Dept. of Transportation			736,467	16,196	10,041	-
<u>U.S. Department of Treasury</u>						
Direct Awards						
Coronavirus State and Local Fiscal Recovery Fund	21.027		4,920,470	-	-	-
Passed-through N.C. Department of Natural and Cultural Resources						
SFRF Nonrecurring Aid to Libraries	21.027		54,374	-	-	-
Total Coronavirus State and Local Fiscal Recovery Fund			4,974,844	-	-	-
Total U.S. Department of Treasury			4,974,844	-	-	-
<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		6,056	-	-	-
Total U.S. National Endowment for the Arts			6,056	-	-	-

**Person County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>	<u>Local Expenditures</u>
<u>U.S. Dept. of Health and Human Services</u>						
Passed-through N.C. Dept. of Health and Human Services						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		31,510	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		50	-	-	-
Family Planning Services	93.217		39,407	-	-	-
Immunization Cooperation Agreements	93.268		10,466	-	-	-
COVID-19 Immunization Cooperation Agreements	93.268		44,842	-	-	-
Total Immunization Cooperation Agreements			55,308	-	-	-
Epidemiology and Laboratory Capacity for Infectious Diseases (ELC)	93.323		956	-	-	-
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises	93.391		35,608	-	-	-
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		224,800	-	-	530,011
Division of Public Health						
TANF - Work First	93.558		5,928	-	-	-
Total TANF Cluster			230,728	-	-	530,011
Low Income Energy Assistance						
Administration	93.568		20,766	-	-	-
Crisis Intervention Payments	93.568		124,135	-	-	-
Energy Assistance	93.568		(234,301)	-	-	-
LIEAP ARPA	93.568		285,950	-	-	-
LIHWAP ADMIN	93.568		8,526	-	-	-
LIHWAP ARPA	93.568		5,342	-	-	-
LIHWAP ARPA ADMIN	93.568		7,325	-	-	-
LIHWAP CAA	93.568		15,395	-	-	-
Total Low-Income Energy Assistance			233,138	-	-	-
Permanency Planning - Service & Admin	93.645		7,310	-	-	2,437
Family Perservation	93.556		29,916	-	-	-
Foster Care and Adoption Cluster						
Foster Care - Title IV-E	93.658		673,650	85,205	-	500,897
Adoption Assistance	93.659		9,207	-	-	8,529
Foster Care	N/A		95,588	32,238	-	-
Total Foster Care and Adoption			778,445	117,443	-	509,426
Child Support Enforcement	93.563		462,239	(364)	-	238,487
Chafee Foster Care Independence Program	93.674		23,303	3,076	-	-
SSBG - Other Training & Services	93.667		299,817	-	-	99,939
Division of Social Services						
SSBG - Adult Day Care	93.667		47,047	2,032	-	10,422
SSBG - CPS TANF to SSBG	93.667		108,585	-	-	-

**Person County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct &amp; Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>	<u>Local Expenditures</u>
SSBG - State In Home Service Fund	93.667		9,200	-	-	1,314
Passed-through Kerr-Tar Regional COG						
Division of Aging and Adult Services						
Social Service Block Grant	93.667		36,610	1,046	-	-
Total Social Service Block Grant			501,259	3,078	-	111,675
Subsidized Child Care:						
<u>Child Care Development Fund Cluster</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund- Administration	93.596		85,801	-	-	-
Total Subsidized Child Care			85,801	-	-	-
Division of Medical Assistance						
Division of Social Services						
Administration						
Medical Assistance Program	93.778		1,563,077	349,805	-	548,994
State Children's Insurance Program-N. C. Health Choice	93.767		39,066	1,812	-	7,268
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		84,309	4,959	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		29,874	5,187	-	-
Nutrition Services Incentive Program	93.053		12,788	-	-	-
Total Aging Cluster			126,971	10,146	-	-
Family Caregiver Services	93.052		4,242	283	-	-
Passed-through Duke University						
Cardiovascular Diseases Research	93.837		12,900	-	-	-
Total U. S. Department of Health and Human Services			4,318,574	495,826	-	1,948,298
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety						
Emergency Management Performance Grant	97.042	RMDS 1500	39,032	-	-	-
Total U.S. Department of Homeland Security			39,032	-	-	-
Total federal awards			\$ 11,190,068	\$ 512,022	\$ 10,041	\$ 2,620,541
<b>State Awards:</b>						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food & Lodging Fees			\$ -	\$ 3,469	\$ -	\$ -
PH Capacity Building			-	85,814	-	-
General Communicable Diseases Control			-	4,398	-	-
Healthy Community Activities			-	3,747	-	-
Child Health			-	7,557	-	-
HIV/STD STATE			-	670	-	-
School Nursing Funding Initiative			-	150,000	-	-
Family Planning - State			-	18,449	-	-
Maternal Health			-	10,433	-	-

**Person County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

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
Women's Health Service Fund			-	2,919	-	-
TB Control			-	9,258	-	-
Total Division of Public Health			-	296,714	-	-
Division of Social Services:						
State Child Welfare/CPS/CS LD			-	79,510	-	-
County Funded Programs			-	-	-	1,151,866
Non-Allocating County Cost			-	-	-	151,523
Work First Non Reimbursable			-	-	-	152,142
LINKS/CHAFEE/NR-LINKS			-	-	-	1,328
CSE Disaster Non-Reimbursable			-	-	-	12
Extended FC/Max Non IV-E			-	28,009	-	-
F/C at Risk Maximization			-	4,684	-	1,714
SFHF Maximization			-	209,810	-	94,991
State Foster Home			-	121,467	-	66,261
Total Division of Social Services			-	443,480	-	1,619,837
Passed-through Kerr-Tar Regional COG						
Division of Aging and Adult Services						
State Appropriation - Access			-	-	-	-
State Appropriation - Home Delivery Meals			-	9,680	-	-
State Appropriation - In Home Services			-	148,347	-	-
Senior Center General Purpose			-	10,901	-	-
Total Division of Aging and Adult Services			-	168,928	-	-
Total N.C. Dept. of Health and Human Services			-	909,122	-	1,619,837
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant			-	2,083	-	-
Total Dept. of Veterans Affairs			-	2,083	-	-
<u>N.C. Dept. of Transportation</u>						
State Aid to Airports Program						
		DOT-8				
State Aid to Airports Program		36244.60.9.3	-	49,823	-	5,536
		DOT-8				
State Aid to Airports Program		36244.60.10.1	-	8,587	-	954
Total State Aid to Airports Program			-	58,410	-	6,490
ROAP Cluster						
		DOT-16CL				
ROAP RGP		36228.22.11.1	-	65,751	-	-
		DOT-16CL				
ROAP EDTAP		36220.10.11.1	-	62,754	-	-
		DOT-16CL				
ROAP EMPLOYMENT		36236.11.10.1	-	13,776	-	-
Total ROAP Cluster			-	142,281	-	-
Total N.C. Department of Transportation			-	200,691	-	6,490
<u>N.C. Dept. of Natural and Cultural Resources</u>						
Division of State Library						
State Aid to Libraries			-	95,594	-	-
Total N.C. Dept. of Natural and Cultural Resources			-	95,594	-	-
<u>N.C. Department of Pubic Safety</u>						
Juvenile Crime Prevention		RMDS 1240	-	152,010	-	-
Sheriff Assistance Grant		2021-2023	-	39,764	-	-
Tier II Grant			-	940	-	-
Total N.C. Department of Pubic Safety			-	192,714	-	-

**Person County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For The Year Ended June 30, 2023**

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. Office of State Budget and Management</u>						
Volunteer Fire Department Fund			-	283,047	-	-
Total N.C. Department of Insurance			-	283,047	-	-
<u>N.C. Department of Agriculture &amp; Consumer Services</u>						
Division of Soil & Water Conservation						
District Master Agreement			-	25,916	-	-
Total N.C. Department of Agriculture & Consumer Services			-	25,916	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund			-	2,169,519	2,169,519	-
Total N.C. Department of Public Instruction			-	2,169,519	2,169,519	-
Total State Awards			\$ -	\$ 3,878,686	\$ 2,169,519	\$ 1,626,327
Total Federal and State Awards			\$ 11,190,068	\$ 4,390,708	\$ 2,179,560	\$ 4,246,868

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, 2023. 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	\$ 19,837,473	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	803,538	-
Children's Health Insurance Program	93.767	362,237	81,150
Medical Assistance Program	93.778	64,438,741	25,140,537
IV-E Adopt & Vendor	93.659	316,785	-
TANF - PEAFF	93.558	50,237	-
TANF Payments & Penalties	93.558	165,132	-
Refugee Assistance Payment	93.566	905	-
CWS Adopt, Vendor, Guard	N/A	-	22,206
SC/SA Domiciliary Care	N/A	-	247,738