

Comprehensive Annual Financial Report

For the Year Ended

June 30, 2013



Prepared by the
Person County Finance Department
Issued December 2013

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

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INTRODUCTORY SECTION

INTRODUCTORY SECTION



PERSON COUNTY

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

The Board of County Commissioners
Person County, North Carolina
December 12, 2013

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

State law requires that each fiscal year all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the County of Person (the "County") for the fiscal year ended June 30, 2013.

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 Winston, Williams, Creech, Evans & Company, LLP, 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, 2013, 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 unqualified opinion that the County's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of Person County

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

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

The County provides its citizens with a wide range of services that include public safety, health and social services, cultural and recreational activities, general administration, and others. This report includes all the County's activities in maintaining these

services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the following: Person County Board of Education; Piedmont Community College; Person County Tourism Development Authority; Developmental Disabilities, Substance Abuse Authority (Cardinal Health Innovations); and Kerr-Tar Regional Council of Governments. Since the County Commissioners appoint all three members of the Person County ABC Board (the "ABC Board"), the government-wide statements include the ABC Board as a discretely presented component unit.

In government, much more than in business, the budget is an integral part of a unit's accounting system and daily operations. An annual or project budget ordinance, as amended by the Board, creates a legal limit on spending authorizations. For Person County, annual budgets are adopted for the General and Special Revenue Funds (except the Community Development Housing Revitalization Grant Fund). Multi-year project budgets are adopted for the Capital Project Funds and the Community Development Housing Revitalization Grant Fund. Appropriations in the General Fund are made at the functional level; those in the Special Revenue Funds are made at the departmental level; and Capital Project Funds appropriations are made at the object level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). Purchase orders that would create an over-encumbrance at that level are not written until additional appropriations are available through budget amendments or intradepartmental transfers approved by the County Manager. The County Manager also may transfer up to \$10,000 between functional areas of the same fund reported to the commissioners at the next board meeting. In accordance with state law, the County's budget is prepared on the modified accrual basis. Its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County's General Fund, Special Revenue Funds, and Capital Project Funds are reported on the modified accrual basis in the financial statements. The County's Pension Trust Fund, Person County Museum of History Trust Fund and Agency Funds are reported on the full accrual basis in the financial statements, under which revenues are recorded when earned and expenses are recorded when incurred.

County management is responsible for the accounting system and for establishing and maintaining an internal control structure. The internal control structure is designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; (2) the reliability of financial records for preparing financial statements in conformity with GAAP and maintaining accountability for assets; and (3) compliance with applicable laws and regulations related to federal and state financial assistance programs. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. I believe that the County's internal accounting controls adequately protect assets and provide reasonable assurance of the proper recording of financial transactions. As part of the County's single audit, the independent auditor performed a review of the County's internal control structure. This review was not an audit and no opinion was issued on the County's internal control structure; however, the procedures performed by the independent auditor indicated no internal control weaknesses or reportable conditions.

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 the County operates.

Factors Affecting Economic Condition

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

Person County has not been immune to the job losses in the textile, tobacco, and other manufacturing industries over the last decade. Still feeling the impacts from the Great Recession, Person County continues to flirt with double digit unemployment at around the same rate as 2012. As of June 30, 2013, Person County's average unemployment rate was 10.0%, a decrease of .40% over last year's rate of 10.4%, and 1.2% over the statewide average of 8.8%.

The slowdown in the national and global economies, the volatility of the stock markets, and fluctuations in gas and energy prices could pose adverse impacts to both the State as well as the County. The impact of the recession and credit crisis has taken a toll on businesses and industries in Person County. Fortunately most businesses and industries have been able to withstand this crisis so far without major layoffs or shutdowns. It appears that a recovery has begun, but the speed of that recovery will continue to impact the local economy.

Local manufacturing developments include the following ongoing projects:

- GKN Drive Line CVJ completed their \$3 million 47,000 square foot building expansion along with an additional \$20 million new equipment expansion and has hired the majority of their 138 new jobs.

- Diamond Candles opened a new manufacturing facility in Person County and as of October 2013 have two shifts of employees at their manufacturing operations with over 30 employees.
- Piedmont Filtration Systems is Person County's newest manufacturer and announced their new manufacturing facility earlier this year.
- The County is working with existing Person County manufacturers and is prepared to offer financial incentives if and when new jobs and investments are created.

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). RTRP is headquartered in the state capital, Raleigh, and is a consortium of thirteen counties of central North Carolina. Its purpose is to promote and market the area including Person County to new and existing industrial concerns. The EDC also partners with the NC Department of Commerce, local utilities and other industrial allies to retain existing industries, promote expansion opportunities and to locate new industries to the area. The County continues to develop a diversified local economy and has a positive outlook for the future.

Agriculture remains an important economic factor in the overall financial well-being of Person County. Agriculture and Agribusiness generate over \$135 million in total value-added income which is just shy of 16% of Person County's total income. Additionally, these industries employ about 20% of the county's employed individuals. Of the entire agricultural industry within Person County, tobacco still remains the number one gross income producer, generating approximately 50% of the total cash receipts. As Person County growers have expanded burley tobacco production, Person County has consistently been in the top five burley tobacco producing counties in the State. Furthermore, Person County has been in the top 10 across the state for both flue-cured tobacco and wheat production.

Awareness of how and where food is produced continues to grow as an important factor when it comes to consumers making food purchasing decisions. Person County now has a Farmer's Market that is doing well in showcasing locally produced foods and allowing farmers an additional location to market their products. Additionally, consumers are educated on how their food is produced and the benefits, both individually and as a community, of spending locally. As a result of this increased interest, Person County now has two locally produced beef retailers, a bison producer and several small and part time growers that are marketing locally grown fruits and vegetables. This has increased that amount of dollars that are staying in the County.

Piedmont Community College (PCC) provides a wealth of resources for Person County's adult citizens. One of 58 colleges in the North Carolina Community College System, PCC serves the approximately 63,000 adults living in its service area of Person and Caswell counties. Chartered in 1970, the College strives to fulfill its mission to enrich lives "by providing lifelong learning, educational and training programs for today's global workforce, and cultural opportunities" for the citizens of the communities it serves. The College offers associate degrees, diplomas and certificates in over 30 programs of study, including Electrical Power Production Technology, Associate Degree Nursing Program, Healthcare Management Technology, Biotechnology, Laboratory Technology, Green Carpentry and Sustainability Technology. PCC's Continuing Education programs serve as a catalyst for economic development by providing educational programs and training to meet citizens' educational needs for professional and personal development. The CE program also provides specialized training for businesses, industries, and governmental agencies.

Long-Term Financial Planning

Many of the successes of the Board of County Commissioners can be attributed to the long-term planning efforts initiated by the Board. In fiscal year 2013, the Person County Capital Improvement Plan ("CIP") for the years 2014-2018 was presented and approved in April 2013 and serves as a mechanism for future planning, eliminating the need to continually borrow money for larger projects. This also allows for a "pay as you go" environment for non-recurring expenses without creating a burden on the budget in one year. The CIP addresses many of the capital improvements needed within the county and will be revisited and updated annually to correspond with changing revenues and the current economic environment.

In April 2012, the Department of Public Instruction (DPI) notified the Public Schools to announce the approval of \$3,132,538 in a Qualified School Construction Bond (QSCB) allocation to Person County. The QSCB program was established as part of the American Recovery and Reinvestment Act of 2009. Bond proceeds must be used for construction, rehabilitation, or repair of a public school; or for land acquisition for such a facility. The largest advantage to a QSCB borrowing is that it allows for an interest subsidy reimbursement from the federal government for the entire amount of the interest payment. Four counties (Person, Davie, Columbus, and Montgomery) were awarded \$3,132,538 each, which represented an equal distribution (1/4th) of the total available authorized amount of \$12,530,150. It was jointly decided between both the Person County Board of Education and Person County Board of Commissioners that the re-roofing for Southern Middle School be fully funded with this allocation, and a portion of Person High School be completed with the remaining funds. On September 20, 2012, the County entered into an installment purchase contract with BB&T to finance this project over a 15 year term ending on August 1, 2027.

On October 1, 2012, the Board of County Commissioners adopted a capital project ordinance for engineering, design, new construction and renovation to Huck Sansbury Recreational Facility for the creation of a Recreation and Senior Center. The total expenditures were estimated to be \$4,950,700. Of this total, \$476,850 was advanced from the General Fund to cover initial engineering work and other costs that would determine the full scope of the project. However, in October 2013, the City of Roxboro's Board of Adjustment denied an amendment to the existing conditional use permit that would allow the County to continue with the project at the proposed location. The Board of County Commissioners voted to appeal this decision to Superior Court. It is anticipated that Superior Court will hear the case in December 2013 and determine whether a re-hearing with the City's Board of Adjustment is warranted.

On February 29, 2012, the Board of Education deeded the old Helena Elementary School and associated property to Person County. The Board of County Commissioners made the decision to engage a firm to conduct a facility study that determined needed improvements at an estimated cost of \$2 million. The County Manager consulted with the General Services Director to determine what improvements were the most critical that would prevent further deterioration, and this resulted in a capital project ordinance that was presented and adopted by the Board of County Commissioners on November 12, 2012, authorizing various critical improvements at an estimated cost of \$28,000 that covered exterminating services, plumbing repairs, minimal grading services and contingency funds for any unforeseen costs associated with these improvements. As part of the County's 2014-2018 Capital Improvement Program adopted on April 29, 2013, a decision was made to locate an EMS & Sheriff's satellite office within part of the old Helena School Building in an effort to reduce response times to the southern end of the County and provide oversight of the facility. In addition, a community group was formed in FY 2013 to address the future use options for this facility. They are working on a public input process including community meetings and a survey. Recommendations should be brought to the Commissioners in January.

Relevant Financial Policies

On June 17, 2013, the Board of County Commissioners approved funding for a Pay for Performance Program for Person County employees. It was estimated that the program's cost would be approximately \$376,248 for fiscal year 2014 and would be funded from remaining lapsed salaries at fiscal year ending 2013. Supervisors will review employees' performance based on established performance standards, and will award as follows: exceeds standards (3% increase to salary), achieves standards (2% increase to salary), or fails to achieve standards (no increase). Only individuals hired prior to July 1, 2012 would be eligible for merit pay in fiscal year 2014. The program will be evaluated each year by the Board to determine its continuation.

Major Initiatives

Person County Executive Airport

Using federal grant dollars and matching local funds, the County is currently working on many projects at the Person County Airport. Some of these projects include: Emergency Taxiway Lighting Rehabilitation; conducting an Airport Development Study which includes a new Master Plan, and the evaluation of land acquisition for extending Runway 24 Safety Area and Runway 6-24; replacing airfield signs with LED features; and the maintenance and repair of the fuel farm.

Projects completed include acquisition of three tracts of land around the airport for future expansion, and construction of a loading pad for cargo and fuel trucks.

The Airport serves local industries by providing convenient access to transportation by air. It also serves the general public by providing air service & storage for small planes.

Economic Catalyst Fund

An Economic Catalyst Fund was created in fiscal year 2012 to record the revenues associated with an Economic Catalyst Grant received from the Golden L.E.A.F. Foundation for the purpose of providing expansion incentives through the purchase of equipment in the amount of \$500,000 for Eaton Corporation. There are six years remaining of the seven year term on this lease-purchase agreement that was implemented between Eaton and Person for the reimbursement of funds. It is anticipated that this fund will also serve as a place for reserving funds for future incentive opportunities to attract other industries to this area or to encourage efforts of current industry expansions such as the one previously mentioned. The adopted budget for fiscal year 2014 includes another \$400,000 in incentive funding for various businesses in Person County.

Stormwater Fund

For FY14, the Person County Board of Commissioners adopted stormwater fees to cover the escalating cost of stormwater regulations. As an enterprise fund, the revenues from the stormwater fees will cover the costs of the county's stormwater services.

This funding is designated to cover stormwater services such as floodplain management, development plan review, reporting, surface water quality management programs, remediation assistance, Upper Neuse River Association dues, retrofits to meet existing development regulations, billing and collections, and other general administrative expenses. Departments that are directly affected by these newly mandated requirements are Environmental Health, Planning & Zoning, Cooperative Extension, Soil and Water Conservation, and GIS.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Person County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2012. This was the twenty-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 CAFR. This report must satisfy both GAAP and applicable legal requirements.

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

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

Respectfully submitted,



Amy Wehrenberg
Person County Finance Director





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**County of Person
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO



**COUNTY OF PERSON
LIST OF PRINCIPAL OFFICIALS**



Board of County Commissioners

Jimmy B. Clayton, Chairman
Kyle W. Puryear, Vice-Chairman
B. Ray Jeffers
Frances Blalock
David Newell, Sr.

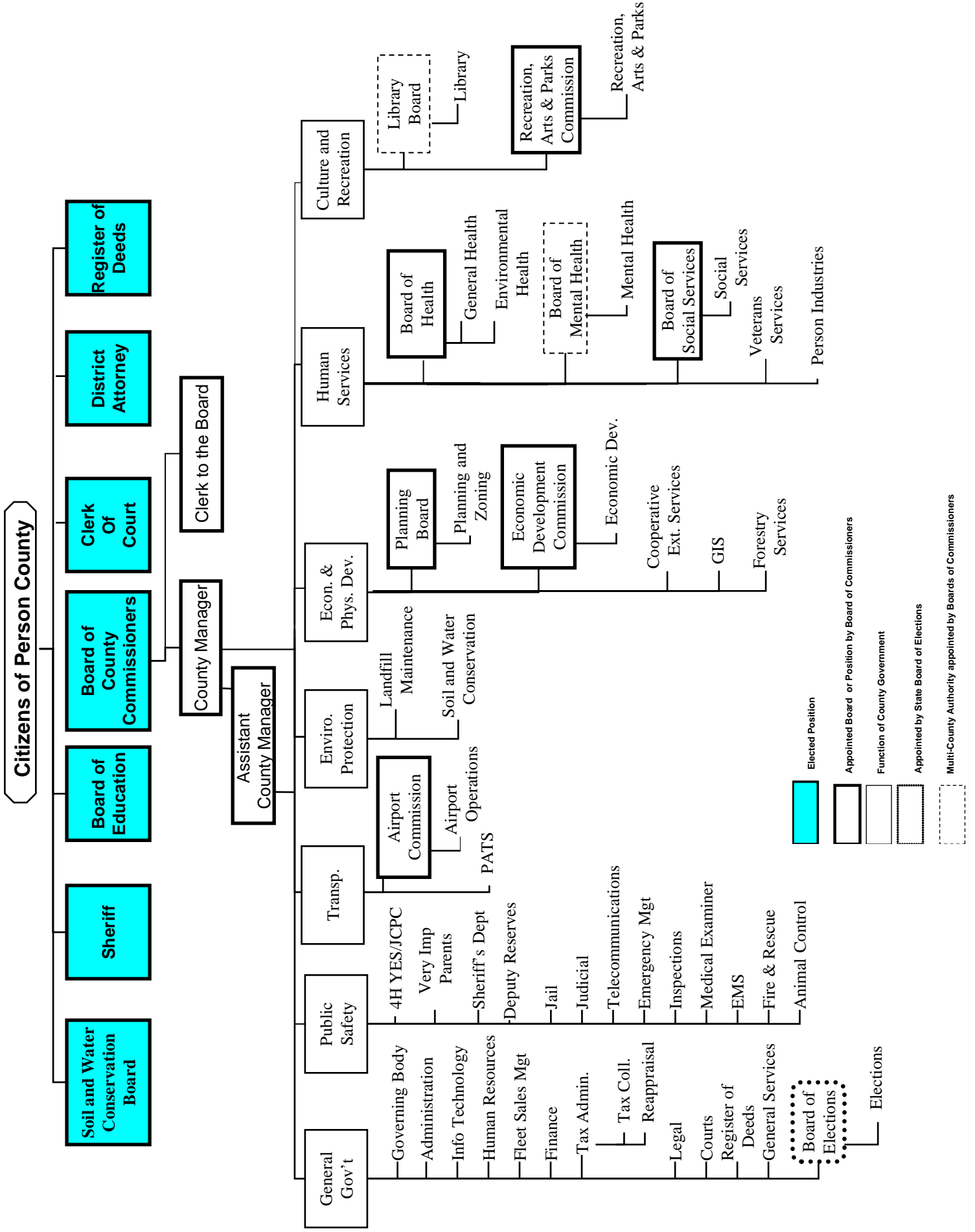
Manager

Heidi York

Finance Director

Amy Wehrenberg

PERSON COUNTY GOVERNMENT ORGANIZATIONAL CHART BY FUNCTION



Elected Position (Blue box)

Appointed Board or Position by Board of Commissioners (Black box)

Function of County Government (White box)

Appointed by State Board of Elections (Dotted box)

Multi-County Authority appointed by Boards of Commissioners (Dashed box)



FINANCIAL SECTION

FINANCIAL SECTION

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA
Gary L. Williams, CPA
Carleen P. Evans, CPA

Jennifer T. Reese, CPA
Curtis G. Van Horne, CPA
Cathy E. McKinley, CPA
Tara H. Roberson, CPA
K. Jamison Crampton, CPA

Independent Auditor's Report

To the Board of County Commissioners
Person County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Person County, North Carolina, as of and for the year then ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Person County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Person County ABC Board were not audited in accordance with *Government Auditing Standards*.

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

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www.wwcepa.com



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

Opinions

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Person County, North Carolina as of June 30, 2013, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and the Economic Catalyst Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Law Enforcement Officers' Special Separation Allowance and the Other Postemployment Benefit's Schedules of Funding Progress and Employer Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Person County, North Carolina. The introductory information, combining and individual non-major fund statements, budgetary schedules, other schedules, and the statistical tables, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the *State Single Audit Implementation Act*, are presented for purposes of additional analysis are not a required part of the financial statements.

The combining and individual non-major fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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. In our opinion, based on our audit, the procedures performed as described above, the combining and individual non-

major 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 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2013 on our consideration of Person County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Person County's internal control over financial reporting and compliance.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Certified Public Accountants
Oxford, North Carolina
December 12, 2013

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2013

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, 2013. 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 \$33,891,539 (*net position*).
- The government's total net position decreased by \$81,665 when compared to the previous fiscal year, primarily due to decreased net position in the Governmental Activities.
- As of the close of the current fiscal year, Person County's governmental funds reported combined ending fund balances of \$25,007,748, an increase of \$702,007 on a comparable basis with the prior year. Approximately 37% of this total amount, or \$9,224,767, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,936,607, which represents 18.53% of total General Fund expenditures and transfers out for the fiscal year.
- Person County's total debt decreased by \$395,405 (.69% of total governmental expenditures) during the current fiscal year. This decrease is the net amount of scheduled debt repayments for the year and additional debt added of \$3.1 million.
- Person County has an A1 bond rating from Moody's Investor Service (Moody's) and an AA- from Standard and Poors Corporation (S&P). These ratings are consistent with Person County's reputation for conservative fiscal management and strong financial position.

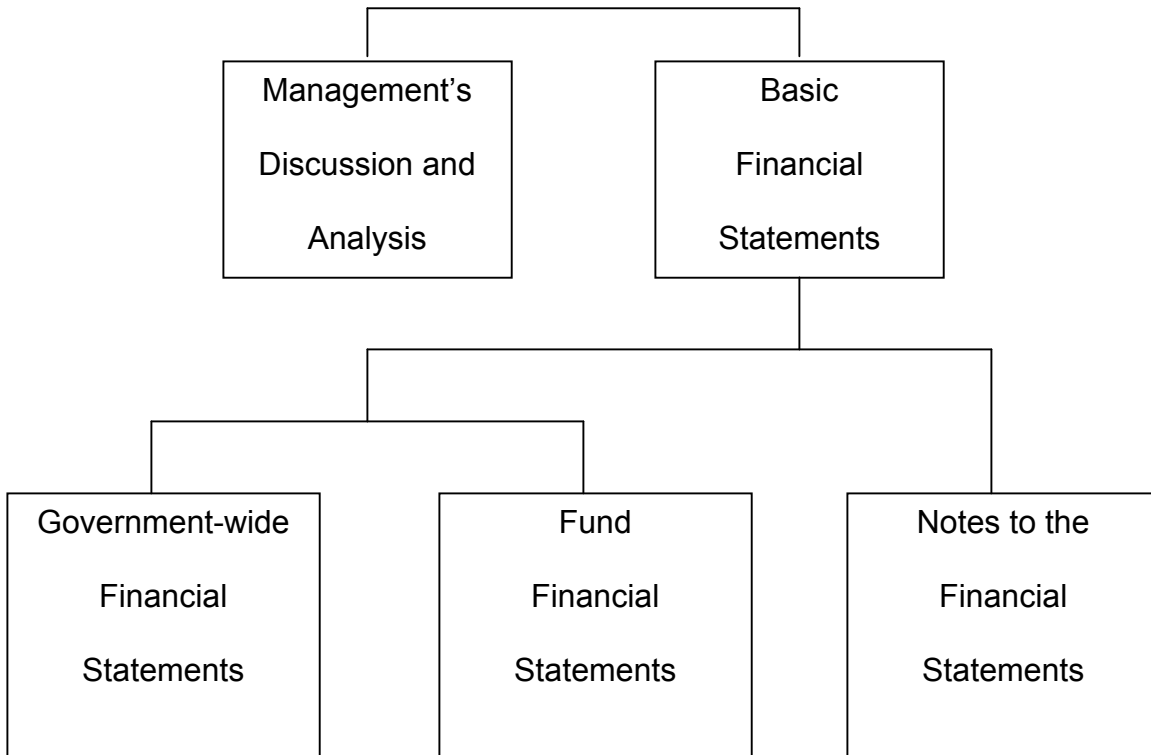
Overview of the Financial Statements

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

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2013

Required Components of Annual Financial Report



Summary → Detail

(Figure 1)

Basic Financial Statements

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

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

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

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Government-wide Financial Statements

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

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

The government-wide statements are divided into two categories: 1) governmental activities and 2) 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 other category is the component units. The Person County Tourism Development Authority (TDA) is a public authority under the Local Government Budget and Fiscal Control Act. It exists to provide for tourism-related expenditures and promotion of travel and tourism in Person County nearly exclusively from the occupancy tax levied by the County, and remitted to the TDA less a small collection fee. The ABC Board is legally separate from the County and is important to the County because the County is financially accountable for the Board by appointing its members, and because the Board is required to distribute its profits to the County.

The government-wide financial statements are on pages 25 through 27 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 two categories: governmental 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 and disclosed in more detail in the Notes to the Financial Statements.

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Person County adopts an annual budget for its General Fund, as required by NCGS. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether or not the County succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the board; 2) the final budget as amended by the board; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the difference or variance between the final budget and the actual resources and charges.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Person County has nine fiduciary funds, one of which is a pension trust fund, one of which is a private-purpose trust fund, and seven of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 35 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 65 of this report.

Government-wide Financial Analysis

The following table summarizes Net Position at June 30, 2013 and 2012:

PERSON COUNTY'S NET POSITION

	Governmental Activities	
	2013	2012
Current and other assets	\$ 28,899,105	\$ 26,330,324
Capital assets	<u>25,373,432</u>	<u>25,898,884</u>
Total assets	<u>54,272,537</u>	<u>52,229,208</u>
Total deferred outflows of resources	52,420	104,841
Long-term liabilities outstanding	17,419,657	17,402,213
Other liabilities	<u>2,951,821</u>	<u>1,303,599</u>
Total liabilities	<u>20,371,478</u>	<u>18,705,812</u>
Total deferred inflows of resources	<u>61,940</u>	<u>61,697</u>

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2013

	Governmental Activities	
	2013	2012
Net position:		
Net investment in capital assets	21,364,462	21,155,561
Restricted	8,869,798	8,219,339
Unrestricted	<u>3,657,279</u>	<u>4,191,640</u>
Total net position	<u>\$ 33,891,539</u>	<u>\$ 33,566,540</u>

The assets and deferred outflows of resources of Person County exceeded liabilities and deferred inflows of resources by \$33,891,539 as of June 30, 2013. The County's net position decreased by \$81,665 for the fiscal year ended June 30, 2013. Net position of \$21,364,462 (63%) 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 \$8,869,798 at June 30, 2013.

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition; however, it does not adequately reflect the County's position. In accordance with NCGS, the County is the issuer of debt used for capital purposes for other agencies, namely, Person County Schools (PCS) and Piedmont Community College (PCC). This debt totals approximately \$10.4 million at June 30, 2013 and is recorded in the long-term liabilities without any offsetting capital assets recorded by the County since the assets are the property of the agencies. The original debt proceeds are used by the County to acquire or construct the capital assets on behalf of these agencies. The remaining balance of \$3,657,279 (10.8%) is unrestricted.

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 slightly from the previous year from 97.63% to 97.71%. However, the overall tax collections for current year's taxes increased by \$1,378,448.
- Completed various roofing projects for the County, Schools, and PCC that were part of the Capital Improvement Plan.
- Recorded a larger amount of Construction in Progress for projects that were incomplete at the end of the fiscal year, particularly the re-roofing project for Southern Middle School and Person High School.
- Continued low cost of debt due to the County's high bond rating and the paydown of current debt service.

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

For the Year Ended June 30, 2013

The following table presents the change in net position for the year ended June 30, 2013 and 2012 for governmental activities:

PERSON COUNTY'S CHANGES IN NET POSITION

	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 7,576,320	\$ 8,068,488
Operating grants and contributions	11,189,606	9,203,958
Capital grants and contributions	539,828	358,182
General revenues:		
Property taxes	28,772,219	27,393,771
Local option sales taxes	6,092,052	6,045,749
Other taxes and licenses	493,228	305,012
Investment earnings, unrestricted	13,715	14,619
Miscellaneous, unrestricted	(498,552)	1,889,020
Total revenues	<u>54,178,416</u>	<u>53,278,799</u>
Expenses:		
General government	5,806,008	4,655,404
Public safety	11,961,190	11,437,656
Transportation	1,415,053	1,435,983
Economic and physical development	2,103,294	1,753,033
Environmental protection	1,088,616	891,073
Human services	16,333,971	15,746,664
Cultural and recreation	1,587,995	1,466,125
Education	13,043,761	10,269,913
Capital Outlay	385,929	1,014,882
Interest on long-term debt	<u>534,264</u>	<u>669,146</u>
Total expenses	54,260,081	49,339,879
Increase in net position before transfers and special item	(81,665)	3,938,920
Net position, July 1	<u>33,566,540</u>	<u>29,627,620</u>
Restatement	406,664	-
Net position, July 1, restated	<u>33,973,204</u>	<u>29,627,620</u>
Net position, June 30	<u>\$ 33,891,539</u>	<u>\$ 33,566,540</u>

Governmental activities: Governmental activities resulted in a decrease of the County's net position by \$81,665, which was \$4,020,585 less than the change in net position for fiscal year 2011-12. Key elements of this net decrease are as follows:

- Property tax collections increased by \$1,378,448.
- Sales tax revenues reflect a slight recovery showing an increase of \$46,303 over fiscal year 2012.
- Charges for services decreased by \$492,168. EMS fees were impacted by a decrease in average transports and average revenue per transport and a higher contractual adjustment to

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2013

revenues this year. Product sales at Person Industries are lower than fiscal year 2012 due to the loss of a contract in the current year.

- Miscellaneous revenues decreased by \$2,387,572, due to a donation of the Old Helena School building and property from the Person County Board of Education in February 2012 and the transfer of certain airport assets to the Federal Aviation Administration per the terms of the Reimbursable Agreement regarding the Medium Intensity Approach Light System with Runway Alignment Indicator Lights.
- An increase in Education of \$2,773,848 which is tied to the construction of a new alternative school with lottery funds.
- An increase in General Government of \$1,150,604 due to an increase in information technology during the year and an increase in repairs and maintenance costs.
- An increase in Environmental Protection of \$197,543 primarily due to stormwater administration and remediation.

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 fund balance available in the General Fund was \$13,870,762, while total fund balance reached \$19,019,442. The Governing Body of Person County has determined that the County should maintain an available fund balance of 18% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 25.9% of general fund expenditures, while total fund balance represents 35.5% of that same amount.

At June 30, 2013, the governmental funds of Person County reported a combined fund balance of \$25,007,748, a 2.8% increase from last year. The primary cause for this increase is the receipt of debt proceeds associated with the Schools Re-roofing Project in the Other Governmental Funds. The increased activity in the new Capital Improvement Project Fund for capital projects have greatly contributed to the use of fund balance in the General Fund category.

The fund balance of the Economic Catalyst Fund (classified as a major fund within Person County's financial statements), increased by \$260,971 during the current fiscal year. The increase of fund balance is the net result of general fund support for matching grants, grant revenues, and economic incentive payments to local industries.

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)

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2013

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 \$3,580,124 and expenditures by \$4,612,132.

Sales tax collections showed some recovery which is reflected by the \$56,527 surplus over the budget. Economic conditions and State legislative changes in previous years to the sales tax distributions continue to provide challenges to calculating accurate estimates for sales tax proceeds. Operating revenues of the General Fund were \$878,520 lower than the final budgeted amount. Intergovernmental revenues were short of budget by \$1,207,078. Most of this difference is due to the timing of the new school construction contract and the related draw requests from the funding source. The remaining difference is due to the delayed timing of when State revenues are received and recognized. Charges for services are also short of budget by \$594,953. Most of this difference is related to the need for public assistance services. The impact of these budget deficits is lessened by ad valorem taxes which were over budget by \$744,483.

Appropriations within the General Fund covered actual expenditures by more than \$4 million. Over \$1.7 million of these remaining funds was the result of the timing differences in the State allocations for departments in the Human Services function.

Capital Assets: Person County's capital assets for its governmental activities as of June 30, 2013, total \$25,373,432 (net of accumulated depreciation). These assets include land, buildings, improvements, machinery and equipment (including vehicles), and park facilities. Major capital asset transactions during the year include:

General Government

- Servers and switches for IT, water heater for Law Enforcement Center, compressor for the Courthouse, various roofing projects on County buildings.

Public Safety

- 8 replacement vehicles, an ambulance for EMS, security system, GPS command center, timekeeping software, radios, and walking tracks for animal control.

Environmental Protection

- Box handler and liquid recycling center for the Person Industries Recycling Center

Economic Development

- Vehicle

Culture and Recreation

- Paving project and walking tracks at parks.

Transportation

- Roof for pump house, telephone system, runway approach clearing and taxiway lighting.

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

For the Year Ended June 30, 2013

PERSON COUNTY CAPITAL ASSETS
(Net of Depreciation)

	Governmental Activities	
	2013	2012
Land	\$ 2,886,451	\$ 2,848,142
Buildings	8,843,300	9,206,700
Improvements	2,766,312	1,869,689
Machinery and equipment	4,512,878	5,713,232
Infrastructure	2,389,273	2,471,820
Construction in progress	<u>3,975,218</u>	<u>3,789,301</u>
Total	<u>\$ 25,373,432</u>	<u>\$ 25,898,884</u>

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

Long-term Debt: As of June 30, 2013, Person County had no total bonded debt outstanding. Other total outstanding debt is included below:

PERSON COUNTY'S OUTSTANDING DEBT

	Governmental Activities	
	2013	2012
Installment purchases	\$ 14,534,393	\$ 14,929,798
Total outstanding debt	<u>\$ 14,534,393</u>	<u>\$ 14,929,798</u>

Person County's total debt decreased by \$395,405 (2.6 percent) during the past fiscal year, due to the repayment of debt. New debt was issued in fiscal year 2013 for over \$3.1M for re-roofing construction at Southern Middle School and Person High School.

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Person County is \$326,074,836.

The Person County Board of Commissioners has had a history of fiscal conservatism that also contributes to the favorable bond rating. Additional information regarding Person County's long-term debt can be found in Note 2 of the basic financial Statements.

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2013

Economic Factors and Next Year's Budgets and Rates

- The County's average unemployment rate as of June 30, 2013, was 10.0%, a decrease of .4% over last year's rate of 10.4%, and 0.7% over the statewide average of 9.3%.
- Inflationary trends in the region are comparable to national indices.
- Population estimation of 39,594 has remained basically flat since FY2011.

Budget Highlights for the Fiscal Year Ending June 30, 2014

Governmental Activities: For the fiscal year ending in June 2014, the original appropriations in the General Fund will increase by \$1,378,453 to \$54.48 million or 2.6% more than the previous year's adopted budget. The projected current levy of property taxes is \$2,093,929 higher than for FY2012. An appropriation of \$3,142,574 from fund balance provides the balance of the estimated revenues.

Although there was no tax increase in Person County's fiscal year 2014 budget, most segments of the General Fund received an increase to their budgeted expenditures, supported by some minimal growth of revenues, as well as an appropriation of fund balance to cover needed capital projects and the implementation of the Stormwater Enterprise Fund. Other causes for the increase in the Adopted Budget include the larger amount invested in Capital Improvement Projects, a higher demand of services in the Health and Social Services departments, unemployment insurance payments due to State mandates, additional vehicle replacements, and an increase in anticipated debt service for Recreation and Senior Center Construction and Renovation Project.

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 S. Morgan Street, Suite 219, Roxboro, NC 27573. You can also call (336)-597-1726 or visit our website <http://www.personcounty.net/> for more information.



Basic Financial Statements

Basic Financial Statements

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

Exhibit 1

June 30, 2013

	<u>Primary Government Governmental Activities</u>	<u>Component Unit Person County ABC Board</u>
ASSETS		
Cash and cash equivalents	\$ 21,182,125	\$ 485,630
Receivables (net)	5,598,990	-
Inventories	-	253,971
Prepaid items	99,956	454
Restricted cash and cash equivalents	1,935,953	-
Advance funding of pension obligation	82,081	-
Capital assets:		
Land, improvements, and construction in progress	6,861,669	34,188
Other capital assets, net of depreciation	18,511,763	67,067
Total capital assets	<u>25,373,432</u>	<u>101,255</u>
Total assets	<u>54,272,537</u>	<u>841,310</u>
DEFERRED OUTFLOWS OF RESOURCES	52,420	-
LIABILITIES		
Accounts payable and accrued expenses	2,784,544	194,080
Accrued interest payable	167,277	-
Due to primary government	-	27,958
Long-term liabilities:		
Due within one year	3,944,059	-
Due in more than one year	13,475,598	-
Total liabilities	<u>20,371,478</u>	<u>222,038</u>
DEFERRED INFLOWS OF RESOURCES	61,940	-
NET POSITION		
Net investment in capital assets	21,364,462	101,255
Restricted for:		
Public safety	193,300	-
Human services	111,330	-
Environmental protection	23,548	-
Cultural and recreation	84,635	-
Education	2,012,964	-
Register of deeds	45,827	-
Stabilization by State Statute	6,299,193	-
Capital	99,001	100,000
Working capital	-	76,222
Unrestricted	3,657,279	341,795
Total net position	<u>\$ 33,891,539</u>	<u>\$ 619,272</u>

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

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

For the fiscal year ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 5,806,008	\$ 350,744	\$ 14,492	\$ 6,227
Public safety	11,961,190	1,717,878	1,024,467	-
Transportation	1,415,053	322,797	310,036	454,726
Economic and physical development	2,103,294	6,956	1,148,118	2,638
Environmental Protection	1,088,616	796,321	113,343	55,737
Human services	16,333,971	4,023,486	6,926,407	-
Cultural and recreation	1,587,995	358,138	117,926	20,500
Education	13,043,761	-	1,534,817	-
Capital Outlay	385,929	-	-	-
Interest on long-term debt	534,264	-	-	-
Total governmental activities	54,260,081	7,576,320	11,189,606	539,828
Component unit:				
ABC Board	2,531,439	2,572,004	-	-
Total component units	\$ 2,531,439	\$ 2,572,004	\$ -	\$ -

General revenues:

Taxes:

Property taxes, levied for general purpose

Local option sales tax

Other taxes

Investment earnings, unrestricted

Miscellaneous, unrestricted:

Loss on disposal of capital asset

Other miscellaneous

Total general revenues, special items, and transfers

Change in net position

Net position-beginning, previously reported

Restatement

Net position-beginning, restated

Net position-ending

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

Exhibit 2

Net (Expense) Revenue and Changes in Net Position	
Primary Government	Component Unit
Governmental Activities	Person County ABC Board
\$ (5,434,545)	
(9,218,845)	
(327,494)	
(945,582)	
(123,215)	
(5,384,078)	
(1,091,431)	
(11,508,944)	
(385,929)	
(534,264)	
<u>(34,954,327)</u>	
	<u>40,565</u>
	<u>40,565</u>
28,772,219	-
6,092,052	-
493,228	-
13,715	1,381
(733,225)	-
<u>234,673</u>	<u>43</u>
<u>34,872,662</u>	<u>1,424</u>
(81,665)	41,989
33,566,540	577,283
406,664	-
<u>33,973,204</u>	<u>577,283</u>
<u>\$ 33,891,539</u>	<u>\$ 619,272</u>



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

Exhibit 3

June 30, 2013

	Major		Non-Major	Total Governmental Funds
	General	Economic Catalyst Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 15,495,952	\$ 482,409	\$ 5,203,764	\$ 21,182,125
Restricted cash	-	-	1,935,953	1,935,953
Ad valorem taxes receivable	1,210,784	-	-	1,210,784
Receivables, net	2,994,545	980,000	270,469	4,245,014
Due from other governments	384,395	-	-	384,395
Due from other funds	1,599,411	-	-	1,599,411
Prepaid expenditures	99,956	-	-	99,956
Due from component unit	7,958	-	-	7,958
Total assets	<u>\$ 21,793,001</u>	<u>\$ 1,462,409</u>	<u>\$ 7,410,186</u>	<u>\$ 30,665,596</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 1,421,526	\$ 1,160,000	\$ 124,878	\$ 2,706,404
Miscellaneous liabilities	78,140	-	-	78,140
Due to other funds	-	-	1,599,411	1,599,411
Total liabilities	<u>1,499,666</u>	<u>1,160,000</u>	<u>1,724,289</u>	<u>4,383,955</u>
DEFERRED INFLOWS OF RESOURCES	<u>1,273,893</u>	<u>-</u>	<u>-</u>	<u>1,273,893</u>
Fund balances:				
Nonspendable:				
Prepays	99,956	-	-	99,956
Restricted:				
Stabilization by State Statute	5,048,724	980,000	270,469	6,299,193
Register of Deeds	45,827	-	-	45,827
Public safety	133,005	-	60,295	193,300
Education	-	-	2,012,964	2,012,964
Culture and recreation	-	-	84,635	84,635
Environmental protection	-	-	23,548	23,548
Human services	-	-	111,330	111,330
Capital projects	-	-	99,001	99,001
Committed:				
Tax reappraisal	143,466	-	-	143,466
Economic development	-	-	181,266	181,266
Environmental protection	-	-	146,843	146,843
Capital projects	-	-	2,643,321	2,643,321
Assigned:				
Pay for performance program	469,283	-	39,441	508,724
Subsequent year's expenditures	3,142,574	34,249	12,784	3,189,607
Unassigned:	9,936,607	(711,840)	-	9,224,767
Total fund balances	<u>19,019,442</u>	<u>302,409</u>	<u>5,685,897</u>	<u>25,007,748</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 21,793,001</u>	<u>\$ 1,462,409</u>	<u>\$ 7,410,186</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	25,373,432
Other long-term assets are not available to pay for current-period expenditures and therefore are unavailable in the funds.	480,454
Liabilities for earned but deferred revenues in the fund statements	616,839
Some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds.	(17,586,934)
Net position of governmental activities	<u>\$ 33,891,539</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

Exhibit 4

For the fiscal year ended June 30, 2013

	Major		Non-Major	Total
	General Fund	Economic Catalyst Fund	Other Governmental Funds	Governmental Funds
REVENUES				
Ad valorem taxes	\$ 28,723,333	\$ -	\$ -	\$ 28,723,333
Local options sales taxes	6,092,052	-	-	6,092,052
Other taxes and licenses	296,809	-	-	296,809
Fees	424,018	-	-	424,018
Intergovernmental	9,230,297	980,000	1,627,833	11,838,130
Investment earnings	13,828	2,407	(9,535)	6,700
Charges for services	5,860,717	-	1,183,832	7,044,549
Other	573,497	163,564	19,237	756,298
Total revenues	<u>51,214,551</u>	<u>1,145,971</u>	<u>2,821,367</u>	<u>55,181,889</u>
EXPENDITURES				
Current:				
General government	5,227,776	-	274,295	5,502,071
Public safety	11,388,503	-	418,114	11,806,617
Transportation	876,455	-	-	876,455
Human services	14,013,289	-	1,936,385	15,949,674
Environmental protection	364,371	-	659,481	1,023,852
Economic and physical development	824,044	1,285,000	-	2,109,044
Cultural and recreational	1,474,427	-	-	1,474,427
Intergovernmental:				
Education	11,847,176	-	1,196,585	13,043,761
Capital outlay:				
Infrastructure	-	-	1,762,976	1,762,976
Debt service:				
Principal	3,434,418	-	93,525	3,527,943
Interest and other charges	570,432	-	5,144	575,576
Total expenditures	<u>50,020,891</u>	<u>1,285,000</u>	<u>6,346,505</u>	<u>57,652,396</u>
Excess (deficiency) of revenues over expenditures	<u>1,193,660</u>	<u>(139,029)</u>	<u>(3,525,138)</u>	<u>(2,470,507)</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	40,000	400,000	3,481,216	3,921,216
Transfers to other funds	(3,602,007)	-	(319,209)	(3,921,216)
Sale of capital assets	39,976	-	-	39,976
Installment purchase obligations issued	-	-	3,132,538	3,132,538
Total other financing sources and uses	<u>(3,522,031)</u>	<u>400,000</u>	<u>6,294,545</u>	<u>3,172,514</u>
Net change in fund balances	(2,328,371)	260,971	2,769,407	702,007
Fund balances-beginning	<u>21,347,813</u>	<u>41,438</u>	<u>2,916,490</u>	<u>24,305,741</u>
Fund balances-ending	<u>\$ 19,019,442</u>	<u>\$ 302,409</u>	<u>\$ 5,685,897</u>	<u>\$ 25,007,748</u>

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

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

Exhibit 4 (Cont.)

For the fiscal year ended June 30, 2013

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

Net changes in fund balances - total governmental funds	\$ 702,007
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	209,135
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	344,841
The payment of pension obligations is reported as expenses in the fund statements but has no effect on the statement of activities	(21,768)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds	(422,534)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(729,782)
Receipt of notes receivable principal payments are recorded as revenue in the fund statements but has no effect on the statement of activities	<u>(163,564)</u>
Total changes in net position of governmental activities	<u><u>\$ (81,665)</u></u>

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

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

Exhibit 5

For the fiscal year ended June 30, 2013

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget-- Positive (Negative)</u>
REVENUES				
Ad valorem taxes	\$ 27,978,850	\$ 27,978,850	\$ 28,723,333	\$ 744,483
Local option sales taxes	6,035,525	6,035,525	6,092,052	56,527
Other taxes and licenses	277,000	286,271	296,809	10,538
Fees	383,800	384,985	424,018	39,033
Intergovernmental	8,126,236	10,437,375	9,230,297	(1,207,078)
Investment earnings	15,000	15,000	13,740	(1,260)
Charges for services	5,428,155	6,455,670	5,860,717	(594,953)
Other	331,518	499,307	573,497	74,190
Total revenues	<u>48,576,084</u>	<u>52,092,983</u>	<u>51,214,463</u>	<u>(878,520)</u>
EXPENDITURES				
Current:				
General government	5,185,730	5,629,343	5,099,660	529,683
Public safety	11,241,409	11,801,128	11,388,503	412,625
Transportation	1,013,763	1,129,805	876,455	253,350
Human services	14,634,076	15,757,226	14,013,289	1,743,937
Environmental protection	167,834	176,435	137,891	38,544
Economic and physical development	909,732	939,674	824,044	115,630
Cultural and recreational	1,463,375	1,545,151	1,474,427	70,724
Contingency	351,508	66,850	-	66,850
Intergovernmental:				
Education	10,405,781	12,423,781	11,847,176	576,605
Debt service:				
Principal retirement	3,538,836	3,534,163	3,434,418	99,745
Interest and other charges	690,635	690,635	570,432	120,203
Total expenditures	<u>49,602,679</u>	<u>53,694,191</u>	<u>49,666,295</u>	<u>4,027,896</u>
Revenues over (under) expenditures	<u>(1,026,595)</u>	<u>(1,601,208)</u>	<u>1,548,168</u>	<u>3,149,376</u>
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	-	40,000	40,000	-
Transfers to other funds	(3,495,642)	(4,016,262)	(4,016,262)	-
Sale of capital assets	5,000	28,225	39,976	11,751
Total other financing sources (uses)	<u>(3,490,642)</u>	<u>(3,948,037)</u>	<u>(3,936,286)</u>	<u>11,751</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(4,517,237)</u>	<u>(5,549,245)</u>	<u>(2,388,118)</u>	<u>3,161,127</u>
APPROPRIATED FUND BALANCE				
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>(2,388,118)</u>	<u>\$ (2,388,118)</u>
Fund balances-beginning			<u>21,258,819</u>	
Fund balances-ending			<u>\$ 18,870,701</u>	
Legally budgeted Tax Reappraisal and Stormwater expenditures have been consolidated into the General Fund for reporting purposes:				
Investment earnings			88	
Transfer in from General Fund			414,255	
Expenditures			(354,596)	
Fund balance-beginning			<u>88,994</u>	
Fund balance-ending			<u>\$ 19,019,442</u>	

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

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

Exhibit 6

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ -	\$ 955,000	\$ 980,000	\$ 25,000
Investment earnings	-	-	2,407	2,407
Miscellaneous revenues				
Loan principle received	-	-	163,564	163,564
Total revenues	-	955,000	1,145,971	190,971
EXPENDITURES	400,000	1,400,000	1,285,000	115,000
Excess (deficiency) of revenues over expenditures	(400,000)	(445,000)	(139,029)	305,971
OTHER FINANCING SOURCES (USES)				
Transfers in				
General Fund	400,000	400,000	400,000	-
Total Other Financing Sources	400,000	400,000	400,000	-
Excess (deficiency) of revenues and other financing sources over expenditures	-	(45,000)	260,971	305,971
APPROPRIATED FUND BALANCE	-	45,000	-	(45,000)
Excess (deficiency) of revenues, other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	260,971	<u>\$ 260,971</u>
Fund balance beginning of year			41,438	
Fund balance end of year			<u>\$ 302,409</u>	

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

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

Exhibit 7

June 30, 2013

	LEOSSA Pension Trust Fund	Museum of History Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 27,978	\$ 186	\$ 138,750
Investments	231,805	24,262	-
Taxes receivables	-	-	267,521
Total assets	<u>259,783</u>	<u>24,448</u>	<u>406,271</u>
LIABILITIES			
Accounts payable and accrued liabilities	-	-	30,367
Due to individuals	-	-	68,475
Due to inmates	-	-	2,599
Due to 4H	-	-	37,309
Reserve for taxes receivable	-	-	267,521
Total liabilities	<u>-</u>	<u>-</u>	<u>406,271</u>
NET POSITION			
Assets held in trust for pension benefits and other purposes	<u>\$ 259,783</u>	<u>\$ 24,448</u>	<u>\$ -</u>

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

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

Exhibit 8

For the fiscal year ended June 30, 2013

	LEOSSA Pension Trust Fund	Museum of History Trust Fund
ADDITIONS		
Employer contributions	\$ 50,000	\$ -
Investment interest	220	11
Total additions	<u>50,220</u>	<u>11</u>
DEDUCTIONS		
Benefits	<u>29,887</u>	<u>-</u>
Total deductions	<u>29,887</u>	<u>-</u>
Change in net position	20,333	11
Net position - beginning of year	<u>239,450</u>	<u>24,437</u>
Net position - end of year	<u><u>\$ 259,783</u></u>	<u><u>\$ 24,448</u></u>

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

Notes to the Financial Statements

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

I. Summary of Significant Accounting Policies

The accounting policies of Person County 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") which has a June 30 year-end is presented as it is a separate proprietary fund of the County (discrete presentation).

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Person County Industrial Facility and Pollution Control Financing Authority	Discrete	Person County appoints all seven members of the governing board of the Authority. The County can remove any member of the Authority with or without cause.	None issued.
Person County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Person County ABC Board 712 North Madison Boulevard Roxboro, NC 27573

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 (the County) and its component unit. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

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

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category – governmental, 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-

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

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 Reappraisal Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

Economic Catalyst Fund: This special revenue fund accounts for revenues and expenditures generated from grant agencies and the related expenditures for the purpose of providing expansion incentives to local businesses.

The County maintains thirteen legally budgeted non-major funds. The County Capital Reserve Fund and Schools Capital Reserve Fund are reported as capital project funds in accordance with GASB Statement No. 54. 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 five Special Revenue Funds within its non-major governmental fund types: Person Industries Community Rehabilitation Program and Material Recovery Facility Fund, Emergency Telephone System Fund, Revolving Loan Fund, Water and Sewer Construction Reserve Fund, and the Mattie Maude Williams Library Development Trust Fund.

Capital Project Funds: Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds). Currently, the County maintains six Capital Project Funds within its nonmajor governmental fund types: Airport Construction Fund, Capital Improvement Projects Fund, Courthouse Renovation and Various Roofing Capital Projects Fund, Reroofing for Schools Project Fund, Recreation & Senior Center Project Funds, and the Old Helena School Improvement Fund.

The County reports the following fiduciary fund types:

Pension Trust Fund: The County has the LEOSSA Pension Trust Fund that accounts for the Law Enforcement Officers' Special Separation Allowance, a single-employer, public employee retirement system. Pension trust funds are used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other postemployment benefit plans.

Private-Purpose Trust Funds: The Private-Purpose Trust Funds accounts for a trust arrangement under which principal and income benefits individuals, private organizations, or the governments. The County maintains one Private-Purpose Trust Fund: the Person County Museum of History Trust Fund, which accounts for private contributions restricted by the donor for the benefit of the Person County Museum of History.

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains eight Agency Funds: the Person County Tourism Development Authority, which accounts for the expenditures of occupancy tax received from the County; the Social Services Trust Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals; the Sheriff's Executions and Commissions Fund, which accounts for collections by the Sheriff of small claims remitted to the Clerk of Court and collection of commissions remitted to the County Finance Director; the Roxboro Property Tax Fund, which accounts for property taxes that are billed and collected by the County for the City of Roxboro; the Inmates Fund, which accounts for monies deposited with the Sheriff's Department on behalf of inmates held in the Person County jail; the Fines and Forfeitures which accounts for fines and forfeitures received from the Clerk of Court; the 4-H Program Fund which accounts for monies to be spent for future 4-H programs; the 3% additional first month's interest charged on delinquent motor vehicle tax bills; and the Deed of Trust Fee Fund which accounts for the fees collected by the register of deeds for registering or filing a deed of trust or mortgage and remitted to the State Treasurer on a monthly basis.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

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 and Fiduciary Fund Financial Statements: The government-wide, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide 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.

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

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

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current year. Also, as of January 1, 1993, 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, Person County is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts in the County. For those motor vehicles registered under the staggered system and for vehicles newly registered under the annual system, property taxes are due the first day of the fourth month after the vehicles are registered. The billed taxes are applicable to the fiscal year in which they become due. Therefore, taxes for vehicles registered from March 2012 through February 2013 apply to the fiscal year ended June 30, 2013. Uncollected taxes that were billed during this period are shown as a receivable on 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. 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 are 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 and Special Revenue Funds (excluding the Community Development Block Grant Fund and the Mattie Maude

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

Williams Library Development Trust Fund). All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the Capital Projects Fund and the Community Development Block Grant 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 object 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 immaterial 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, and Fund Equity

1. Deposits and Investments

All deposits of the County and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

State law [G.S. 159-30(c)] authorizes the County and the ABC Board 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 County and the ABC Board's investments are carried at fair value as determined by quoted market prices. The securities of the NCCMT Cash Portfolio, an SEC-registered (2a-7) money market mutual fund, are valued at fair value, 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 monies 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 ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

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

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, 2012. Ad valorem tax revenues are reported in the County's General Fund.

5. Allowances for Doubtful Accounts

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

6. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of donation. 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 which have not 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. The properties are reflected as capital assets in the financial statements of the Person County Board of Education.

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

	<u>Years</u>
Buildings	50
Infrastructure	15-20
Improvements	5-25
Equipment	3-25
Vehicles	3-15
Furniture	10

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

	<u>Years</u>
Buildings	30-40
Store Equipment	5-25
Office Furniture and Fixtures	5-20
Truck	4

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

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has one item that meets this criterion – a charge on refunding that had previously been classified as an asset. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows or resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

a future period and so will be recognized as revenue until then. The County has only two items that meet the criterion for this category – prepaid taxes and deferred revenue.

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policy of the County provides for the accumulation of up to 12 days annual leave per year for the first five years of employment and up to 21 days per year after twenty years. Annual leave fully vests when earned. Employees may accumulate up to thirty (30) days earned vacation leave. Accumulated leave earned in excess of 30 days for any calendar year converts to sick leave at the end of the calendar year. For the County, the current portion of the accumulated vacation pay is not considered to be material. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2012 is recorded in the government-wide fund financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated to approximately the same amount as the previous year's leave taken.

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

The ABC Board's vacation policy provides for employees to earn a maximum of three weeks' vacation. This differs for each employee and is based on their length of service. There is no accumulation of vacation leave and it does not vest. Any vacation not taken by December 31 of each year is forfeited. Vacation not taken at time of retirement may be used in determination of length of service for retirement benefit purposes.

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

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

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

Person County, North Carolina
Notes to the Financial Statements
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Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law.

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

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

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

Restricted for Education – portion of fund balance that is restricted by debt proceeds for the replacement of various roofing projects for the Schools and Community College.

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

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

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

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

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

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

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

Committed for 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.

Pay for Performance Program – portion of fund balance that has been assigned by the board to fund the Pay for Performance Program.

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

Person County, North Carolina
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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.

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 budgeted expenditures. Any portion of the General Fund balance in excess of 21% of budgeted 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.

E. Reconciliation of Government-wide and Fund Financial Statements

1. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position.

The governmental fund balance sheet includes reconciliation between total fund balance for the governmental funds and net position for governmental activities as reported in the government-wide statement of net position. The details of this \$8,883,791 difference consist of several elements as follows:

<u>Description</u>	<u>Amount</u>
Capital assets used in governmental activities are not financial resources and are therefore not reported in the funds (total capital assets on government-wide statement in governmental activities column)	\$ 54,019,836
Less Accumulated Depreciation	(28,646,404)
Net capital assets	<u>25,373,432</u>
One element of that reconciliation explains that "other long-term assets are not available to pay for current period expenditures and therefore are not deferred in the funds." The details of this \$480,454 difference are as follows:	
Unamortized refunding costs are recorded on the government-wide statements	52,420
Net negative pension obligation not recorded in the fund statements is treated as a prepaid asset on the government-wide statement	82,081
Note receivables are recorded on the government-wide statements because the funds are not available within 90 days and therefore are excluded from the fund statements.	288,448
Accrued interest receivable on taxes	57,505
Liabilities for revenue deferred but earned and therefore recorded in the fund statements but not the government-wide	616,839
One element of that reconciliation explains that "some liabilities, including bonds payable and other postemployment benefits, are not due and payable in the current period and therefore are not reported in the funds." The details of this \$17,586,934 difference are as follows:	
Bonds, leases, and installment financing and debt issuance premiums	(14,534,393)
Accrued Post-Closure Care Costs of closed Person County Landfill	(216,940)
Compensated absences	(1,075,798)
Pension and other postemployment benefits	(1,592,526)
Accrued interest payable	<u>(167,277)</u>
Total adjustment	<u>\$ 8,883,791</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

2. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balance and the government-wide statement of activities.

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances for the governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The details of this \$783,672 difference consist of several elements as follows:

<u>Description</u>	<u>Amount</u>
Another element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this \$209,135 are as follows:	
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	\$ 2,099,128
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(1,889,993)
Another element of that reconciliation explains that "issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this \$344,841 are as follows:	
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	(3,132,538)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net assets in the government- wide statements	3,527,943
Expenditures reported in the fund statements for landfill post-closure care costs but recorded as payments to the post-closure care costs long-term liability in the Statement of Net Position	(50,564)
Net negative pension obligations payments recorded in the fund statements are recorded as net unamortized prepaid pension obligation expenses in the Statement of Net Position	(21,768)
Another element of that reconciliation explains that "some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not recorded as expenditures in the governmental funds." The details of this \$422,534 are as follows:	
Amortized refunding costs and premiums	(52,421)
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(7,828)
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(17,446)
Other postemployment benefits are accrued in the government-wide statements but not in the fund statements because they do not use current resources	(344,839)
Receipt of note receivable principal payments are recorded only on the Statement of Activities	(163,564)

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

Another element of that reconciliation explains that "revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this \$729,782 are as follows:

Reversal of deferred tax revenue recorded at 7/1/12	(566,015)
Loss on sales of capital assets	(778,668)
Recording of tax receipts deferred in the fund statements as of 6/30/13	616,839
Increase in accrued interest receivable on taxes for year ended 6/30/13	(1,938)
Total adjustment	\$ (783,672)

II. DETAIL NOTES ON ALL FUNDS

A. Assets

1. Deposits

All of the County's and the ABC Board'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 and the ABC Board, 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 or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County or the ABC Board under the Pooling Method, the potential exists for undercollateralization, 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 and the ABC Board 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 and the ABC Board 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 has no formal policy regarding custodial credit risk for deposits.

At June 30, 2013, the County's deposits had a carrying amount of \$5,423,670 and a bank balance of \$6,473,796. Of the bank balance, \$750,000 was covered by federal depository insurance and \$5,558,231 in interest-bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2013, Person County had \$4,394 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2013, the Person County ABC Board's deposits had a carrying amount of \$483,430 and a bank balance of \$462,966. Of this balance, \$286,816 was covered by federal depository insurance.

At June 30, 2013, the Person County ABC Board also had \$2,200 in cash on hand.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

2. Investments

At June 30, 2013, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Less Than 6 Months</u>
NC Capital Management Trust - Cash Portfolio	\$ 9,077,721	N/A
NC Capital Management Trust - Term Portfolio*	9,011,012	\$ 9,011,012
NC Capital Management Trust - Museum Trust Fund	24,262	-
Total:	<u>\$ 18,112,995</u>	<u>\$ 9,011,012</u>

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

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, 2013, 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, 2013, the County has no investments in commercial paper. The County's investments in the NC Capital Management Trust Cash Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2013. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's \$3,133,995 investments in repurchase agreements are uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department but not in the County's name. It is understood that the County shall utilize a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

At June 30, 2013, the ABC Board's investments consisted of a savings account in the amount of \$36,816.

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.

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,091,789	\$ 259,298	\$ 1,351,087
2011	1,113,035	164,175	1,277,210
2012	1,140,205	65,551	1,205,756
2013	1,729,708	-	1,729,708
Total	<u>\$ 5,074,737</u>	<u>\$ 489,021</u>	<u>\$ 5,563,761</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

4. Receivables

Receivables at the government-wide level at June 30, 2013, were as follows:

	<u>Accounts</u>	<u>Leases</u>	<u>Taxes and Related Accrued Interest</u>	<u>Inter- govern- mental</u>	<u>Total</u>
Governmental Activities:					
General fund	\$ 1,923,754	\$ -	\$ 2,363,286	\$ 1,077,366	\$ 5,364,406
Economic Catalyst Fund	-	288,488	-	980,000	1,268,488
Non-major funds	199,694	-	-	70,775	270,469
Total receivables	<u>2,123,448</u>	<u>-</u>	<u>2,363,286</u>	<u>2,128,141</u>	<u>6,903,363</u>
Allowance for doubtful	(710,419)	-	(593,954)	-	(1,304,373)
Total governmental activities	<u>\$ 1,413,029</u>	<u>\$ 288,488</u>	<u>\$ 1,769,332</u>	<u>\$ 2,128,141</u>	<u>\$ 5,598,990</u>

Taxes and related accrued interest consist of the following:

Local option sales taxes	\$ 1,079,859
Property taxes	1,210,784
Accrued property tax interest receivable	57,505
Occupancy taxes	15,138
Total	<u>\$ 2,363,286</u>

Intergovernmental receivables consist of the following:

Child Care	\$ 122,892
NC Rural Center	980,000
Social Services	505,184
Lottery funds	384,395
Airport Grant	33,413
Department of Justice grant	7,505
White goods tax	3,088
Scrap tire tax	13,123
Solid waste disposal tax	3,467
NC Vocational Rehabilitation	15,138
Miscellaneous	59,936
Total	<u>\$ 2,128,141</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

Leases receivables consist of the following:

Direct-financing lease:

In May 2011, the County received a private grant totaling \$500,000 for the purpose of purchasing equipment to lease to a manufacturing company in the county. In response to the lease, the manufacturing company agreed to expand their manufacturing facility and create new jobs in the county. The total cost of the equipment was \$492,760. The equipment was purchased and sent to the manufacturing company over a period from December 2011 through April 2012. The manufacturing company began making quarterly lease payments of \$41,438 in June 2012. There was no profit on the sale of the asset and the manufacturing company will own the equipment at the end of the lease. This lease was recorded as a lease receivable in the government-wide financial statements.

Future project receipts of the lease are as follows:

Year ended June 30	<u>Principal</u>	<u>Interest</u>
2014	\$ 164,481	\$ 1,270
2015	123,967	347
Total principal payments	<u>\$ 288,488</u>	
Total interest payments		<u>\$ 1,617</u>

Operating leases:

In March 2009, the County entered into a lease and fixed base operator agreement with an aviation company to lease certain buildings, equipment and other property located at and to operate the Person County Executive Airport. The lease expires on February 28, 2019. Except for the lease amounts to be paid to the County, the aviation company retains all income from the operation of the leased premises. As part of the fixed base operator agreement, the aviation company is to maintain fuel inventory and fueling service, maintain a winter and summer schedule for the public, and furnish services to the public on a reasonable basis and charge reasonable prices for each unit/service. The monthly rental fee shall be \$7,719 per month for the lease of the facilities. The aviation company will also pay the county fuel flowage fee based on the amount aviation fuel dispensed during the month. In May 2012, the lease was amended to provide that the County will now pay for all utilities, the cost of the general liability insurance, fix the fuel flowage fee to a set fee per gallon – regardless of the amount dispensed, and to waive one month’s rent each year during the term of the lease.

Future projected receipts of the lease are as follows:

Year ended June 30	
2014	\$ 84,909
2015	84,909
2016	84,909
2017	84,909
2018	84,909
2019	54,033
Total future operating lease receivables	<u>\$ 478,578</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2013, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,892,223	\$ -	\$ (5,772)	\$ 2,886,451
Construction in progress	<u>3,789,301</u>	<u>1,377,047</u>	<u>(1,191,130)</u>	<u>3,975,218</u>
Total capital assets not being Depreciated	<u>6,681,524</u>	<u>1,377,047</u>	<u>(1,196,902)</u>	<u>6,861,669</u>
Capital assets being depreciated:				
Buildings	15,985,760	-	-	15,985,760
Improvements	4,934,085	1,060,862	-	5,994,947
Equipment	13,573,440	510,867	(1,159,864)	12,924,443
Infrastructure	<u>11,911,535</u>	<u>341,483</u>	<u>-</u>	<u>12,253,018</u>
Total capital assets being depreciated	<u>41,824,780</u>	<u>1,913,212</u>	<u>(1,159,864)</u>	<u>42,578,128</u>
Less accumulated depreciation for:				
Buildings	6,779,062	363,398	-	7,142,460
Improvements	3,064,396	164,239	-	3,228,635
Equipment	7,860,206	938,326	(386,967)	8,411,565
Infrastructure	<u>9,439,715</u>	<u>424,030</u>	<u>-</u>	<u>9,863,745</u>
Total accumulated depreciation	<u>27,143,379</u>	<u>\$ 1,889,992</u>	<u>\$ (386,967)</u>	<u>28,646,405</u>
Total capital assets being depreciated, net	<u>19,261,441</u>			<u>18,511,763</u>
Governmental activity capital assets, net	<u>\$ 25,898,884</u>			<u>\$ 25,373,432</u>

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

General government	\$ 332,550
Public safety	531,529
Transportation	654,860
Economic and physical development	12,191
Environmental protection	32,837
Human services	230,110
Cultural and recreational	<u>95,915</u>
Total depreciation expense	<u>\$ 1,889,992</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

Construction commitments

As of June 30, 2013, the County has active contracts for engineering services and construction contracts for projects associated with the Airport, various re-roofing projects, recreation field construction repairs, and an HVAC project at the Law Enforcement Center.

<u>Project</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Airport Construction Projects	\$ 93,275	\$ 2,028
Re-roofing projects for various County, School & College buildings	1,311,428	499,698
Recreation field construction repairs	8,050	5,198
Law Enforcement Center – HVAC Project	145,059	24,941
Total	<u>\$ 1,557,812</u>	<u>\$ 531,865</u>

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2013, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 34,188	\$ -	\$ -	\$ 34,188
Capital assets being depreciated:				
Buildings	122,462	-	-	122,462
Office furniture and fixtures	9,611	-	-	9,611
Store equipment	91,477	700	-	92,177
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	<u>240,132</u>	<u>21,869</u>	<u>-</u>	<u>240,832</u>
Less accumulated depreciation for:				
Buildings	84,907	2,224	-	87,131
Office furniture and fixtures	8,890	721	-	9,611
Store equipment	48,502	11,939	-	60,441
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	<u>158,881</u>	<u>\$ 14,884</u>	<u>\$ -</u>	<u>173,765</u>
Total capital assets being depreciated, net	<u>81,251</u>			<u>67,067</u>
ABC capital assets, net	<u>\$ 115,439</u>			<u>\$ 101,255</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2013, were as follows:

	<u>Vendors</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General	\$ 1,421,526	\$ 167,277	\$ 78,140	\$ 1,666,943
Economic Catalyst Fund	1,160,000	-	-	1,160,000
Other Governmental	124,878	-	-	124,878
Total-governmental activities	<u>\$ 2,706,404</u>	<u>\$ 167,277</u>	<u>\$ 78,140</u>	<u>\$ 2,951,821</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

Plan Description: Person County and the ABC Board contribute to 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 provides retirement and disability benefits to plan members and beneficiaries. Article 3 of NCGS Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The LGERS is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: Plan members are required to contribute six percent of their annual covered salary. The County and the ABC Board are required to contribute at an actuarially determined rate. For the County, the current rate for employees not engaged in law enforcement and for law enforcement officers is 6.74% and 6.77%, respectively, of annual covered payroll. For the ABC Board, the current rate for employees not engaged in law enforcement is 6.74% 6.77%, respectively, of annual covered payroll for the years ended June 30, 2013 and 2012. The contribution requirements of members and of Person County and the ABC Board are established and may be amended by the North Carolina General Assembly. The County's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$1,019,139, \$1,012,609 and \$928,818 respectively. The ABC Board's contributions to LGERS for the years ended June 30, 2013, 2012, and 2011 were \$11,205, \$11,496, and \$10,704, respectively. The contributions made by the County and the ABC Board equaled the required contributions for each year.

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. 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. The Separation Allowance is reported only in the County's report under the LEOSSA Pension Trust Fund and no separate report has been issued.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2012, the Separation Allowance's membership consisted of:

Retirees receiving benefits	2
Terminated plan members entitled to but not yet receiving benefits	-
Active plan members	<u>47</u>
Total	<u>49</u>

2. Summary of Significant Accounting Policies

Basis of Accounting. Financial statements for the Separation Allowance are prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and when the County has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments. Investments are reported at fair value. Short-term debt, deposits, repurchase agreements, and the North Carolina Capital Management Trust investments are reported at cost or amortized cost, which approximates fair value. Certain longer term United States Government and United States Agency securities are valued at the last reported sales price.

3. Contributions

The County is required by Article 12D of NCGS Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations. For the current year, the County contributed \$50,000 or 2.37% of annual covered payroll. There were no contributions made by employees. The County's obligation to contribute to this plan, for which there is no separately issued report, is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings.

Annual Pension Cost and Net Pension Obligation for Fiscal Year Ending 6/30/2013

Employer annual required contribution	\$ 70,497
Interest on net pension obligation	(5,192)
Adjustment to annual required contribution	<u>6,463</u>
Annual pension cost	\$ 71,768
Employer contributions made for fiscal year ending 6/30/2013	<u>50,000</u>
Increase (decrease) in net pension obligation	21,768
Net pension obligation beginning of fiscal year	<u>(103,849)</u>
Net pension obligation end of fiscal year	<u>\$ (82,081)</u>

The annual required contribution for the current year was determined as part of the December 31, 2012 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included (a) 5.00% investment rate of return (net of administrative expenses) and (b) projected salary increases of 4.25% to 7.85% per year. The inflation component was 3.0%. The assumptions did not include post-retirement benefit increases. The actuarial value of assets was determined using the market value of investments. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at December 31, 2012 was 18 years.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

3 Year Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2011	\$ 69,977	100.03%	\$(100,371)
2012	66,522	105.23%	(103,849)
2013	71,768	69.67%	(82,081)

4. Funded Status and Funding Progress

As of December 31 2012, the most recent actuarial valuation date, the plan was 35.05 percent funded. The actuarial accrued liability for benefits was \$783,621 and the actuarial value of assets was \$274,626, resulting in an unfunded actuarial accrued liability (UAAL) of \$508,995. The covered payroll (annual payroll of active employees covered by the plan) was \$2,107,834, and the ratio of the UAAL to the covered payroll was 24.15 percent. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liability for benefits.

c. Supplemental Retirement Income Plan for Law Enforcement Officers and Other Employees

Plan Description: The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of NCGS Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report 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 NCGS 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 3.5 percent of each employee's salary for permanent full-time employees not engaged in law enforcement, and all amounts contributed are vested immediately. Also, the law enforcement officers and other employees may make voluntary contributions to the plan. Contributions for the year ended June 30, 2013 were \$840,481, which consisted of \$560,533 from the County, \$43,361 from the law enforcement officers, and \$236,587 from other employees.

d. Registers of Deeds' Supplemental Pension Fund

Plan Description: Person County also contributes to the Registers of Deeds' Supplemental Pension Fund (Fund), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund 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 NCGS Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy: On a monthly basis, the County remits to the Department of State Treasurer an amount equal to one and one-half percent (1.5%) of the monthly receipts collected pursuant to Article 1 of NCGS 161. Immediately following January 1 of each year, the Department of State Treasurer divides ninety-three percent (93%) of the amount in the Fund at the end of the preceding calendar year into equal shares to be disbursed as monthly benefits. The remaining seven percent (7%) of the Fund's assets may be used by the State Treasurer in administering the Fund. For the fiscal year ended June 30, 2013, the County's required and actual contributions were \$3,300.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

e. Other Post Employment Benefits

Healthcare Benefits Plan (the HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least twenty years of creditable service with the County. The County provides a portion of the total cost for individual coverage for retirees based on the guidelines below:

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

Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership under this current plan consisted of the following at December 31, 2012, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	24	3
Active plan members	<u>349</u>	<u>47</u>
Total	373	50

Funding Policy: 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.

The current ARC rate is 3.34% of annual covered payroll. For the current year, the County contributed \$167,399 or 1.10% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a County resolution, for employees not engaged in law enforcement and for law enforcement officers represented 1.13% and .88% of covered payroll, respectively. The County's obligation to contribute to HCB Plan is established and may be amended by the County Board of Commissioners.

Summary of Significant Accounting Policies: Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation: The County's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the healthcare benefits:

Employer annual required contribution	\$ 510,008
Valuation Rate	4.00%
Interest on Net OPEB Obligation	49,907
Amortization Factor	26.1695
Adjustment to annual required contribution	<u>47,677</u>
Annual OPEB cost (expense)	\$ 512,238
Employer contributions made for fiscal year ending 6/30/2013	<u>167,399</u>
Increase (decrease) in net OPEB obligation	344,839
Net OPEB obligation beginning of fiscal year	<u>1,247,687</u>
Net OPEB obligation end of fiscal year	<u>\$ 1,592,526</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 were as follows:

<u>Fiscal</u> <u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2011	404,621	48.7%	943,006
2012	496,838	38.7%	1,247,687
2013	512,238	32.7%	1,592,526

Funded Status and Funding Process: As of December 31, 2012, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial accrued liability (UAAL) was \$4,802,340. The covered payroll (annual payroll of active employees covered by the plan) was \$15,256,889, and the ratio of the UAAL to the covered payroll was 31.5 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding process, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members at that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

In the December 31, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.00 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual medical cost trend increase of 8.50% to 5.00% annually. The investment rate included a 3.00% inflation assumption. The actuarial value of assets, in any, was determined using techniques that spread the effects of short-term volatility in the

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

market value of investments over a five year period. The UAAL is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at December 31, 2012, was 30 years.

f. 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. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions.

For the fiscal year ended June 30, 2013, the County did not make contributions to the State for death benefits.

The County also provides death benefits through a term life insurance policy from a private company in the amount \$10,000 to employees who are members of the LGERS. Employees have the option to purchase additional coverage for themselves and their spouse and dependents. The cost of coverage for those employees whose death benefit exceeds \$50,000 is a taxable fringe benefit.

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. Contributions are determined as a percentage of monthly payroll, based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. Because the benefit payments are made by the Death Benefit Plan and not by the Board, the Board does not determine the number of eligible participants.

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

On April 9, 1994, the Person County Sanitary Landfill ceased to accept municipal solid waste (MSW) for burial, began transferring to facilities outside the county and currently, contracts with a private company to accept its MSW for burial at a site within the County. State and federal laws and regulations require the County to place a final cover on the landfill when it stops accepting MSW and to perform certain maintenance and monitoring functions at the site for five years after closure. In 1994 the County accrued \$255,500 estimated for closure and postclosure care costs. The County incurred \$51,195 in post-closure care costs for the year ending June 30, 2013. The \$216,940 reported as Accrued Post-closure Care Costs in Note 3(E) represents the estimated costs remaining at June 30, 2013. 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
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4. Deferred Outflows and Inflows of Resources

The amount of deferred outflows of resources is a charge on refunding of debt of \$52,420.

	Unavailable Revenue	Unearned Revenue
Prepaid taxes not yet earned (General)	\$ -	\$ 60,931
Prepaid grant adjustment (General)		1,009
Taxes receivable, net (General)	1,211,953	-
Total	\$ 1,211,953	\$ 61,940

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. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$500 million for any one occurrence, general, auto, professional, and employment practices liability coverage of \$2 million per occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 per occurrence and workers' compensation coverage up to the statutory limits for county employees. The pools are audited annually by certified public accountants, and the audited financial statements are available to the County upon request. The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000 up to a \$2 million limit for liability coverage and a \$250,000 retention applies for property and auto physical damage.

The County has made the decision not to purchase flood insurance at this time because none of the property the County owns is located in a flood plain. Therefore the County does not deem the risk of flooding to outweigh the costs of insurance.

In accordance with G.S 159-29, the County's employees that have access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance and Tax Administrator (serving as official Tax Collector) are bonded individually for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

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 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 Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2013, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Operating Leases

The County leases certain offices, land, and buildings. Generally, these leases carry renewal provisions. Rent expense for operating leases was \$2,285,485 for the year ended 6/30/13. The County subleases office space to Duke University Health System. Sublease rental income for the year ended 6/30/13 was \$6,806.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

The following is a schedule of future minimum lease payments and future minimum rentals to be received under subleases required under these agreements as of June 30, 2013:

<u>Year Ending June 30</u>	<u>Future Minimum Lease Payments</u>	<u>Future Minimum Rentals Under Subleases</u>
2014	\$ 1,283,967	\$ 7,200
2015	1,195,091	2,400
2016	1,286,333	
2017	1,280,596	-
2018	1,264,574	-
2019-2023	6,569,472	-
2024-2028	2,620,045	-
Total	<u>\$ 15,500,078</u>	<u>\$ 2,400</u>

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

b. Installment Purchase

Re-roofing, Paving and Person High School Projects

On May 16, 2006, the County entered into an installment purchase contract with RBC Centura Bank to finance a portion of the cost of re-roofing, paving and repaving certain school, community college and other public facilities and re-floor the gymnasium and construct new tennis courts at Person High School. The financing contract requires 30 semi-annual payments ranging in amount from \$155,106 to \$243,948 beginning on December 1, 2006 and ending on June 1, 2021 including interest at 3.86%.

\$ 2,575,000

Person County 2007 Schools Bus Garage, Health Buildings Renovation and PCC Roofing Projects

On July 18, 2007, the County entered into an installment purchase contract with RBC Centura Bank to finance a portion of the cost of construction of a bus garage for the Person County Schools administrative unit, re-roofing two classroom building at Piedmont Community College and renovating, equipping and furnishing former Health Department buildings to provide space for other County departments. The financing contract requires 14 semi-annual payments ranging in amount from \$171,829 to \$492,534 beginning on November 1, 2007 and ending on May 1, 2014 including interest at 3.75%.

600,000

Person County 2008 Refinancing of 1999 Elementary School Construction, 2000 Elementary School Construction, and Law Enforcement Center Refinancing Projects

On May 15, 2008, the County entered into an installment purchase contract with BB&T to combine and refinance the previous debt held on the cost of construction to the elementary schools in 1999 and 2000, and the acquisition and construction on the law enforcement center and jail that was refinanced on June 26, 1991. The financing contract requires 14 semi-annual payments ranging in amount from \$961,774 to \$1,324,583 beginning on August 1, 2008 and ending on February 1, 2015 including interest at 3.55%.

4,485,000

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Notes to the Financial Statements
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Person County 2009 Equipment and Baler, Person Industries Fund

On January 28, 2009, the County entered into an installment purchase contract with BB&T to finance the purchase of equipment and a Baler. The agreement provides for BB&T to advance \$457,778 to the County to enable the County to acquire and install the equipment. The financing contract requires 5 annual payments of \$98,668 beginning December 1, 2009 and the last payment to be made November 1, 2013. The interest rate is 2.710%

96,273

Courthouse Renovation and Re-roofing Capital Project Fund

On July 15, 2010, the County entered into an installment purchase contract with RBC Centura Bank to finance the engineering and construction costs associated with the renovation of the Courthouse and some various re-roofing for certain school, community college and other public facilities. The financing contract requires 20 semi-annual payments ranging in amount from \$153,060 to \$470,380 beginning on February 1, 2011 and ending on August 1, 2020 including a taxable interest rate at 4.08%.

3,750,000

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

On September 20, 2012, the County entered into an installment purchase contract with BB&T to finance the engineering and construction costs associated with the re-roofing of Southern Middle School and Person High School facilities. The financing contract requires 15 semi-annual payments ranging in amount 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%.

3,028,120

Total Installment Purchases remaining balance

\$14,534,393

Future minimum lease payments for Installment Purchases:

	Principal	Interest
2014	\$ 3,685,109	\$ 522,599
2015	3,463,836	386,247
2016	1,258,836	280,330
2017	1,258,836	229,621
2018	933,836	182,539
Thereafter	3,933,940	516,859
Total principal payments	<u>\$ 14,534,393</u>	
Total interest payments		<u>\$ 2,118,195</u>

d. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. Principal and interest payments are appropriated when due. As of June 30, 2013, the County has no General Obligation debt.

At June 30, 2013, Person County had a legal debt margin of \$326,074,836.

e. Debt Related to Capital Activities

The County holds title to certain County Board of Education properties that have not 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. The properties are reflected as capital assets in the financial statements of the County Board of Education. Of the total Governmental Activities debt listed only \$4,162,664 relates to assets the County holds title. Restricted cash related to this debt amounts to \$1,935,953.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

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, 2013:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013	Current Portion of Balance
<i>Governmental activities:</i>					
Installment purchases	\$ 14,929,798	\$ 3,132,538	\$ (3,527,943)	\$ 14,534,393	\$ 3,655,109
Accrued post-closure care costs	166,376	101,759	(51,195)	216,940	50,000
Net OPEB obligation	1,247,687	344,839	-	1,592,526	-
Compensated absences	1,058,352	993,301	(975,855)	1,075,798	268,950
Total	<u>\$ 17,402,213</u>	<u>\$ 4,572,437</u>	<u>\$ 4,554,993</u>	<u>\$ 17,419,657</u>	<u>\$ 3,974,059</u>

Accrued post-closure care costs, the net OPEB obligation and compensated absences typically have been liquidated in the general fund. Compensated absences are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

C. Interfund Balances and Activity

Transfers to/from other fund at June 30, 2013, consist of the following:

From the General Fund to the Person Industries Community Rehabilitation and Recovery Facility Fund to provide resources and payments of ongoing program activities and material recover facility equipment and operations	\$ 594,675
From General Fund to Capital Improvement Fund for various capital projects approved in the County's CIP Plan.	2,102,482
From General Fund to Recreation and Senior Center for construction of a new recreation and senior center.	476,850
From General Fund to Old Helena School Improvement Fund for capital improvements and upgrades to the Old Helena School building.	28,000
From the General Fund to the Economic Catalyst Fund to supplement other funding sources.	400,000
From Capital Improvement Project Fund to Courthouse Renovations and Various roofing projects to cover expenses to supplement other funding sources.	176,655
From Capital Improvement Project Fund to Reroofing Schools fund to supplement other funding sources.	75,554
From Capital Improvement Project Fund to Recreation & Senior Center Project Fund to supplement other funding sources.	27,000
From the Courthouse Renovation Project Fund to the General Fund to repay borrowed funds.	40,000
Total	<u>\$ 3,921,216</u>

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

Balances due to/from other funds at June 30, 2013, consist of the following:

Due from the Person Industries Community Rehabilitation and Recovery Facility Fund to the General Fund for expenses and capital equipment debt associated with the startup of the Material Recovery Facility operated by Person Industries	\$ 479,244
Due from the Reroofing Schools Fund to the General Fund to supplement cash until escrow funds are received	1,120,167
Total	<u>\$ 1,599,411</u>

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

D. Fund Balance

As mentioned earlier in Note E.10., 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 budgeted expenditures. Any portion of the General Fund balance in excess of 21% of budgeted expenditures may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

The following schedule provides management and citizens with information on the portion of General fund balance that is available for appropriation:

Total fund balance-General Fund	\$19,019,442
Less:	
Prepays	99,956
Stabilization by State Statute	5,048,724
Appropriated Fund Balance in 2014 budget	3,142,574
Pay for Performance Program	469,283
Register of Deeds	45,827
Public Safety	133,005
Tax Reappraisal	143,466
Working Capital/ Unassigned Fund Balance	9,936,607
Remaining Fund Balance	-

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

<i>Encumbrances</i>	<i>General Fund</i>	<i>Economic Catalyst Fund</i>	<i>Non-Major Funds</i>
	\$ 63,584	\$ -	\$ -

III. Joint Ventures

The County also participates in a joint venture to operate the Hyconeechee Regional Library (Library) with two other local governments. Each participating government appoints three board members to the nine-member board of the Library, one of whom must be a member of the County's Board of Commissioners. The County has an ongoing financial responsibility for the joint venture because the Library's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Library, so no equity interest has been reflected in the financial statements at June 30, 2013. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$314,583 to the Library to supplement its activities. Complete financial statements for the Library may be obtained from the Library's offices at 300 West Tryon Street, Hillsborough, NC 27278.

The County, in conjunction with the State of North Carolina and the Person County Board of Education, participates in a joint venture to operate the Piedmont Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government association serves as a non-voting, ex office member of the board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

facilities of the community college and also provides some financial support for the community college's operations.

In addition to providing annual appropriations for facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$1,021,533 to the community college for operating purposes during the fiscal year ended June 30, 2013. 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, 2013. Complete financial statements for the community college may be obtained from the community college's administrative offices at 1715 College Drive, Roxboro, NC 27573.

On April 1, 2012 the NC Division of Health and Human Services (DHHS) transferred management of all Medicaid and state funding for Mental Health, Intellectual/Developmental Disabilities, and Substance Abuse from Orange-Person-Chatham (OPC) Local Management Entity to Piedmont Behavioral Health (PBH), a Managed Care Organization. OPC transitioned into a Community Operations Center (COC) in the PBH system. PBH recently changed its name to Cardinal Innovations Health Care Solutions. Person County, in conjunction with Orange and Chatham Counties, contributes to Cardinal Innovations for Mental Health, Intellectual/Developmental Disabilities and Substance Abuse services to individuals in the Orange-Person-Chatham catchment area. Each participating government appoints representation on the Orange-Person-Chatham County Oversight Board. Orange-Person-Chatham also has representation on the Board of Directors of Cardinal Innovations. Person County contributed \$516,688 to Cardinal Innovations for the year ended June 30, 2013. Complete financial statements for Cardinal Innovations Health Care Solutions may be obtained from their administrative offices located at 4855 Milestone Avenue, Kannapolis, NC 28081.

IV. JOINTLY GOVERNED ORGANIZATIONS

The County, in conjunction with four other counties and fifteen municipalities, established the Kerr-Tar Regional Council of Governments (KTRCOG). The participating governments established the KTRCOG to coordinate joint planning and joint ventures. Each county appoints two members to the Council's thirty-two member governing board. The County paid membership fees of \$14,929 and a special assessment of \$42,232 to the KTRCOG during the fiscal year ended June 30, 2013. The County was the subrecipient of grants for \$366,945 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources and \$8,753 from the U.S. Department of Agriculture which were passed through the KTRCOG.

The County, in conjunction with fourteen other counties, is a member of the Multi-County Water Conservation and Infrastructure District. The District is a public authority established under NCGS 158-15.1. Each member county appoints one person to serve on the Multi-County Water Commission, the governing body of the District. All monies received by the State of North Carolina for sale of water under the Roanoke River Basin Compact, if enacted, shall be paid to the District. Net revenues of the District are distributed to the member counties according to the following formula: 1) one-half pro-rata based on population and 2) one-half pro-rata based on land area. Person County received no funds from the District for fiscal year ended June 30, 2013. Member counties may use these funds for infrastructure and economic development and water conservation. Person County serves as trustee for all funds belonging to the District. The District did not have assets, liabilities, revenues or expenditures for the year ended June 30, 2013.

As of June 30, 2013, no sales of water have occurred and all monies received originally from the State of North Carolina have been distributed to member counties.

Person County provides support in the form of appropriations and pass-through grants from the State of North Carolina and the KTRCOG to the Person County Senior Center (PCSC), which is currently operated by Kerr-Tar whose intention it is of creating a non-profit for use by the counties within the region. The Senior Center provides services to senior citizens in Person County. The PCSC also receives support from the United Way, donations from the general public and program service fees. The organization leases its facilities from the City of Roxboro. For the year ended June 30, 2013, the County appropriated from its general fund revenues, its Rural Operating Assistance

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

Program Grant Funds, Home and Community Care grant funds, and the US Dept of Agriculture funds in the amounts of \$100,000; \$16,828; \$289,575 and \$7,982, respectively.

The Person County Business and Industrial Center, Inc. ("PCBIC") is a nonprofit organization created to promote business and industrial development in Person County. The governing board of the organization consists of the members of the board of directors of the Person County Economic Development Commission. There were no expenditures in the year ended June 30, 2013 due to the County having a full-time Economic Development Director on staff.

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

VI. Additional Social Services and Health Department 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 which do not appear in the general purpose financial statements because they are not revenues and expenditures of the County.

	Federal	State
Temporary Assistance to Needy Families	\$ 319,587	\$ (173)
Independent Living Transitional	7,558	-
CWS Adoption Subsidy.....	-	70,720
IV-E Foster Care	207,529	61,162
IV-E Adoption Subsidy.....	145,003	38,734
Medical Assistance Program	35,005,928	19,783,116
Women, Infants and Children.....	786,026	-
SC/SA Adult Care Payments.....	-	520,365
State Foster Care	-	31,116
SFHS Maximization.....	-	31,565
F/C at Risk Maximization	-	1,599
Total	\$ 36,471,631	\$ 20,538,204

VII. 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 monies 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 monies.

VIII. Significant Effects of Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2013 and December 12, 2013, which is the date the financial statements were available to be issued, for possible recognition or disclosure in the financial statements. There were no events that occurred during this time that were deemed to be significant enough to be disclosed.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2013

IX. Restatement of Beginning Net Position

During the 12-13 audit, various items were found that had not been booked in the past appropriately. These items involved land deeded to the County and a note receivable related to a direct-financing lease. These items are material to the financial statements so it was deemed necessary to book an adjustment that would cause a restatement of beginning net position and beginning fund balance.

The beginning balance would have changed as follows:

	Governmental Activities Net Position
Balance, July 1, 2012	\$ 33,566,540
Change due to:	
Land deeded to County in 1985	44,081
Note receivable for direct-financing lease	492,760
Principal payments on note receivable	(40,748)
Balance, July 1, 2012, as restated	\$ 34,062,633

X. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement 65, *Items Previously reported as Assets and Liabilities* in the fiscal year ending June 30, 2013. In accordance with GASB Statement 63, the Statement of Net Assets has been replaced with the Statement of Net Position. Items on the Statement of Net Position are now classified into Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position. Additionally, GASB Statement 65 requires that deferred costs from the refunding of debt, which were previously deferred and amortized, be presented as deferred outflows of resources. Bond issuance costs, which were previously deferred and amortized must be included in current expenditures. Previously deferred bond issuance costs totaling \$89,429 were recognized as an expenditure in the current year. As a result, beginning net position decreased from \$34,062,633 to \$33,973,204.

Required Supplemental Information

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

- ◆ Schedule of Funding Progress for the Law Enforcement Officers' Special Separation Allowance
- ◆ Schedule of Employer Contributions for the Law Enforcement Officers' Special Separation Allowance
- ◆ Notes to the Required Supplementary Schedules for the Law Enforcement Officers' Special Separation Allowance
- ◆ Schedule of Funding Progress for the Other Postemployment Benefits
- ◆ Schedule of Employer Contributions for the Other Postemployment Benefits
- ◆ Notes to the Required Schedules for the Other Postemployment Benefits

Person County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplemental Information
Schedule of Funding Progress

Exhibit A-1

<u>Actuarial Valuation as of December 31</u>	<u>Actuarial Value of Assets (A)</u>	<u>Actuarial Accrued Liability (AAL)- Proj Unit Credit (B)</u>	<u>Unfunded AAL (UAAL) (B-A)</u>	<u>Funded Ratio (A/B)</u>	<u>Covered Payroll for Year Ending On Val Date (C)</u>	<u>UAAL as a Percentage of Covered Payroll ((B-A)/C)</u>
2003	\$ 124,934	\$ 339,450	\$ 214,516	36.80 %	\$ 1,193,652	17.97 %
2004	138,456	335,566	197,110	41.26	1,223,127	16.12
2005	205,809	261,091	55,282	78.83	1,298,404	4.26
2006	192,776	492,782	300,006	39.12	1,423,151	21.08
2007	216,183	548,720	332,537	39.40	1,579,837	21.05
2008	225,580	589,576	363,996	38.26	1,752,282	20.77
2009	225,004	748,204	523,200	30.07	1,832,854	28.55
2010	225,951	682,155	456,204	33.12	1,930,713	23.63
2011	254,267	726,955	472,688	34.98	2,019,540	23.41
2012	274,626	783,621	508,995	35.05	2,107,834	24.15

**Person County, North Carolina
 Law Enforcement Officers' Special Separation Allowance
 Required Supplemental Information
 Schedule of Employer Contributions**

Exhibit A-2

Last six years ended June 30, 2013

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 39,725	101 %
2009	45,307	155
2010	49,566	141
2011	69,622	101
2012	65,553	107
2013	70,497	71

Notes to Required Supplemental Schedules:

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay closed
Remaining amortization period	18 years
Asset valuation method	Market value
Actuarial assumptions:	
Investment rate of return	5.00%
Projected salary increases	4.25% to 7.85%
Includes inflation at	3.00%
Cost of living adjustments	N/A

Person County, North Carolina
Other Postemployment Benefits
Required Supplemental Information
Schedule of Funding Progress

Exhibit A-3

Actuarial Valuation as of December 31	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL)- Proj Unit Credit (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll for Year Ending On Val Date (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
2007	\$ -	\$ 6,030,118	\$ 6,030,118	0.00 %	\$ 14,681,541	41.07 %
2008	-	4,956,591	4,956,591	0.00	14,932,925	33.19
2009	-	4,289,472	4,289,472	0.00	14,676,505	29.23
2010	-	5,382,287	5,382,287	0.00	14,477,970	37.18
2012	-	4,802,340	4,802,340	0.00	15,256,889	31.48

**Person County, North Carolina
 Other Postemployment Benefits
 Required Supplemental Information
 Schedule of Employer Contributions**

Exhibit A-4

<u>Fiscal Year</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
2008	\$ 571,997	16 %
2009	475,334	23
2010	403,306	27
2011	495,153	25
2012	495,153	39
2013	510,008	33

Notes to Required Supplemental Schedules:

The information presented in the required supplementary schedules was determined as a part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	December 31, 2012
Actuarial cost method	Projected unit credit
Amortization method	Level percent of pay, open
Remaining amortization period	30 years
Asset valuation method	Market value of assets
Actuarial assumptions:	
Investment rate of return	4.0%
Medical cost trend rate	8.5% to 5.0%
Year of ultimate trend rate	2018
Includes inflation at	3.00%

Supplemental Information

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

Major Governmental Funds

Major Governmental Funds

General Fund

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

Special Revenue Fund

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

- ◆ **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.

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
REVENUES				
<u>Ad valorem taxes</u>				
Current year levy	\$ 27,092,100	\$ 27,092,100	\$ 27,874,285	\$ 782,185
Prior year levy	654,750	654,750	601,220	(53,530)
Penalties and interest	180,000	180,000	190,206	10,206
Advertising	52,000	52,000	57,622	5,622
Total ad valorem taxes	27,978,850	27,978,850	28,723,333	744,483
<u>Local option sales taxes</u>				
Article 39 one per cent	2,935,000	2,935,000	2,931,870	(3,130)
Article 40 one-half per cent	1,653,655	1,653,655	1,704,329	50,674
Article 42 one-half per cent	1,446,870	1,446,870	1,452,127	5,257
Article 44 one-half per cent	-	-	3,726	3,726
Total local option sales taxes	6,035,525	6,035,525	6,092,052	56,527
<u>Other taxes</u>				
Deed stamp excise tax	75,000	75,000	78,260	3,260
Occupancy tax	170,000	179,271	185,621	6,350
Gross receipts tax	12,500	12,500	13,926	1,426
Animal taxes	17,000	17,000	16,627	(373)
Privilege licenses tax	2,500	2,500	2,375	(125)
Total other taxes	277,000	286,271	296,809	10,538
<u>Fees</u>				
Franchise fees	13,000	13,000	-	(13,000)
Planning and zoning fees	17,000	18,185	35,193	17,008
Register of Deeds fees	176,800	176,800	185,841	9,041
Inspection fees	177,000	177,000	202,984	25,984
Total fees	383,800	384,985	424,018	39,033
<u>Intergovernmental revenues</u>				
State and Federal Funds				
Public Health Services	773,511	814,511	800,158	(14,353)
Environmental Health Services	4,000	9,193	4,000	(5,193)
Social Services	5,649,807	5,747,069	5,234,152	(512,917)
Home and Community Care	319,817	319,817	337,893	18,076
Elderly and handicapped transportation	10,000	16,828	16,828	-
Community Alternatives	169,976	174,976	175,436	460
Beer and Wine Tax	132,000	132,000	126,583	(5,417)
Video Programming	70,000	70,000	69,836	(164)
Disposal taxes and grants	48,000	3,000	-	(3,000)
DWI Revenues	3,500	3,500	3,451	(49)
Court Facilities fees	55,000	55,000	49,606	(5,394)
Sheriff's Grants	-	8,166	5,796	(2,370)
Inmate cost reimbursement	4,000	63,920	81,120	17,200
Federal Inmate cost reimbursement	4,000	8,777	9,635	858
Drug Enforcement-Related Revenues	80,000	99,127	118,513	19,386
Emergency Management	25,000	30,000	28,064	(1,936)
Elections Grants	-	11,931	11,930	(1)

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Federal Interest Subsidy	221,763	221,763	101,561	(120,202)
Lottery Proceeds	-	2,000,000	1,533,360	(466,640)
Library Grants	90,000	115,818	115,814	(4)
Soil and Water Conservation	27,145	27,145	28,005	860
Transportation Grant	337,717	403,382	293,208	(110,174)
Veterans Services	1,000	1,452	1,452	-
Subtotal State and Federal funds	8,026,236	10,337,375	9,146,401	(1,190,974)
Local Funds				
Parks and Recreation	20,000	20,000	20,500	500
E-911 City Participation	80,000	80,000	63,396	(16,604)
Subtotal Local funds	100,000	100,000	83,896	(16,104)
Total Intergovernmental revenues	8,126,236	10,437,375	9,230,297	(1,207,078)
<u>Investment income</u>	15,000	15,000	13,740	(1,260)
<u>Charges for services</u>				
Sheriff and Jail fees	159,000	198,491	221,926	23,435
School Resource Officer Contract	103,702	103,702	100,677	(3,025)
ABC Officer Contract	28,000	28,000	28,000	-
PCC Officer Contract	60,000	60,000	60,000	-
Solid waste and recycling fees	507,065	507,065	499,633	(7,432)
EMS fees	1,333,000	1,387,888	1,100,457	(287,431)
Animal fees	15,500	25,948	27,150	1,202
Cooperative Extension Fees	8,800	11,114	6,956	(4,158)
Library fines and fees	21,000	23,597	24,954	1,357
Recreation fees	275,000	284,993	287,445	2,452
Map fees	850	850	690	(160)
GIS fees	700	700	606	(94)
Inspection services to other governments	25,000	25,000	25,000	-
IT services to other governments	54,484	54,484	45,000	(9,484)
Transportation Services	343,279	343,279	301,221	(42,058)
Tax Collection Fees	59,000	59,000	62,775	3,775
Arts Council Reimbursement	34,900	34,900	37,764	2,864
Health fees	2,297,875	3,205,659	2,922,583	(283,076)
Environmental Health fees	100,000	100,000	107,485	7,485
DSS Fees	1,000	1,000	395	(605)
Total charges for services	5,428,155	6,455,670	5,860,717	(594,953)
<u>Other revenues</u>				
Rents and leases	87,068	87,068	112,299	25,231
ABC Board distributions	185,000	185,000	177,643	(7,357)
Miscellaneous	28,450	174,161	231,949	57,788
Donations	31,000	53,078	51,606	(1,472)
Total other revenues	331,518	499,307	573,497	74,190
Total general revenues	48,576,084	52,092,983	51,214,463	(878,520)

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
EXPENDITURES				
<u>General government</u>				
Governing Body				
Personnel expenses			74,499	
Operating expenses			78,847	
ABC profits to City of Roxboro			47,482	
Total	215,632	221,761	200,828	20,933
Administration				
Personnel expenses			302,024	
Operating expenses			14,876	
Capital outlay			1,224	
Total	323,652	326,868	318,124	8,744
Information Technology				
Personnel expenses			332,578	
Operating expenses			203,018	
Capital outlay			19,034	
Total	536,265	613,742	554,630	59,112
Human Resources				
Personnel expenses			195,900	
Operating expenses			269,116	
Capital outlay			1,252	
Total	387,649	565,339	466,268	99,071
Fleet Sales Management				
Operating expenses			20,129	
Total	10,000	43,782	20,129	23,653
Elections				
Personnel expenses			128,675	
Operating expenses			72,439	
Capital outlay			2,115	
Total	197,987	210,218	203,229	6,989
Finance				
Personnel expenses			320,254	
Operating expenses			76,547	
Total	398,339	398,459	396,801	1,658
Tax Administration				
Personnel expenses			592,539	
Operating expenses			134,614	
Total	759,859	773,888	727,153	46,735
Legal				
Personnel expenses			52,410	
Operating expenses			3,498	
Total	62,992	62,992	55,908	7,084
Register of Deeds				
Personnel expenses			218,770	
Operating expenses			51,250	
Total	296,102	296,102	270,020	26,082
Courts				
Operating expenses	2,000	2,000	1,589	411

General Fund

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
General Services				
Personnel expenses			720,907	
Operating expenses			1,155,524	
Capital outlay			8,550	
Total	1,995,253	2,114,192	1,884,981	229,211
Total general government	5,185,730	5,629,343	5,099,660	529,683
<u>Public Safety</u>				
Sheriff				
Personnel expenses			2,877,274	
Operating expenses			424,466	
Capital outlay			205,020	
Total	3,524,698	3,688,041	3,506,760	181,281
Jail				
Personnel expenses			1,528,465	
Operating expenses			952,675	
Capital outlay			10,704	
Total	2,365,414	2,556,832	2,491,844	64,988
Judicial				
Personnel expenses			328,171	
Operating expenses			5,435	
Total	337,619	339,665	333,606	6,059
JCPC Administration				
Operating expenses	1,000	5,428	5,428	-
Roots & Wings				
Operating expenses	10,000	15,000	15,000	-
Central Children's Home				
Operating expenses	5,522	9,194	6,570	2,624
Youth and Community Development				
Personnel expenses			114,669	
Operating expenses			23,850	
Capital outlay			6,255	
Total	154,413	147,999	144,774	3,225
Very Important Parents				
Personnel expenses			59,156	
Operating expenses			4,629	
Total	67,746	68,359	63,785	4,574

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
Emergency Management				
Personnel expenses			75,583	
Operating expenses			2,172	
Total	80,900	84,910	77,755	7,155
Fire and Rescue				
Personnel expenses			60,099	
Operating expenses			20,228	
VFD annual appropriation			836,621	
Total	929,527	930,012	916,948	13,064
Ambulance Service				
Personnel expenses			1,929,356	
Operating expenses			261,372	
Capital outlay			266,727	
Total	2,351,632	2,481,469	2,457,455	24,014
Code Enforcement				
Personnel expenses			372,359	
Operating expenses			27,252	
Total	404,384	418,462	399,611	18,851
Emergency Communications				
Personnel expenses			618,163	
Operating expenses			30,974	
Capital outlay			6,671	
Total	707,851	707,851	655,808	52,043
Medical Examiner	20,000	20,000	13,300	6,700
Animal Control				
Personnel expenses			227,890	
Operating expenses			72,024	
Capital outlay			(55)	
Total	280,703	327,906	299,859	28,047
Total public safety	11,241,409	11,801,128	11,388,503	412,625
<u>Transportation</u>				
Airport Operations				
Operating expenses			30,047	
Total	54,650	54,650	30,047	24,603
Public Transportation				
Personnel expenses			527,687	
Operating expenses			241,743	
Capital outlay			76,978	
Total	959,113	1,075,155	846,408	228,747
Total transportation	1,013,763	1,129,805	876,455	253,350

General Fund

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
<u>Human Services</u>				
Public Health				
Personnel expenses			2,468,923	
Operating expenses			1,974,352	
Total	4,073,593	5,037,138	4,443,275	593,863
Environmental Health				
Personnel expenses			302,539	
Operating expenses			30,539	
Total	341,646	356,955	333,078	23,877
Mental Health				
Operating expenses	517,003	517,003	516,688	315
Social Services				
Personnel expenses			4,118,567	
Operating expenses			934,152	
Capital outlay			1,826	
Public assistance			3,201,227	
Total	9,205,629	9,342,645	8,255,772	1,086,873
Veterans Services				
Personnel expenses			14,826	
Operating expenses			1,339	
Total	16,388	16,840	16,165	675
Special Appropriations				
Council on Aging			414,385	
Drug Court			29,668	
Group Home			4,258	
Total	479,817	486,645	448,311	38,334
Total human services	14,634,076	15,757,226	14,013,289	1,743,937
<u>Education</u>				
Public Schools				
Current expense			9,038,798	
Capital outlay			1,708,225	
Terrell Fund			17,862	
Total	9,321,748	11,339,748	10,764,885	574,863
Community College				
Operating expenses			1,021,533	
Capital outlay			60,758	
Total	1,084,033	1,084,033	1,082,291	1,742
Total education	10,405,781	12,423,781	11,847,176	576,605

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
<u>Environmental Protection</u>				
Operating expenses			51,195	
Total	81,500	76,877	51,195	25,682
Soil Conservation				
Personnel expenses			80,613	
Operating expenses			6,083	
Total	86,334	99,558	86,696	12,862
Total environmental protection	167,834	176,435	137,891	38,544
<u>Economic and Physical Development</u>				
Economic Development				
Personnel expenses			78,286	
Operating expenses			187,459	
Total	279,607	288,878	265,745	23,133
Special Appropriations				
Roxboro Development Group	20,000	20,000	240	19,760
Planning and Zoning				
Personnel expenses			100,092	
Operating expenses			4,613	
Total	131,799	132,984	104,705	28,279
GIS				
Personnel expenses			93,275	
Operating expenses			13,267	
Total	125,630	125,630	106,542	19,088
Cooperative Extension Service				
Personnel expenses			177,431	
Operating expenses			68,039	
Capital outlay			25,010	
Total	275,132	294,618	270,480	24,138
Forestry Services				
Operating expenses	77,564	77,564	76,332	1,232
Total economic and physical development	909,732	939,674	824,044	115,630
<u>Cultural and Recreational</u>				
Library				
Personnel expenses			362,858	
Operating expenses			119,818	
Total	475,269	505,971	482,676	23,295
Recreation, Arts and Parks				
Personnel expenses			680,417	
Operating expenses			310,082	
Capital outlay			1,252	
Total	988,106	1,039,180	991,751	47,429
Total cultural and recreational	1,463,375	1,545,151	1,474,427	70,724

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Amended Budget	Actual	
<u>Debt Service</u>				
Principal-installment financing	3,538,836	3,534,163	3,434,418	99,745
Interest and fees-installment financing	690,635	690,635	570,432	120,203
Total debt service	4,229,471	4,224,798	4,004,850	219,948
<u>Contingency</u>	351,508	66,850	-	66,850
Total expenditures	49,602,679	53,694,191	49,666,295	4,027,896
Revenues over (under) expenditures	(1,026,595)	(1,601,208)	1,548,168	3,149,376
OTHER FINANCING SOURCES (USES)				
Transfers in				
Capital project funds	-	40,000	40,000	-
Transfers out				
Reappraisal fund	(182,500)	(182,500)	(182,500)	-
Stormwater fund	(231,755)	(231,755)	(231,755)	-
Special revenue funds	(978,905)	(994,675)	(994,675)	-
Capital project funds	(2,102,482)	(2,607,332)	(2,607,332)	-
Sale of capital assets	5,000	28,225	39,976	11,751
Total other financing sources (uses)	(3,490,642)	(3,948,037)	(3,936,286)	11,751
Revenues and other financing sources over (under) expenditures and other financing uses	(4,517,237)	(5,549,245)	(2,388,118)	3,161,127
<u>Fund balance appropriated</u>	4,517,237	5,549,245	-	(5,549,245)
Revenues, other sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	\$ -	(2,388,118)	\$ (2,388,118)
Fund balance beginning of year			21,258,819	
Fund balance end of year			<u>\$ 18,870,701</u>	

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

Exhibit B-2

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment earnings	\$ -	\$ -	\$ 88	\$ (88)
EXPENDITURES				
General Government				
Operating expenses	182,500	182,500	128,116	54,384
Total expenditures	182,500	182,500	128,116	54,384
Excess (deficiency) of revenues over expenditures	(182,500)	(182,500)	(128,028)	54,472
OTHER FINANCING SOURCES				
Transfers in				
General Fund	182,500	182,500	182,500	-
Total other financing sources (uses)	182,500	182,500	182,500	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	54,472	\$ 54,472
Fund balance beginning of year			88,994	
Fund balance end of year			\$ 143,466	

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

Exhibit B-3

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ -
EXPENDITURES				
Environmental Protection				
Operating expenses	231,755	231,755	226,480	5,275
Total expenditures	231,755	231,755	226,480	5,275
Excess (deficiency) of revenues over expenditures	(231,755)	(231,755)	(226,480)	5,275
OTHER FINANCING SOURCES				
Transfers in				
General Fund	231,755	231,755	231,755	-
Total other financing sources (uses)	231,755	231,755	231,755	-
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ -	5,275	\$ 5,275
Fund balance beginning of year			-	
Fund balance end of year			\$ 5,275	

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.

- ◆ **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.
- ◆ **Person Industries Community Rehabilitation Program and Material Recovery Facility Fund:** accounts for revenues and expenditures generated from Person Industries, a community rehabilitation program and a newly formed Material Recovery Facility operated by program workers associated with the Person Industries Community Rehabilitation Program. (Not included in this section since it exceeded the limits that categorizes it as a Major Fund. This is not a Capital Project, and therefore all associated financial statements are included in the Basic Financial Statements Section.)
- ◆ **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.
- ◆ **Mattie Maude Williams Library Development Fund:** accounts for assets held for the sole use of the Person County Public Library under the direction of the will of the late Mattie Maude Williams of Person County.

Capital Projects Funds

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

- ◆ **Airport Capital Projects Fund:** accounts for revenues and expenditures relative to the construction projects of Person County Executive Airport.
- ◆ **Capital Improvement Projects Fund:** accounts for revenues and expenditures relative to capital improvement projects for the County, Schools and Community College.
- ◆ **Courthouse Renovation and Various Roofing Capital Projects Fund:** accounts for revenues and expenditures relative to the renovation of the courthouse and replacement of various roofing projects for the County, Schools, and Community College.
- ◆ **Reroofing Schools Fund:** accounts for revenues, debt proceeds, and expenditures relative to the replacement of various roofing projects for the Schools and Community College.
- ◆ **Recreation & Senior Center:** accounts for revenues, debt proceeds, and expenditures relative to the development of a combined recreation and senior center facility.
- ◆ **Old Helena School Improvement Fund:** accounts for revenues and expenditures related to the renovation of the Old Helena School.

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

June 30, 2013

	Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	Emergency Telephone System Fund	Revolving Loan Fund	Water and Sewer Construction Reserve Fund	Mattie Maude Williams Library Development Trust Fund		
ASSETS							
Cash and cash equivalents	\$ 685,359	\$ 96,437	\$ 181,266	\$ 146,843	\$ 84,793	\$ 1,194,698	
Restricted cash	-	-	-	-	-	-	
Accounts receivable, net	235,481	-	-	-	1,575	237,056	
Total assets	<u>\$ 920,840</u>	<u>\$ 96,437</u>	<u>\$ 181,266</u>	<u>\$ 146,843</u>	<u>\$ 86,368</u>	<u>\$ 1,431,754</u>	
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 19,012	\$ 36,142	\$ -	\$ -	\$ 158	\$ 55,312	
Due to other funds	479,244	-	-	-	-	479,244	
Total liabilities	498,256	36,142	-	-	158	534,556	
Fund balances:							
Restricted:							
Stabilization by State Statute	235,481	-	-	-	1,575	237,056	
Education	-	-	-	-	-	-	
Public safety	-	60,295	-	-	-	60,295	
Culture and recreation	-	-	-	-	84,635	84,635	
Environmental protection	23,548	-	-	-	-	23,548	
Human services	111,330	-	-	-	-	111,330	
Capital projects	-	-	-	-	-	-	
Committed:							
Economic development	-	-	181,266	-	-	181,266	
Environmental protection	-	-	-	146,843	-	146,843	
Capital projects	-	-	-	-	-	-	
Assigned:							
Pay for performance program	39,441	-	-	-	-	39,441	
Subsequent year's expenditures	12,784	-	-	-	-	12,784	
Total fund balances	422,584	60,295	181,266	146,843	86,210	897,198	
Total liabilities and fund balances	<u>\$ 920,840</u>	<u>\$ 96,437</u>	<u>\$ 181,266</u>	<u>\$ 146,843</u>	<u>\$ 86,368</u>	<u>\$ 1,431,754</u>	

Capital Project Funds

Airport Capital Projects Fund	Capital Improvement Projects Fund	Courthouse Renovations and Various Roofing Capital Projects Fund	Reroofing Schools Fund	Recreation & Senior Center Project Fund	Old Helena School Improvement Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 74,031	\$ 2,314,903	\$ 6,970	\$ 1,198,042	\$ 397,120	\$ 18,000	\$ 4,009,066	\$ 5,203,764
-	-	-	1,935,953	-	-	1,935,953	1,935,953
33,413	-	-	-	-	-	33,413	270,469
<u>\$ 107,444</u>	<u>\$ 2,314,903</u>	<u>\$ 6,970</u>	<u>\$ 3,133,995</u>	<u>\$ 397,120</u>	<u>\$ 18,000</u>	<u>\$ 5,978,432</u>	<u>\$ 7,410,186</u>
\$ -	\$ 68,702	\$ -	\$ 864	\$ -	\$ -	\$ 69,566	\$ 124,878
-	-	-	1,120,167	-	-	1,120,167	1,599,411
-	68,702	-	1,121,031	-	-	1,189,733	1,724,289
33,413	-	-	-	-	-	33,413	270,469
-	-	-	2,012,964	-	-	2,012,964	2,012,964
-	-	-	-	-	-	-	60,295
-	-	-	-	-	-	-	84,635
-	-	-	-	-	-	-	23,548
-	-	-	-	-	-	-	111,330
74,031	-	6,970	-	-	18,000	99,001	99,001
-	-	-	-	-	-	-	181,266
-	-	-	-	-	-	-	146,843
-	2,246,201	-	-	397,120	-	2,643,321	2,643,321
-	-	-	-	-	-	-	39,441
-	-	-	-	-	-	-	12,784
<u>107,444</u>	<u>2,246,201</u>	<u>6,970</u>	<u>2,012,964</u>	<u>397,120</u>	<u>18,000</u>	<u>4,788,699</u>	<u>5,685,897</u>
<u>\$ 107,444</u>	<u>\$ 2,314,903</u>	<u>\$ 6,970</u>	<u>\$ 3,133,995</u>	<u>\$ 397,120</u>	<u>\$ 18,000</u>	<u>\$ 5,978,432</u>	<u>\$ 7,410,186</u>

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

For the fiscal year ended June 30, 2013

	Person Industries Community Rehabilitation Program and Material Recovery	Special Revenue Funds				Total Nonmajor Special Revenue Funds
		Emergency Telephone System Fund	Revolving Loan Fund	Water and Sewer Construction Reserve Fund	Mattie Maude Williams Library Development Trust Fund	
REVENUES						
Restricted intergovernmental	\$ 710,364	\$ 424,348	\$ -	\$ 38,395	\$ -	\$ 1,173,107
Investment earnings	619	30	146	85	65	945
Charges for services	1,183,832	-	-	-	-	1,183,832
Other revenues	7,889	-	-	-	7,975	15,864
Total revenues	<u>1,902,704</u>	<u>424,378</u>	<u>146</u>	<u>38,480</u>	<u>8,040</u>	<u>2,373,748</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	2,198	2,198
Public safety	-	418,114	-	-	-	418,114
Human services	1,936,385	-	-	-	-	1,936,385
Environmental protection	659,481	-	-	-	-	659,481
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Principal	93,525	-	-	-	-	93,525
Interest and other charges	5,144	-	-	-	-	5,144
Total expenditures	<u>2,694,535</u>	<u>418,114</u>	<u>-</u>	<u>-</u>	<u>2,198</u>	<u>3,114,847</u>
Excess (deficiency) of revenues over expenditures	<u>(791,831)</u>	<u>6,264</u>	<u>146</u>	<u>38,480</u>	<u>5,842</u>	<u>(741,099)</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	594,675	-	-	-	-	594,675
Transfers to other funds	-	-	-	-	-	-
Installment purchase obligations issued	-	-	-	-	-	-
Total other financing sources and uses	<u>594,675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>594,675</u>
Net change in funds balances	(197,156)	6,264	146	38,480	5,842	(146,424)
Fund balances - beginning	619,740	54,031	181,120	108,363	80,368	1,043,622
Fund balances - ending	<u>\$ 422,584</u>	<u>\$ 60,295</u>	<u>\$ 181,266</u>	<u>\$ 146,843</u>	<u>\$ 86,210</u>	<u>\$ 897,198</u>

Capital Project Funds

Airport Capital Projects Fund	Capital Improvement Projects Fund	Courthouse Renovations and Various Roofing Capital Projects Fund	Reroofing Schools Fund	Recreation & Senior Center Project Fund	Old Helena School Improvement Fund	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
\$ 454,726 (14,791)	\$ - 2,135	\$ - 469	\$ - 1,457	\$ - 250	\$ - -	\$ 454,726 (10,480)	\$ 1,627,833 (9,535)
-	-	-	-	-	-	-	1,183,832
-	3,373	-	-	-	-	3,373	19,237
<u>439,935</u>	<u>5,508</u>	<u>469</u>	<u>1,457</u>	<u>250</u>	<u>-</u>	<u>447,619</u>	<u>2,821,367</u>
-	-	272,097	-	-	-	272,097	274,295
-	-	-	-	-	-	-	418,114
-	-	-	-	-	-	-	1,936,385
-	-	-	-	-	-	-	659,481
-	-	-	1,196,585	-	-	1,196,585	1,196,585
495,516	1,150,480	-	-	106,980	10,000	1,762,976	1,762,976
-	-	-	-	-	-	-	93,525
-	-	-	-	-	-	-	5,144
<u>495,516</u>	<u>1,150,480</u>	<u>272,097</u>	<u>1,196,585</u>	<u>106,980</u>	<u>10,000</u>	<u>3,231,658</u>	<u>6,346,505</u>
<u>(55,581)</u>	<u>(1,144,972)</u>	<u>(271,628)</u>	<u>(1,195,128)</u>	<u>(106,730)</u>	<u>(10,000)</u>	<u>(2,784,039)</u>	<u>(3,525,138)</u>
-	2,102,482	176,655	75,554	503,850	28,000	2,886,541	3,481,216
-	(279,209)	(40,000)	-	-	-	(319,209)	(319,209)
-	-	-	3,132,538	-	-	3,132,538	3,132,538
-	1,823,273	136,655	3,208,092	503,850	28,000	5,699,870	6,294,545
(55,581)	678,301	(134,973)	2,012,964	397,120	18,000	2,915,831	2,769,407
163,025	1,567,900	141,943	-	-	-	1,872,868	2,916,490
<u>\$ 107,444</u>	<u>\$ 2,246,201</u>	<u>\$ 6,970</u>	<u>\$ 2,012,964</u>	<u>\$ 397,120</u>	<u>\$ 18,000</u>	<u>\$ 4,788,699</u>	<u>\$ 5,685,897</u>

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

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental Revenues				
Adult vocation and rehabilitation program	\$ 639,794	\$ 639,794	\$ 586,268	\$ (53,526)
ROAP Transportation	18,876	22,368	22,368	-
NC DENR Grant	17,342	17,342	17,342	-
White goods disposal tax	12,000	12,000	12,189	189
Scrap tire disposal tax	-	45,000	48,590	3,590
Electronics management tax	3,000	3,000	2,279	(721)
Solid waste disposal tax	26,400	26,400	21,328	(5,072)
Total intergovernmental revenues	<u>717,412</u>	<u>765,904</u>	<u>710,364</u>	<u>(55,540)</u>
Charge for services				
Sales	840,000	654,900	513,680	(141,220)
Medicaid	460,000	460,000	465,453	5,453
Transportation	20,800	20,800	16,415	(4,385)
Local services	43,000	43,000	30,556	(12,444)
Recycling fee	25,000	25,000	25,000	-
Recycling sales	184,250	184,250	132,728	(51,522)
Total charge for services	<u>1,573,050</u>	<u>1,387,950</u>	<u>1,183,832</u>	<u>(204,118)</u>
Investment earnings	-	-	619	619
Other revenues				
Donations and miscellaneous	8,600	8,600	7,889	(711)
Total revenues	<u>2,299,062</u>	<u>2,162,454</u>	<u>1,902,704</u>	<u>(259,750)</u>
EXPENDITURES				
Human Services				
Personnel expenditures			1,434,645	
Operating expenditures			501,740	
	<u>2,155,097</u>	<u>2,000,520</u>	<u>1,936,385</u>	<u>64,135</u>
Environmental protection-recycling				
Personnel expenditures			324,410	
Operating expenditures			305,869	
Capital outlay expenditures			29,202	
	<u>654,201</u>	<u>705,681</u>	<u>659,481</u>	<u>46,200</u>
Debt Service-MRF Equipment Lease				
Principal			93,525	
Interest			5,144	
	<u>98,669</u>	<u>98,669</u>	<u>98,669</u>	<u>-</u>
Total expenditures	<u>2,907,967</u>	<u>2,804,870</u>	<u>2,694,535</u>	<u>110,335</u>
Excess (deficiency) of revenues over expenditures	(608,905)	(642,416)	(791,831)	(149,415)
OTHER FINANCING SOURCES				
Transfers in				
General Fund	578,905	594,675	594,675	-
Total other financing sources	<u>578,905</u>	<u>594,675</u>	<u>594,675</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	(30,000)	(47,741)	(197,156)	(149,415)
APPROPRIATED FUND BALANCE	<u>30,000</u>	<u>47,741</u>	<u>-</u>	<u>(47,741)</u>
Excess (deficiency) of revenues, other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>(197,156)</u>	<u>\$ (197,156)</u>
Fund balance beginning of year			619,740	
Fund balance end of year			<u>\$ 422,584</u>	

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

Exhibit C-4

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ 424,348	\$ 424,348	\$ 424,348	\$ -
Investment earnings	-	-	30	30
Total revenues	<u>424,348</u>	<u>424,348</u>	<u>424,378</u>	<u>30</u>
EXPENDITURES				
Implemental functions	34,000	31,400	27,234	4,166
Telephone	340,000	342,600	343,707	(1,107)
Software maintenance	33,674	33,674	30,684	2,990
Hardware maintenance	14,674	14,674	14,793	(119)
Training	2,000	2,000	1,695	305
Total expenditures	<u>424,348</u>	<u>424,348</u>	<u>418,114</u>	<u>6,235</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	6,264	<u>\$ 6,264</u>
Fund balance beginning of year			<u>54,031</u>	
Fund balance end of year			<u>\$ 60,295</u>	

**Person County, North Carolina
Revolving Loan Special Revenue Fund**

Exhibit C-5

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

For the fiscal year ended June 30, 2013

	2013		VARIANCE Positive (Negative)
	Original and Final Budget	Actual	
REVENUES			
Investment earnings	\$ -	\$ 146	\$ 146
EXPENDITURES	-	-	-
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>146</u>	<u>\$ 146</u>
Fund balance beginning of year		181,120	
Fund balance end of year		<u>\$ 181,266</u>	

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

Exhibit C-6

For the fiscal year ended June 30, 2013

	2013			VARIANCE Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Intergovernmental revenues	\$ 30,000	\$ 30,000	\$ 38,395	\$ 8,395
Investment earnings	-	-	85	85
Total revenues	30,000	30,000	38,480	8,480
EXPENDITURES				
Water and sewer construction	30,000	30,000	-	30,000
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ -</u>	38,480	<u>\$ 38,480</u>
Fund balance beginning of year			108,363	
Fund balance end of year			<u>\$ 146,843</u>	

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

Exhibit C-7

For the fiscal year ended June 30, 2013

	<u>Actual</u>
REVENUES	
Investment earnings	\$ 65
Other revenues	<u>7,975</u>
Total revenues	8,040
EXPENDITURES	
Public buildings and grounds	
Operating	<u>2,198</u>
Excess (deficiency) of revenues over expenditures	5,842
Fund balance beginning of year	<u>80,368</u>
Fund balance end of year	<u><u>\$ 86,210</u></u>

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

Exhibit C-8

From inception and for the fiscal year ended June 30, 2013

	<u>Project Authorization</u>	<u>Actual</u>			<u>Variance Positive (Negative)</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Total To Date</u>	
REVENUES					
Restricted intergovernmental					
Federal and state grants	\$ 885,915	\$ 67,647	\$ 454,726	\$ 522,373	\$ (363,542)
Investment earnings	-	170,541	(14,791)	155,750	155,750
Total revenues	<u>885,915</u>	<u>238,188</u>	<u>439,935</u>	<u>678,123</u>	<u>(207,792)</u>
EXPENDITURES					
Construction	<u>885,915</u>	<u>75,163</u>	<u>495,516</u>	<u>570,679</u>	<u>315,236</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 163,025</u>	<u>(55,581)</u>	<u>\$ 107,444</u>	<u>\$ 107,444</u>
Fund balance beginning of year			<u>163,025</u>		
Fund balance end of year			<u>\$ 107,444</u>		

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

Exhibit C-9

From inception and for the fiscal year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Restricted intergovernmental					
Federal and state grants	\$ 117,465	\$ 117,465	\$ -	\$ 117,465	\$ -
Other revenues	50,844	20,057	3,373	23,430	(27,414)
Investment earnings	3,100	1,777	2,135	3,912	812
Total revenues	<u>171,409</u>	<u>139,299</u>	<u>5,508</u>	<u>144,807</u>	<u>(26,602)</u>
EXPENDITURES					
County	2,100,500	492,656	790,925	1,283,581	816,919
Schools	1,291,227	37,815	41,842	79,657	1,211,570
PCC	484,922	146,661	317,713	464,374	20,548
Total expenditures	<u>3,876,649</u>	<u>677,132</u>	<u>1,150,480</u>	<u>1,827,612</u>	<u>2,049,037</u>
Excess (deficiency) of revenues over expenditures	(3,705,240)	(537,833)	(1,144,972)	(1,682,805)	2,022,435
OTHER FINANCING SOURCES (USES)					
Transfers in					
General Fund	2,605,304	502,822	2,102,482	2,605,304	-
County Capital Reserve Fund	362,993	362,992	-	362,992	(1)
Schools Capital Reserve Fund	879,497	1,239,919	-	1,239,919	360,422
Transfers out					
Courthouse Renovation & Roofing Fund	(176,655)	-	(176,655)	(176,655)	-
Reroofing Schools Fund	(75,554)	-	(75,554)	(75,554)	-
Recreation & Senior Center Project Fund	(27,000)	-	(27,000)	(27,000)	-
Total Other Financing Sources	<u>3,568,585</u>	<u>2,105,733</u>	<u>1,823,273</u>	<u>3,929,006</u>	<u>360,421</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(136,655)	1,567,900	678,301	2,246,201	2,382,856
Fund balance appropriated	136,655	-	-	-	(136,655)
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	<u>\$ -</u>	<u>\$ 1,567,900</u>	<u>678,301</u>	<u>\$ 2,246,201</u>	<u>\$ 2,246,201</u>
Fund balance beginning of year			<u>1,567,900</u>		
Fund balance end of year			<u>\$ 2,246,201</u>		

Person County, North Carolina
Courthouse Renovation and Various Roofing Capital Projects Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Exhibit C-10

From inception and for the fiscal year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ 8,345	\$ 7,913	\$ 469	\$ 8,382	\$ 37
Total revenues	<u>8,345</u>	<u>7,913</u>	<u>469</u>	<u>8,382</u>	<u>37</u>
EXPENDITURES					
Courthouse renovations	3,268,884	2,989,854	272,097	3,261,951	6,933
Re-Roofing:					
County	255,769	255,769	-	255,769	-
Schools	802,625	802,625	-	802,625	-
PCC	884,755	884,755	-	884,755	-
Issuance Costs	49,084	49,084	-	49,084	-
Total expenditures	<u>5,261,117</u>	<u>4,982,087</u>	<u>272,097</u>	<u>5,254,184</u>	<u>6,933</u>
Excess (deficiency) of revenues over expenditures	(5,252,772)	(4,974,174)	(271,628)	(5,245,802)	6,970
OTHER FINANCING SOURCES (USES):					
Transfers in					
General Fund	981,117	981,117	-	981,117	-
County Capital Reserve Fund	176,655	-	176,655	176,655	-
Installment purchase obligations issued	4,500,000	4,500,000	-	4,500,000	-
Transfers out					
General Fund	(405,000)	(365,000)	(40,000)	(405,000)	-
Total other financing sources	<u>5,252,772</u>	<u>5,116,117</u>	<u>136,655</u>	<u>5,252,772</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ 141,943</u>	<u>(134,973)</u>	<u>\$ 6,970</u>	<u>\$ 6,970</u>
Fund balance beginning of year			<u>141,943</u>		
Fund balance end of year			<u>\$ 6,970</u>		

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

Exhibit C-11

From inception and for the fiscal year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ -	\$ -	\$ 1,457	\$ 1,457	\$ 1,457
Total revenues	-	-	1,457	1,457	1,457
EXPENDITURES					
Professional services - architect and engineering	214,212	-	179,254	179,254	34,958
Re-Roofing:					
Person High School	527,388	-	-	-	527,388
Southern Middle School	2,340,938	-	971,425	971,425	1,369,513
Issuance Costs	50,000	-	45,906	45,906	4,094
Contingency	75,554	-	-	-	75,554
Total expenditures	3,208,092	-	1,196,585	1,196,585	2,011,507
Excess (deficiency) of revenues over expenditures	(3,208,092)	-	(1,195,128)	(1,195,128)	2,012,964
OTHER FINANCING SOURCES (USES):					
Transfers in					
County Capital Reserve Fund	75,554	-	75,554	75,554	-
Installment purchase obligations issued	3,132,538	-	3,132,538	3,132,538	-
Total other financing sources	3,208,092	-	3,208,092	3,208,092	-
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ -	2,012,964	\$ 2,012,964	\$ 2,012,964
Fund balance beginning of year			-		
Fund balance end of year			\$ 2,012,964		

Person County, North Carolina
Recreation & Senior Center Project Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Exhibit C-12

From inception and for the fiscal year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES					
Investment earnings	\$ -	\$ -	\$ 250	\$ 250	\$ 250
Total revenues	-	-	250	250	250
EXPENDITURES					
Professional services - architect and engineering	476,850	-	106,980	106,980	369,870
Construction	3,910,000	-	-	-	3,910,000
Issuance Costs	60,000	-	-	-	60,000
Contingency	503,850	-	-	-	503,850
Total expenditures	4,950,700	-	106,980	106,980	4,843,720
Excess (deficiency) of revenues over expenditures	(4,950,700)	-	(106,730)	(106,730)	4,843,970
OTHER FINANCING SOURCES (USES):					
Transfers in					
General Fund	476,850	-	476,850	476,850	-
County Capital Reserve Fund	27,000	-	27,000	27,000	-
Installment purchase obligations issued	4,446,850	-	-	-	(4,446,850)
Total other financing sources	4,950,700	-	503,850	503,850	(4,446,850)
Excess (deficiency) of revenues and other sources over expenditures	\$ -	\$ -	397,120	\$ 397,120	\$ 397,120
Fund balance beginning of year			-		
Fund balance end of year			\$ 397,120		

Person County, North Carolina
Old Helena School Improvement Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual

Exhibit C-13

From inception and for the fiscal year ended June 30, 2013

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -
EXPENDITURES					
Maintenance & repairs - Buildings and grounds	25,500	-	10,000	10,000	15,500
Contingency	2,500	-	-	-	2,500
Total expenditures	<u>28,000</u>	<u>-</u>	<u>10,000</u>	<u>10,000</u>	<u>18,000</u>
Excess (deficiency) of revenues over expenditures	(28,000)	-	(10,000)	(10,000)	18,000
OTHER FINANCING SOURCES (USES):					
Transfers in					
General Fund	28,000	-	28,000	28,000	-
Total other financing sources	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>28,000</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	18,000	<u>\$ 18,000</u>	<u>\$ 18,000</u>
Fund balance beginning of year			-		
Fund balance end of year			<u>\$ 18,000</u>		



Trust and Agency Funds

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

AGENCY FUNDS:

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

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

For the fiscal year ended June 30, 2013

	<u>Balance 6/30/12</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/13</u>
<u>Social Services Trust</u>				
Assets				
Cash and cash equivalents	\$ 84,866	\$ 565,630	\$ 582,021	\$ 68,475
Liabilities				
Due to individuals	\$ 84,866	\$ 565,630	\$ 582,021	\$ 68,475
<u>Sheriff's Executions and Commissions</u>				
Assets				
Cash and cash equivalents	\$ 18,891	\$ 17,407	\$ 11,457	\$ 24,840
Liabilities				
Accounts payable and accrued liabilities	\$ 18,891	\$ 17,407	\$ 11,457	\$ 24,840
<u>City of Roxboro Property Tax and Vehicle Tax Interest</u>				
Assets				
Cash and cash equivalents	\$ (990)	\$ 4,215,491	\$ 4,214,501	\$ -
Taxes receivable	239,286	4,228,673	4,200,438	267,521
Total assets	<u>\$ 238,296</u>	<u>\$ 8,444,164</u>	<u>\$ 8,414,939</u>	<u>\$ 267,521</u>
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 466	\$ 466	\$ -
Due to other government - City of Roxboro	(990)	4,250,726	4,249,736	-
Due to other governments - State of North Carolina	-	26,720	26,720	-
Reserve for taxes receivable	239,286	4,228,720	4,200,485	267,521
Total liabilities	<u>\$ 238,296</u>	<u>\$ 8,506,633</u>	<u>\$ 8,477,408</u>	<u>\$ 267,521</u>
<u>Inmate</u>				
Assets				
Cash and cash equivalents	\$ 12,436	\$ 193,275	\$ 193,812	\$ 11,899
Liabilities				
Accounts payable and accrued liabilities	\$ 10,504	\$ 127,514	\$ 128,718	\$ 9,300
Due to inmates	1,932	194,966	194,299	2,599
Total liabilities	<u>\$ 12,436</u>	<u>\$ 322,480</u>	<u>\$ 323,017</u>	<u>\$ 11,899</u>
<u>Person County Tourism Development Authority</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 185,978	\$ 189,890	\$ (3,912)
Liabilities				
Accounts payable and accrued liabilities	\$ -	\$ 185,978	\$ 189,890	\$ (3,912)
<u>Deeds of Trust Fee Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 28,408	\$ 28,408	\$ -
Liabilities				
Due to other governments - State of North Carolina	\$ -	\$ 28,408	\$ 28,408	\$ -
<u>Fines and Forfeitures and 4H</u>				
Assets				
Cash and cash equivalents	\$ 29,835	\$ 24,967	\$ 17,354	\$ 37,448
Liabilities				
Accounts payable and accrued liabilities	\$ 1,403	\$ 10,884	\$ 12,148	\$ 139
Due to other governments - Person County Board of Education	-	86,843	86,843	-
Due to 4H	28,432	23,615	14,738	37,309
Total liabilities	<u>\$ 29,835</u>	<u>\$ 121,342</u>	<u>\$ 113,729</u>	<u>\$ 37,448</u>
<u>Total-All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 145,038	\$ 5,231,155	\$ 5,237,443	\$ 138,750
Taxes receivable	239,286	4,228,673	4,200,438	267,521
Total assets	<u>\$ 384,324</u>	<u>\$ 9,459,828</u>	<u>\$ 9,437,881</u>	<u>\$ 406,271</u>
Liabilities				
Accounts payable and accrued liabilities	\$ 30,798	\$ 342,248	\$ 342,679	\$ 30,367
Due to individuals	84,866	565,630	582,021	68,475
Due to inmates	1,932	194,966	194,299	2,599
Due to other governments	(990)	4,392,697	4,391,707	-
Due to 4H	28,432	23,615	14,738	37,309
Reserve for taxes receivable	239,286	4,228,720	4,200,485	267,521
Total liabilities	<u>\$ 384,324</u>	<u>\$ 9,747,876</u>	<u>\$ 9,725,929</u>	<u>\$ 406,271</u>



Other Schedules

This section contains additional information on property taxes.

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

Person County, North Carolina
Schedule of Ad Valorem Taxes Receivable

Exhibit E-1

For the fiscal year ended June 30, 2013

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Uncollected Balance June 30, 2012</u>	<u>Additions</u>	<u>Collections and Credits</u>	<u>Uncollected Balance June 30, 2013</u>
2012-2013	2012	\$ -	\$ 28,565,618	\$ 27,910,626	\$ 654,992
2011-2012	2011	644,593	2,846	429,467	217,972
2010-2011	2010	197,214	2,989	83,942	116,261
2009-2010	2009	120,331	2,450	43,697	79,084
2008-2009	2008	69,045	-	24,950	44,095
2007-2008	2007	43,249	-	8,977	34,272
2006-2007	2006	25,926	-	4,670	21,256
2005-2006	2005	21,064	-	4,543	16,521
2004-2005	2004	14,943	-	1,887	13,056
2003-2004	2003	15,122	-	1,847	13,275
2002-2003	2002	15,509	-	15,509	-
Total		<u>\$ 1,166,996</u>	<u>\$ 28,573,903</u>	<u>\$ 28,530,115</u>	<u>\$ 1,210,784</u>

Reconciliation with Revenues:

Taxes - Ad Valorem - General Fund

Current year	\$ 27,874,285
Prior years	601,220
Penalties and interest	190,206
Advertising	57,622
Total Ad Valorem Taxes	<u>28,723,333</u>
Refunds	2,459
Adjustments to prior years taxes	4,035
Amounts written off for tax year 2001 per statute of limitations	14,222
Subtotal	<u>28,744,049</u>
Less interest collected	156,312
Less advertising fees	57,622
Total collections and credits	<u>\$ 28,530,115</u>

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

Exhibit E-2

For the fiscal year ended June 30, 2013

	<u>Property Valuation</u>	<u>Rate per \$100 Valuation</u>	<u>Amount of Levy</u>	<u>Property Excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
Original Levy					
County Wide					
Property Taxes at Current Year's Rate	\$ 3,966,379,241	\$ 0.70	\$ 27,764,655	\$ 26,398,260	\$ 1,366,395
Registered Motor Vehicles Taxed at Prior Year's Rate	113,539,709	0.70	794,778	-	794,778
Late Listing Penalties	-		17,137	17,137	-
Total	<u>4,079,918,950</u>		<u>28,576,570</u>	<u>26,415,397</u>	<u>2,161,173</u>
Discoveries and Corrections					
Current Years' Taxes	18,486,224	0.70	129,404	115,105	14,299
Prior Years' Taxes	-	0.70	-	-	-
Penalties	-		18,680	18,680	-
	<u>18,486,224</u>		<u>148,084</u>	<u>133,785</u>	<u>14,299</u>
Releases	<u>(22,469,725)</u>		<u>(159,036)</u>	<u>(134,918)</u>	<u>(24,118)</u>
Total for Year	<u>\$ 4,075,935,449</u>		<u>28,565,618</u>	<u>26,414,264</u>	<u>2,151,354</u>
Less Uncollected tax at June 30, 2013			<u>654,992</u>	<u>396,848</u>	<u>258,144</u>
Current year's taxes collected			<u>\$ 27,910,626</u>	<u>\$ 26,017,416</u>	<u>\$ 1,893,210</u>
Percent current year collected			<u>97.71%</u>	<u>98.50%</u>	<u>88.00%</u>

Secondary Market Disclosures:⁴

Assessed Valuation:

Assessment Ratio ¹	100.0%
Real Property	\$ 2,554,205,154
Personal Property	552,081,607
Public Service Companies ²	<u>775,604,593</u>

Total Assessed Valuation 3,881,891,354

Tax Rate per \$100 0.70

Levy (includes discoveries, releases and abatements)³ \$ 28,565,618

¹Percentage of appraised value has been established by statute.

²Valuation of railroads, telephone companies and other utilities as determined by the North Carolina Property Tax Commission.

³The levy includes interest and penalties.

⁴The County furnishes the "Secondary Market Disclosures" for the benefit of the users of its financial statements; however, it is not required to do so.



Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends <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>	104
Revenue Capacity <i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	113
Debt Capacity <i>These schedules present information to help the reader assess the affordability of the government’s current levels of outstanding debt and the government’s ability to issue additional debt in the future.</i>	121
Demographic and Economic Information <i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government’s financial activities take place.</i>	126
Operating Information <i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	129

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

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

(Page 1 of 2)
Fiscal Year

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Primary government - governmental activities				
Invested in capital assets, net of related debt	\$ 18,006,395	\$ 17,692,385	\$ 19,475,976	\$ 20,630,021
Restricted	1,746,603	1,615,673	5,730,958	1,646,941
Unrestricted	<u>(5,029,404)</u>	<u>(1,897,792)</u>	<u>(4,950,448)</u>	<u>(1,787,018)</u>
 Total primary government - governmental activities net position	 <u>\$ 14,723,594</u>	 <u>\$ 17,410,266</u>	 <u>\$ 20,256,486</u>	 <u>\$ 20,489,944</u>

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 22,660,368	\$ 20,440,012	\$ 20,020,058	\$ 18,741,532	\$ 21,155,561	\$ 21,364,462
1,751,274	1,141,656	4,018,047	8,563,948	8,219,339	8,869,798
<u>(2,040,755)</u>	<u>2,835,383</u>	<u>4,203,584</u>	<u>2,322,140</u>	<u>4,191,640</u>	<u>3,657,279</u>
<u>\$ 22,370,887</u>	<u>\$ 24,417,051</u>	<u>\$ 28,241,689</u>	<u>\$ 29,627,620</u>	<u>\$ 33,566,540</u>	<u>\$ 33,891,539</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			
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Expenses				
Primary government - governmental activities:				
General government	\$ 4,300,737	\$ 4,140,568	\$ 4,553,355	\$ 5,053,425
Public safety	8,371,080	8,794,171	9,378,105	10,381,525
Transportation	1,001,941	1,207,846	1,251,813	1,461,462
Economic and physical development	827,842	1,712,767	853,734	1,274,045
Environmental protection	377,184	298,051	290,608	276,301
Human services	11,823,499	12,743,826	16,610,533	17,488,722
Cultural and recreation	1,461,604	1,462,183	1,806,150	1,806,946
Education	8,104,952	8,561,737	9,557,566	12,763,768
Capital Outlay	-	-	-	-
Interest on long term debt	1,215,553	1,009,597	935,735	992,502
Total primary government - governmental activities expenses	\$ 37,484,392	\$ 39,930,746	\$ 45,237,599	\$ 51,498,696
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 492,266	\$ 492,954	\$ 429,771	\$ 555,495
Public safety	1,599,830	1,522,974	1,742,409	1,837,685
Transportation	270,192	297,209	380,770	426,620
Economic and physical development	17,242	15,235	11,164	3,836
Environmental protection	405,462	455,354	485,477	387,053
Human services	2,145,437	2,252,195	3,769,179	4,235,793
Cultural and recreation	200,086	179,501	244,521	308,000
Operating grants and contributions:				
General government	16,560	22,983	1,500	-
Public safety	937,963	691,774	787,203	620,938
Transportation	162,195	160,105	228,285	377,301
Economic and physical development	121,940	309,298	53,497	96,015
Environmental protection	82,508	85,123	93,357	90,024
Human services	4,664,646	4,940,750	5,938,274	6,457,371
Cultural and recreation	154,699	186,595	328,631	213,380
Education	517,461	26,213	599,762	442,397
Capital grants and contributions:				
General Government	-	-	-	-
Public safety	6,531	-	-	-
Transportation	33,687	7,554	201,843	579,700
Economic and physical development	-	610,000	127,100	97,500
Environmental Protection	-	-	-	-
Cultural and recreation	104,309	11,753	17,380	7,400
Total primary government - governmental activities program revenues	\$ 11,933,014	\$ 12,267,570	\$ 15,440,123	\$ 16,736,508
Net (Expense)/Revenue				
Total primary government net (expense)/revenue	\$ (25,551,378)	\$ (27,663,176)	\$ (29,797,476)	\$ (34,762,188)
General Revenues and Other Changes in Net Position				
Primary government - governmental activities:				
Property taxes	\$ 21,271,802	\$ 21,713,946	\$ 23,431,173	\$ 24,706,367
Local option sales tax	6,420,547	7,101,756	7,410,387	8,186,701
Other taxes and licenses	547,641	581,766	547,647	634,580
Investment earnings	113,201	321,475	663,738	859,397
Miscellaneous	512,978	630,905	590,751	608,601
Total primary government - governmental activities:	\$ 28,866,169	\$ 30,349,848	\$ 32,643,696	\$ 34,995,646
Change in Net Position				
Total primary government	\$ 3,314,791	\$ 2,686,672	\$ 2,846,220	\$ 233,458

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	5,455,795	\$ 5,527,742	\$ 5,014,727	\$ 4,828,349	\$ 4,655,404	\$ 5,806,008
	11,429,612	11,408,762	11,381,743	11,468,186	11,437,656	11,961,190
	1,523,716	1,493,230	1,494,361	1,454,342	1,435,983	1,415,053
	2,194,637	1,203,255	898,345	1,470,929	1,753,033	2,103,294
	252,509	257,916	832,951	1,228,807	891,073	1,088,616
	18,185,434	17,140,056	15,891,412	15,440,313	15,746,664	16,333,971
	1,839,584	1,864,439	1,781,842	1,511,796	1,466,125	1,587,995
	12,007,976	11,856,706	10,705,681	11,460,882	10,269,913	13,043,761
	-	-	-	-	1,014,882	385,929
	978,763	818,027	712,074	703,782	669,146	534,264
\$	<u>53,868,026</u>	<u>\$ 51,570,133</u>	<u>\$ 48,713,136</u>	<u>\$ 49,567,386</u>	<u>\$ 49,339,879</u>	<u>\$ 54,260,081</u>
\$	624,024	\$ 443,859	\$ 420,971	\$ 383,400	\$ 388,611	\$ 350,744
	1,730,352	1,960,320	1,889,029	1,937,117	2,047,710	1,717,878
	304,304	337,548	268,113	245,332	240,965	322,797
	35,526	34,162	43,545	99,364	90,001	6,956
	466,284	485,492	868,952	731,989	932,314	796,321
	4,203,932	4,333,232	4,006,896	3,916,676	4,027,375	4,023,486
	257,603	252,807	276,533	322,708	341,512	358,138
	4,924	7,221	-	52,398	65,114	14,492
	861,665	903,557	966,832	905,318	1,055,904	1,024,467
	238,063	199,578	236,930	235,717	225,765	310,036
	391,306	71,740	39,410	361,743	499,604	1,148,118
	84,352	96,243	106,835	119,917	118,497	113,343
	6,805,017	7,381,474	6,973,325	7,033,549	7,100,930	6,926,407
	195,638	156,740	162,052	156,210	120,282	117,926
	1,262,155	973,488	493,209	189,873	17,862	1,534,817
	-	-	-	6,571	140,641	6,227
	-	-	-	-	-	-
	1,258,869	416,741	417,819	111,955	157,454	454,726
	-	-	25,500	37,000	1,500	2,638
	-	-	668,046	566,260	54,587	55,737
	6,050	22,004	317,496	5,000	4,000	20,500
\$	<u>18,730,064</u>	<u>\$ 18,076,206</u>	<u>\$ 18,181,493</u>	<u>\$ 17,418,097</u>	<u>\$ 17,630,628</u>	<u>\$ 19,305,754</u>
\$	<u>(35,137,962)</u>	<u>(33,493,927)</u>	<u>(30,531,643)</u>	<u>(32,149,289)</u>	<u>(31,709,251)</u>	<u>(34,954,327)</u>
\$	27,156,746	\$ 27,197,864	\$ 27,606,040	\$ 27,291,587	\$ 27,393,771	\$ 28,772,219
	8,396,768	7,329,525	5,758,729	5,542,646	6,045,749	6,092,052
	452,875	267,885	260,617	237,858	305,012	493,228
	705,759	258,570	49,125	24,950	14,619	13,715
	306,757	486,247	681,770	438,179	1,889,020	(498,552)
\$	<u>37,018,905</u>	<u>\$ 35,540,091</u>	<u>\$ 35,540,091</u>	<u>\$ 33,535,220</u>	<u>\$ 35,648,171</u>	<u>\$ 34,872,662</u>
\$	<u>1,880,943</u>	<u>\$ 2,046,164</u>	<u>\$ 2,046,164</u>	<u>\$ 1,385,931</u>	<u>\$ 3,938,920</u>	<u>(81,665)</u>

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

Fiscal Year	Property Tax	Local Sales Tax	Other Tax	Total
2004	\$ 21,271,802	\$ 6,420,547	\$ 547,641	\$ 28,239,990
2005	21,713,946	7,101,756	581,766	29,397,468
2006	23,431,173	7,410,387	547,647	31,389,207
2007	24,706,367	8,186,701	634,580	33,527,648
2008	27,156,746	8,396,768	452,875	36,006,389
2009	27,197,864	7,329,525	267,885	34,795,274
2010	27,606,040	5,758,729	260,617	33,625,386
2011	27,291,587	5,542,646	237,858	33,072,091
2012	27,393,771	6,045,749	305,012	33,744,532
2013	28,772,219	6,092,052	493,228	35,357,499



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

(Page 1 of 2)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
General Fund				
Reserved	\$ 3,217,281	\$ 4,183,764	\$ 4,634,247	\$ 7,337,788
Unreserved	12,134,062	12,433,181	12,124,627	10,886,128
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total general fund	\$ <u>15,351,343</u>	\$ <u>16,616,945</u>	\$ <u>16,758,874</u>	\$ <u>18,223,916</u>
All Other Governmental Funds				
Reserved	\$ 154,655	\$ 754,610	\$ 728,896	\$ 585,116
Unreserved	1,546,499	786,886	4,148,910	(317,512)
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	\$ <u>1,701,154</u>	\$ <u>1,541,496</u>	\$ <u>4,877,806</u>	\$ <u>267,604</u>

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 6,607,330	\$ 4,686,298	\$ 5,237,082	\$ -	\$ -	\$ -
12,627,805	15,717,000	13,582,453	-	-	-
-	-	-	-	-	99,956
-	-	-	3,409,571	4,134,503	5,227,556
-	-	-	63,057	88,995	143,466
-	-	-	2,403,817	4,493,237	3,611,857
-	-	-	14,967,838	12,631,079	9,936,607
<u>\$ 19,235,135</u>	<u>\$ 20,403,298</u>	<u>\$ 18,819,535</u>	<u>\$ 20,844,283</u>	<u>\$ 21,347,814</u>	<u>\$ 19,019,442</u>

\$ 519,364	\$ 402,338	\$ 408,959	\$ -	\$ -	\$ -
1,959,496	615,897	4,269,403	-	-	-
-	-	-	1,732,534	1,098,020	3,642,242
-	-	-	2,428,100	1,829,907	2,971,430
-	-	-	55,801	30,000	86,474
-	-	-	(115,553)	-	(711,840)
<u>\$ 2,478,860</u>	<u>\$ 1,018,235</u>	<u>\$ 4,678,362</u>	<u>\$ 4,100,882</u>	<u>\$ 2,957,927</u>	<u>\$ 5,988,306</u>

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

(Page 1 of 2)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Revenues				
Taxes:				
Property	\$ 21,267,341	\$ 21,731,962	\$ 23,327,612	\$ 24,870,158
Sales	6,420,547	7,101,756	7,410,387	8,186,701
Other	642,679	676,921	547,647	634,580
Total taxes	<u>28,330,567</u>	<u>29,510,639</u>	<u>31,285,646</u>	<u>33,691,439</u>
Fees	678,982	683,140	716,220	580,497
Intergovernmental	6,848,717	7,086,801	8,255,349	9,100,206
Investment earnings	130,767	357,257	753,013	1,010,574
Charges for services	3,832,445	3,858,051	5,586,367	6,369,381
Other	970,139	1,051,576	1,274,636	1,159,159
Total Revenues	<u>40,791,617</u>	<u>42,547,464</u>	<u>47,871,231</u>	<u>51,911,256</u>
Expenditures				
General government	4,418,630	4,180,432	5,172,517	5,855,693
Public safety	8,385,572	8,726,907	9,963,831	10,314,897
Transportation	555,199	572,303	757,706	1,069,108
Human services	11,803,063	12,718,709	16,562,161	17,453,636
Environmental protection	392,609	286,315	287,671	289,055
Economic and physical development	806,632	1,699,643	841,225	1,261,965
Cultural and recreational	1,465,511	1,391,753	1,852,012	1,748,282
Education	8,104,952	8,561,737	8,275,898	12,763,768
Capital projects	747	8,393	1,553,766	859,863
Debt service:				
Principal	2,223,103	2,322,517	2,282,438	2,478,354
Interest and other charges	1,249,535	1,088,729	937,985	1,020,772
Total expenditures	<u>39,405,553</u>	<u>41,557,438</u>	<u>48,487,210</u>	<u>55,115,393</u>
Excess of revenues over (under) expenditures	<u>1,386,064</u>	<u>990,026</u>	<u>(615,979)</u>	<u>(3,204,137)</u>
Other Financing Sources (Uses)				
Transfers in	3,069,336	3,256,214	4,658,216	4,116,182
Transfers out	(3,069,336)	(3,256,214)	(4,658,216)	(4,116,182)
Installment purchase obligations issued	-	-	4,050,000	-
Proceeds on G.O. Bond Refunding	-	3,725,000	-	-
Bonds Issued	-	27,983	-	-
Refunding payment to escrow agent	-	(3,697,500)	-	-
Sale of capital assets	27,532	60,435	44,218	58,977
Total other financing sources (uses)	<u>27,532</u>	<u>115,918</u>	<u>4,094,218</u>	<u>58,977</u>
Net change in fund balances	<u>\$ 1,413,596</u>	<u>\$ 1,105,944</u>	<u>\$ 3,478,239</u>	<u>\$ (3,145,160)</u>
Debt service as a percentage of noncapital expenditures	9.06%	8.35%	7.03%	6.73%

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$	27,233,073	\$ 27,027,814	\$ 27,612,262	\$ 27,343,883	\$ 27,396,888	\$ 28,723,333
	8,396,768	7,329,525	5,758,729	5,542,646	6,045,749	6,092,052
	452,875	267,885	260,617	237,858	305,012	296,809
	<u>36,082,716</u>	<u>34,625,224</u>	<u>33,631,608</u>	<u>33,124,387</u>	<u>33,747,649</u>	<u>35,112,194</u>
	468,498	403,170	391,545	455,138	395,910	424,018
	11,506,713	10,430,803	10,682,900	10,113,506	9,772,122	11,838,130
	844,762	299,783	56,387	35,938	18,812	6,700
	6,290,486	7,223,667	7,034,129	6,903,459	7,525,686	7,044,549
	1,032,086	525,441	829,927	475,576	590,762	756,298
	<u>56,225,261</u>	<u>53,508,088</u>	<u>52,626,496</u>	<u>51,108,004</u>	<u>52,050,941</u>	<u>55,181,889</u>
	5,519,966	5,573,144	4,651,524	6,888,873	5,564,747	5,502,071
	11,334,668	11,115,835	10,942,744	11,264,076	11,444,411	11,806,617
	1,032,789	861,559	803,490	788,605	811,686	876,455
	18,184,814	17,344,436	15,550,866	15,665,919	15,444,531	15,949,674
	314,223	276,898	184,414	679,100	698,015	1,023,852
	2,210,005	1,209,352	909,161	1,446,775	1,746,977	2,109,044
	1,755,889	2,011,512	1,985,887	1,411,403	1,490,524	1,474,427
	12,007,976	11,856,706	10,705,681	11,460,882	10,285,241	13,043,761
	1,200,841	437,202	1,100,109	687,377	1,222,621	1,762,976
	2,756,077	2,995,000	3,033,268	3,183,655	3,381,057	3,527,943
	1,112,233	643,344	696,247	689,919	654,346	575,576
	<u>57,429,481</u>	<u>54,324,988</u>	<u>50,563,391</u>	<u>54,166,584</u>	<u>52,744,156</u>	<u>57,652,396</u>
	<u>(1,204,220)</u>	<u>(816,899)</u>	<u>2,063,105</u>	<u>(3,058,580)</u>	<u>(693,215)</u>	<u>(2,470,507)</u>
	4,996,410	4,441,891	8,134,781	7,501,588	1,109,158	3,921,216
	(4,996,410)	(4,441,891)	(8,134,781)	(7,501,588)	(1,109,158)	(3,921,216)
	18,985,000	457,778	-	4,500,000	-	3,132,538
	-	-	-	-	-	-
	-	-	-	-	-	-
	(14,643,878)	-	-	-	-	-
	<u>85,573</u>	<u>66,659</u>	<u>13,260</u>	<u>5,849</u>	<u>53,791</u>	<u>39,976</u>
	<u>4,426,695</u>	<u>524,437</u>	<u>13,260</u>	<u>4,505,849</u>	<u>53,791</u>	<u>3,172,514</u>
\$	<u>3,222,475</u>	<u>(292,462)</u>	<u>2,076,365</u>	<u>1,447,269</u>	<u>(639,424)</u>	<u>702,007</u>
	7.06%	6.85%	7.56%	7.63%	8.01%	7.39%

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

Fiscal Year	Property Tax	Local Sales Tax	Other Tax	Total
2004	\$ 21,267,341	\$ 6,420,547	\$ 642,679	\$ 28,330,567
2005	21,731,962	7,101,756	676,921	29,510,639
2006	23,327,612	7,410,387	547,647	31,285,646
2007	24,870,158	8,186,701	634,580	33,691,439
2008	27,233,073	8,396,768	452,875	36,082,716
2009	27,027,814	7,329,525	267,885	34,625,224
2010	27,612,262	5,758,729	260,617	33,631,608
2011	27,343,883	5,542,646	237,858	33,124,387
2012	27,396,888	6,045,749	305,012	33,747,649
2013	28,723,333	6,092,052	296,809	35,112,194

Note: General Governmental Tax Revenues by Source for Local Option Sales Tax and Other Tax is available back to 2003 only, the year GASB Statement 34 was implemented.



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

(Page 1 of 2)

Fiscal Year	Real Property			
	Residential Property	Commercial and Industrial Property (6)	Present-use Value (1)	Personal Property
2004	\$ 1,443,146,177	\$ 291,158,004	\$ 77,761,343	\$ 595,330,658
2005	1,491,035,320	299,990,852	78,403,233	594,863,387
2006 (5)	1,798,798,824	324,598,184	78,947,005	600,168,764
2007	1,841,024,325	339,881,974	86,830,183	620,666,811
2008	1,903,289,631	324,096,098	87,750,589	656,316,793
2009	1,955,049,093	344,322,630	82,361,719	646,958,261
2010	2,022,745,364	347,248,645	85,219,209	589,008,474
2011	2,017,610,282	348,220,349	85,789,028	604,180,027
2012	2,115,957,821	350,088,048	88,159,285	552,081,607
2013	2,046,536,959	389,719,494	91,468,827	725,549,333

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

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

<u>Public Service Companies (2)</u>	<u>Total Taxable Assessed Value</u>	<u>Total Direct Tax Rate (3)</u>	<u>Estimated Actual Taxable Value (4)</u>
\$ 741,884,336	\$ 3,149,280,518	\$ 0.670	\$ 3,344,605,478
748,505,543	3,212,798,335	0.670	3,538,324,157
767,361,498	3,569,874,275	0.650	3,569,874,275
866,735,585	3,755,138,878	0.650	3,860,531,385
874,463,479	3,845,916,590	0.700	4,233,259,868
836,778,439	3,865,470,142	0.700	4,341,761,364
883,874,459	3,928,096,151	0.700	4,097,742,699
808,999,923	3,864,799,609	0.700	4,108,866,265
775,604,593	3,881,891,354	0.700	3,885,388,203
822,660,836	4,075,935,449	0.700	4,079,607,095

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

(Page 1 of 2)

	<u>2004</u>	<u>2005</u>	<u>2006 (1)</u>	<u>2007</u>	<u>2008</u>
Person County (2)	\$ 0.6700	\$ 0.6700	\$ 0.6500	\$ 0.6500	\$ 0.7000
<u>Overlapping Rates</u>					
City of Roxboro	0.6400	0.6400	0.6140	0.6140	0.6140

Note: (1) Real property was revalued on January 1, 2012
 (2) Person County has no special districts or components of the total direct rate.

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000	\$ 0.7000
0.6140	0.6140	0.6140	0.6140	0.6300

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 2013		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Progress Energy (formerly CP&L)	Public utility	\$ 723,851,992	1	17.76%
CertainTeed	Manufacturer	104,519,501	2	2.56%
Eaton Corporation	Manufacturer	55,667,125	3	1.37%
Louisiana Pacific Corporation	Manufacturer	40,639,766	4	1.00%
GKN Automative, Inc.	Manufacturer	39,412,327	5	0.97%
NC Eastern Municipal Power Agency	Public utility	39,207,151	6	0.96%
US Flue Cured Tobacco Growers	Manufacturer	33,133,394	7	0.81%
Cogentrix of NC, Inc.	Private Utility	27,498,403	8	0.67%
Piedmont EMC	Public utility	26,829,934	9	0.66%
DLP Person Memorial Hospital	Service Provider	24,601,692	10	0.60%
Vector Tobacco, Inc.	Manufacturer			
Collins & Aikman	Manufacturer			
Georgia Pacific Corporation	Manufacturer			
Central Telephone Co. of NC	Public utility			
Totals		\$ <u>1,115,361,285</u>		27.36%

Source: Person County Tax Department

Fiscal Year 2004

Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 638,742,791	1	20.17%
59,949,389	2	1.89%
26,131,535	8	0.83%
31,945,695	6	1.01%
56,342,201	3	1.78%
22,773,278	9	0.72%
51,955,115	4	1.64%
40,017,022	5	1.26%
27,811,107	7	0.88%
<u>20,147,314</u>	10	0.64%
\$ <u><u>975,815,447</u></u>		30.81%

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Net Collections and Adjustments in Subsequent Years (Note 1)	Total Net Collections and Adjustments to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2004	\$ 21,105,433	\$ 20,501,130	97.14%	\$ 591,028	\$ 21,092,158	99.94%
2005	21,538,636	20,953,040	97.28%	572,540	21,525,580	99.94%
2006	23,239,698	22,496,649	96.80%	726,528	23,223,177	99.93%
2007	24,439,484	23,917,438	97.86%	500,790	24,418,228	99.91%
2008	26,893,083	26,334,282	97.92%	524,529	26,858,811	99.87%
2009	27,082,062	26,376,266	97.39%	661,701	27,037,967	99.84%
2010	27,504,654	26,789,298	97.40%	636,272	27,425,570	99.71%
2011	27,077,081	26,448,394	97.68%	512,426	26,960,820	99.57%
2012	27,206,121	26,561,528	97.63%	426,621	26,988,149	99.20%
2013	28,565,618	27,910,626	97.71%	-	27,910,626	97.71%

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			
2004	\$ 3,650,000	\$ 19,921,317	\$ 23,571,317	\$ 637	2.59%
2005	2,795,000	18,528,800	21,323,800	577	2.24%
2006	1,925,000	21,166,362	23,091,362	618	2.32%
2007	1,080,000	19,533,009	20,613,009	551	1.99%
2008	230,000	22,335,000	22,565,000	593	2.00%
2009	-	20,027,778	20,027,778	520	1.73%
2010	-	16,994,510	16,994,510	444	1.47%
2011	-	18,310,856	18,310,856	463	1.57%
2012	-	14,929,798	14,929,798	377	N/A
2013	-	14,534,393	14,534,393	367	N/A

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

(1) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year. Calendar 2012 personal income not available to calculate fiscal year 2013.

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

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Personal Income (1)</u>	<u>Percentage of Actual Taxable Value of Property (2)</u>	<u>Per Capita (1)</u>
2004	\$ 3,650,000	0.40%	0.12%	\$ 99
2005	2,795,000	0.29%	0.09%	76
2006	1,925,000	0.19%	0.05%	52
2007	1,080,000	0.10%	0.03%	29
2008	230,000	0.02%	0.01%	6
2009	-	0.00%	0.00%	-
2010	-	0.00%	0.00%	-
2011	-	0.00%	0.00%	-
2012	-	0.00%	0.00%	-
2013	-	0.00%	0.00%	-

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)

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Assessed Value of Property	\$ 3,149,281	\$ 3,212,798	\$ 3,569,874	\$ 3,755,139
Debt Limit, 8% of Assessed Value (Statutory Limitation)	251,942	257,024	285,590	300,411
Amount of Debt Applicable to Limit	<u>4,500</u>	<u>3,650</u>	<u>2,795</u>	<u>1,080</u>
Legal Debt Margin	<u>\$ 247,442</u>	<u>\$ 253,374</u>	<u>\$ 282,795</u>	<u>\$ 299,331</u>
Total net debt applicable to the limit as a percentage of debt limit	1.79%	1.42%	0.98%	0.36%

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

<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
\$ 3,845,917	\$ 3,865,470	\$ 3,928,096	\$ 3,864,800	\$ 3,881,891	\$ 4,075,935
307,673	309,238	314,248	309,184	310,551	326,075
<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 307,443</u>	<u>\$ 309,238</u>	<u>\$ 314,248</u>	<u>\$ 309,184</u>	<u>\$ 310,551</u>	<u>\$ 326,075</u>
0.07%	0.00%	0.00%	0.00%	0.00%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2013:

Assessed value subject to taxation	\$ <u>4,075,935</u>
Debt limitation (8% of assessed value subject to taxation)	326,075
Debt applicable to the limit	
General Obligation bonds	<u>-</u>
Legal debt margin	\$ <u><u>326,075</u></u>

Person County, North Carolina
Schedule 14
Direct and Overlapping Governmental Activities Debt
As of June 30, 2013

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
City of Roxboro	\$ -	N/A	\$ -
Other debt			
City of Roxboro			
Capitalized leases	374,044	16.42%	61,410
Installment purchase obligations	5,184,389	16.42%	851,167
Subtotal, overlapping debt			<u>912,577</u>
Person County direct debt			<u>14,534,393</u>
Total direct and overlapping debt			<u><u>\$ 15,446,970</u></u>

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

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

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

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

Year	Population (1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public & Charter Schools Enrollment (3)	Unemployment Rate (4)	Number of Building Inspections Performed (5)
2004	36,980	\$ 908,515	\$ 24,695	5,791	8.20%	12,856
2005	36,985	950,572	25,552	5,855	6.40%	13,745
2006	37,344	995,502	26,847	5,670	5.70%	11,825
2007	37,440	1,033,618	27,706	5,572	6.80%	11,890
2008	38,022	1,128,689	30,098	5,385	6.50%	9,923
2009	38,522	1,155,908	30,688	5,112	12.10%	7,358
2010	38,272	1,155,133	29,282	4,992	11.25%	6,970
2011	39,585	1,164,775	29,386	4,877	10.12%	6,597
2012	39,594	*	*	5,742	10.40%	5,259
2013	39,594	*	*	5,631	10.00%	5,223

* Information not yet available.

Notes:

- (1) NC Department of Commerce. Estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year.
- (3) Person County Board of Education, Bethel Hill Charter School, and Roxboro Community School. Figures prior to 2012 represent the school enrollment for the Public Schools only.
- (4) N. C. Employment Security Commission, Annual Average for ending fiscal year.
- (5) 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	2013			2004		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Person County Schools	673	1	3.70%	783	2	4.52%
Person County	604	2	3.32%	438	5	2.53%
Duke Energy Progress	420	3	2.31%	511	3	2.95%
GKN Automotive Components	393	4	2.16%	380	6	2.20%
Eaton Corporation	284	5	1.56%	499	4	2.88%
Person Memorial Hospital	220	6	1.21%	-	-	-
Piedmont Community College	209	7	1.15%	-	-	-
Louisiana-Pacific	150	8	0.82%	138	10	0.80%
North American Aerodynamics	132	9	0.73%	150	9	0.87%
Wal-Mart Associates, Inc.	120	10	0.66%	-	-	-
Collins & Aikman	-	-	-	849	1	4.91%
AlSCO	-	-	-	238	7	1.38%
Georgia-Pacific	-	-	-	280	6	1.62%
US Flue-Cured Tobacco	-	-	-	170	8	0.98%

Source: Person County Economic Development Authority

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

Function/Program	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General government	41	42	39	41	43	43	44	43	42	47
Public buildings & grounds	3	3	3	3	3	3	-	-	-	-
Public safety	120	118	125	128	133	140	138	134	134	140
Transportation	11	11	11	11	11	10	10	11	12	12
Human services										
Social Services	76	77	80	84	81	84	86	82	83	83
Public Health	43	44	44	49	40	45	44	42	41	50
Other	8	9	38	43	36	35	31	30	32	27
Environmental protection	3	3	3	3	3	2	2	2	2	2
Economic and physical development	5	5	5	5	5	5	5	5	5	8
Cultural and recreation	16	16	16	18	17	17	16	14	16	16
Total	326	328	364	385	372	384	376	363	367	385

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	2004	2005	2006	2007
Public Safety/Sheriff's Department & Jail				
Incident Reports	2,191	2,063	2,158	2,387
Calls for Service	10,235	11,121	11,292	12,378
Criminal Papers	6,235	5,621	5,647	6,030
Arrest Reports	2,291	2,569	2,628	2,645
Civil Papers	4,213	4,162	3,620	4,893
Gun Permits	535	468	481	524
Jail bookings	1,753	2,414	1,968	1,856
Average daily population	99	101	100	104
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	28,288	40,544	42,108	43,752
Public Safety/Code Enforcement				
Number of Building Permits Issued	520	501	366	470
Number of Mobile Home Permits Issued	109	89	84	67
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	266	226	134	162
Community Services/Library				
Items Added to Collection	5,025	5,981	5,928	4,502
Circulation	192,239	192,037	199,481	207,597
Internet Use	17,932	18,258	22,871	26,778
Program Attendance	14,024	12,936	15,696	16,376
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	2,136	2,188	2,279	2,292
Average # Family & Child Medicaid Cases	2,407	2,586	2,657	2,735
Average # Households Receiving Food Stamp	1,333	1,499	1,670	1,844
Average \$ Fraud Collections per Month	343	364	378	2,493
Education				
Public Schools enrollment	5,791	5,855	5,670	5,572
Charter Schools enrollment	293	319	350	581
Culture and Recreation				
Total park acreage	196	196	197	197
Number of parks	10	10	10	10

Sources:

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

2008	2009	2010	2011	2012	2013
2,524	1,758	1,992	1,954	1,865	1,695
12,618	14,907	18,234	23,281	17,393	20,447
6,532	6,216	5,376	3,412	5,316	3,510
2,588	1,625	1,705	2,755	3,001	2,949
5,125	5,437	5,346	5,031	4,646	3,595
573	815	690	529	563	947
1,813	1,797	2,200	2,303	2,163	2,167
104	98	88	90	105	111
68,613	62,573	56,273	47,376	58,095	62,019
363	278	312	277	312	281
60	75	36	46	22	36
173	337	307	636	582	632
7,433	6,092	5,238	4,800	5,215	4,790
218,191	226,876	212,362	182,708	191,249	191,775
26,824	28,256	23,567	23,287	22,507	19,148
6,646	4,061	6,217	5,864	6,910	6,399
2,281	2,318	2,331	2,412	2,478	2,542
2,887	2,744	3,034	2,971	3,020	3,220
2,068	2,474	2,929	3,468	3,761	3,902
2,534	4,315	5,409	4,470	5,205	5,759
5,385	5,112	4,992	4,877	4,775	4,625
651	791	903	956	967	1,006
197	183	183	187	187	187
10	9	9	10	10	10

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

Function	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Public Safety										
Sheriff/Police (Stations)	2	2	2	2	2	2	2	2	2	2
Correction facility capacities	136	136	136	136	136	136	136	136	136	136
Fire stations	14	14	14	14	14	14	14	14	14	14
Highways and streets										
Paved	672	610	714	714	721	723	723	723	724	725
Unpaved	48	58	57	57	50	50	50	50	49	48
Culture and recreation										
Parks	10	10	10	10	10	9	9	10	10	10
Libraries	1	1	1	1	1	1	1	1	1	1
Education										
Schools	10	10	10	10	10	10	10	10	10	10

Sources:

- Sheriff's Department
- Jail
- Fire Marshal
- Department of Transportation
- Recreation, Arts & Parks
- Public Library
- Public Schools

COMPLIANCE SECTION

COMPLIANCE SECTION

Winston, Williams, Creech, Evans, & Company, LLP

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Report On Internal Control over Financial Reporting and On Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To The Board of County Commissioners
Person County, North Carolina

We have audited, in accordance with the audited standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of Person County, North Carolina as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprises Person County's basic financial statements, and have issued our report thereon dated December 12, 2013. The financial statements of Person County ABC Board were not audited in accordance with *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered Person County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness 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 a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Person County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Governmental Auditing Standards* and which are described in the accompanying schedule of findings and responses as item 13-1.

Person County's Response to Findings

Person County's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We noted certain matters that we reported to management of the Person County, in a separate letter dated December 12, 2013.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 12, 2013

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



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Report On Compliance with Requirements Applicable To Each Major Federal Program and Internal Control over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Person County, North Carolina, compliance with the types of compliance requirements described in the OMB *Circular A-133 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 federal programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Person County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Person County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

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 federal programs for the year ended June 30, 2013.

Other matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 13-2. Our opinion on each major federal program is not modified with respect to these matters.

Person County's response to the noncompliance finding identified in our audit is described in the accompanying corrective action plan. 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.

Report on Internal Control over Compliance

Management of Person County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Person County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 13-2 that we consider to be significant deficiencies.

Person County's responses to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 12, 2013

Winston, Williams, Creech, Evans, & Company, LLP

Certified Public Accountants



America Counts on CPAs

James P. Winston II, CPA
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K. Jamison Crampton, CPA

Report On Compliance with Requirements Applicable To Each Major State Program and Internal Control over Compliance In Accordance With OMB Circular A-133 and the State Single Audit Implementation Act

Independent Auditor's Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major State Program

We have audited Person County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of Person County's major state programs for the year ended June 30, 2013. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Person County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, OMB Circular A-133, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Person County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

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Opinion on Each Major State Program

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, 2013.

Other Matters

The results of our auditing procedures disclosed other instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 as described in the *Audit Manual for Governmental Auditors in North Carolina* and which are described in the accompanying schedule of findings and questioned costs as item 13-2. Our opinion on each major state program is not modified with respect to this matter.

Person County's response to the noncompliance findings identified in our audit is described in the accompanying corrective action plan. 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.

Report on Internal Control over Compliance

Management of Person County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Person County's internal control over compliance with the types of requirements that could have a direct and material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a 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 combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies 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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 13-2 that we consider to be a significant deficiency.

Person County's response to the internal control over compliance findings identified in our audit is described in the accompanying corrective action plan. 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.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Winston, Williams, Creech, Evans & Company, LLP

Winston, Williams, Creech, Evans & Company, LLP
Oxford, NC
December 12, 2013

PERSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? ___yes X no

- Significant Deficiency(s) identified that are not considered to be material weaknesses ___yes X none reported

Noncompliance material to financial statements noted X yes ___no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___yes X no

- Significant Deficiency(s) identified that are not considered to be material weaknesses X yes ___none reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133 X yes ___no

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
93.778	Medical Assistance Program
10.557	Special Supplemental Nutrition Program for Women, Infants, & Children

Dollar threshold used to distinguish between Type A and Type B Programs \$ 1,268,759

Auditee qualified as low-risk auditee? X yes ___no

**PERSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___yes __X__no

- Significant Deficiency(s) identified that are not considered to be material weaknesses __X__yes ___none reported

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act __X__yes ___no

Identification of major State programs:

Program Name
Medical Assistance
State and County Special Assistance
Public School Building Capital Fund
North Carolina Department of Transportation Land Acquisition
N. C. Rural Economic Development Center 2011-093-60501-107
N. C. Rural Economic Development Center 2013-090-60501-118

Section II – Financial Statement Findings

Finding: 13-1

SIGNIFICANT NONCOMPLIANCE

Restatement of Beginning Net Position

Criteria: Lessors shall recognize assets held under finance leases as a receivable equal to the net investment in the lease. The net investment in the lease is the aggregate of the minimum lease payments and any unguaranteed residual value discounted at the rate implicit in the lease. Land that is owned by the County should be recorded in the Statement of Net Position as a capital asset.

Condition: Person County entered into an equipment lease with a manufacturing company in the County as an economic incentive in May 2011. The equipment that was leased was purchased by the County in April 2012 at a cost of \$492,760. The manufacturing company began making quarterly lease payments of \$41,438 in June 2012. The County reported the purchase of the equipment as an expense and the receipt of the lease payment as revenue during FY 2012 in the Statement of Activities. The expenditure and revenue were correctly reported in the Fund Statements but the expenditure should have been capitalized in the Statement of Net Position as a note receivable and the principal portion of the lease payment should have been a reduction of that note receivable. During FY 2013 it was discovered that 30 acres of land that was deeded to the County in Deed of Trust in January 1985 was not recorded in capital assets.

Cause: The County failed to identify the note receivable item in the conversion from modified accrual to full accrual during FY 2012. Significant lease payments in FY 2013 led to the discovery

**PERSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

that the note receivable had not been recorded in the prior year. A sale of a small tract of land during FY 2013 led to the discovery that the land was never recorded in capital assets during FY 1985. This land was conveyed to the County through a Deed of Trust and was not captured in the capital assets when converting from modified accrual to full accrual accounting.

Recommendation: Nonroutine transactions should be reviewed for conversion from modified accrual to full accrual implications.

Views of the responsible officials and planned corrective actions: The County agrees with this finding. Nonroutine transactions will be reviewed to identify items that require conversion from modified accrual to full accrual.

Section III – Federal Award Findings and Questioned Costs

**US Department of Health and Human Services
Centers for Medicare and Medicaid Services**

Passed-through the N.C. Dept. of Health and Human Services Division of Medical Assistance
Program Name: Medical Assistance Program
CFDA #: 93.778

Finding: 13-2

SIGNIFICANT DEFICIENCY
SIGNIFICANT NONCOMPLIANCE

Eligibility

Criteria: Case records should contain a budget or similar document showing how the budget was computed. These records should also contain income verification such as pay stubs, wage verification form, award letters for benefits, online verification, etc. Earned income is converted to a monthly amount. Total countable income is then compared to and must be lower than the State-provided income maintenance amounts for the Medicaid program. If the applicant is approved for MPW then applicant is advised to report the birth of the baby or any termination of the pregnancy within 10 calendar days so that benefits can be adjusted accordingly.

Condition: There were 3 case files that contained errors in the preparation of budgets, the calculation of monthly income and comparison to income limits provided by the State in the budget process. There was 1 case file that indicated a termination of pregnancy in which benefits were not adjusted.

Questioned Costs: Applicants were still eligible or had no benefits provided. Therefore no costs questioned.

Context: Out of the 3 MPW cases tested, 1 contained an error pertaining to the termination of benefits due to miscarriage. The client had a miscarriage in August of 2012. Benefits were not cancelled in the system due to the miscarriage. Out of the 60 Medicaid files, 2 cases did not have a formal budget completed and in the file. Although there was no formal budget completed, there was a statement written by the caseworker in the case notes that a budget was completed and the client was eligible. 1 file did not properly handle earned income in the preparation of the budget. The amounts used from the paystubs were net wages instead of gross wages. Client was still eligible using the correct amounts.

**PERSON COUNTY, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Effect: Cases did not have a correct budget calculation for Medicaid eligibility. It is possible that these errors could lead to incorrectly approving or denying an applicant benefits. Benefits can be paid to ineligible applicants.

Cause: Ineffective case review process and incomplete documentation to support eligibility determination.

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 stressed.

Views of responsible officials and planned corrective actions: The County does not agree that the finding related to the MPW case constitutes an error. The County had no knowledge of the miscarriage until the applicant came in to apply for benefits again. The notification did not occur within the 10 days but that is the applicant's error. The County agrees with the budget and income findings and will perform internal reviews on a test basis to ensure proper documentation is taking place for eligibility. Training of employees will take place to ensure they are aware of what information is required to be kept in files, how to calculate income and the appropriate deductions.

Section IV – State Award Findings and Questioned Costs

See Finding 13-2

**PERSON COUNTY, NORTH CAROLINA
CORRECTIVE ACTION PLAN
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Section II – Financial Statement Findings

Finding: 13-1

Name of Contact Person: Amy Wehrenberg, Finance Officer

Corrective Action: Nonroutine transactions will be reviewed annually to determine any conversion implications.

Proposed Completion Date: June 30, 2014.

Section III – Federal Award Findings and Questioned Costs

Finding: 13-2

Name of Contact Person: Carlton Paylor, Interim Director of Social Services

Corrective Action: Internal reviews will be performed on a test basis to ensure proper documentation is taking place for eligibility. Training will take place with employees to ensure they are aware of what information is required to be kept in files and the importance of complete and accurate record keeping will be stressed.

Proposed Completion Date: June 30, 2014.

Section IV – State Award Findings and Questioned Costs

See Finding 13-2

**PERSON COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

None noted.

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
Federal Awards:			
<u>U.S. Dept. of Agriculture</u>			
<u>Food and Nutrition Service</u>			
Passed-through the N.C. Dept. of Agriculture: Nutrition for the Elderly	10.570	\$ 8,753	\$ -
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: Food Stamp Cluster: State Administrative Matching Grants Supplemental Nutrition Assistance Program	10.561	343,430	-
Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants and Children	10.557	211,936	-
Direct Benefit Payments: Special Supplemental Nutrition Program for Women, Infants and Children	10.557	786,026	-
Total U.S. Dept. of Agriculture		<u>1,350,145</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>			
Passed-through the N.C. Dept. of Commerce: Community Development Block Grant #4	14.228	20,382	-
Total U.S. Dept. of Housing and Urban Development		<u>20,382</u>	<u>-</u>
<u>U.S. Dept. of Homeland Security</u>			
Passed-through the N.C. Dept. of Crime Control and Public Safety Division of Emergency Management Emergency Management Grant	97.042	28,064	-
Homeland Security Grant Program	97.067	4,300	-
Total U.S. Dept. of Homeland Security		<u>32,364</u>	<u>-</u>
<u>U.S. Dept. of Transportation:</u>			
<u>Community Transportation Program</u>			
Passed-through the N.C. Dept. of Transportation Community Transportation Program	20.509	167,556	40,758
Traffic Safety Grant	20.600	1,082	-
Total Community Transportation Program		<u>168,638</u>	<u>40,758</u>
<u>Federal Aviation Administration</u>			
Passed-through the N.C. Dept. of Transportation Airport Improvement Program State Block Grant Program Airport Improvement Program	20.106	128,629	-
Total U.S. Dept. of Transportation		<u>297,267</u>	<u>40,758</u>
<u>U.S. Dept. of Cultural Resources</u>			
Passed-through the N.C. Dept. of Cultural Resources State Library of NC Institute of Museum and Library Services	45.310	19,996	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
<u>U.S. Dept. of Health & Human Services</u>			
<u>Administration on Aging</u>			
Passed-through Kerr Tar Council of Governments:			
<u>Aging Cluster:</u>			
Family Caregiver Support	93.052	10,773	688
Special Programs for the Aging-Title III B			
Grants for Supportive Services and Senior Centers	93.044	56,946	198,150
Special Programs for the Aging-Title III C			
Nutrition Services	93.045	43,384	36,711
Senior Center Development		-	11,751
Total Aging Cluster		111,103	247,300
<u>Administration for Children and Families</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Social Services:			
<u>Foster Care and Adoption Cluster:</u>			
Title IV-E Foster Care	93.658	178,941	14,637
Foster Care - Direct Benefit Payments	93.658	207,529	61,162
Adoption Assistance - Direct Benefit Payments	93.659	145,003	38,734
Adoption Assistance	93.659	112,564	26,776
Total Foster Care and Adoption Cluster		644,037	141,309
Temporary Assistance for Needy Families (TANF)	93.558	328,421	-
TANF-Direct Benefit Payments	93.558	319,587	(173)
N.C. Child Support Enforcement	93.563	397,561	-
Low-Income Home Energy Assistance Block Grant:			
Administration	93.568	385,776	-
Permanency Planning-Families for Kids	93.645	27,212	652
SSBG-Other Service and Training	93.667	349,275	33,676
Independent Living Grant	93.674	9,165	2,292
Independent Living Grant - Direct Benefit Payment	93.674	7,558	-
Family Preservation	93.556	4,686	-
Subsidized Child Care (Note 4)			
<u>Child Care Development Fund Cluster</u>			
Division of Social Services			
Child Care Development Fund-Administration	93.596	78,641	-
Division of Child Development			
Child Care and Development Fund-Discretions	93.575	374,444	-
Child Care and Development Fund - Mandatory	93.596	158,349	-
Child Care and Development Fund-Match	93.596	176,559	66,998
Total Child Care Fund Cluster		787,993	66,998
Temporary Assistance for Needy Families	93.558	199,348	-
Social Security Block Grant	93.667	10,158	-
Foster Care Title IV-E	93.658	7,819	3,861
Smart Start		-	24,502
State Appropriations		-	250,872
TANF-MOE		-	163,430
Total Subsidized Child Care Cluster		1,005,318	509,663

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
<u>Centers for Medicare and Medicaid Services</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Medical Assistance Program:			
Direct Benefit Payments:			
Medical Assistance Program	93.778	35,005,928	19,783,116
Division of Social Services:			
Medical Assistance Program	93.778	725,702	22,526
Administration:			
State Childrens Insurance Program	93.767	24,331	895
<u>Center for Disease Control and Prevention</u>			
Passed-through the N.C. Dept. of Health and Human Services:			
Division of Public Health:			
Public Health Emergency Preparedness	93.069	45,961	-
Immunization Program/Aid to County Funding	93.268	10,569	-
Statewide Health Promotion Program	93.991	9,640	-
Prevention Investigations & Tech Assistance	93.283	16,038	-
Community Transformation Grant	93.531	740,533	-
Comprehensive Breast and Cervical Cancer Early Detection Programs	93.919	22,200	3,705
Administration of Children and Families			
passed through NC Dept. of Health and Human Services			
Division of Social Services			
Social Service Block Grant	93.667	-	500
Temporary Assistance for Needy Families	93.558	3,670	-
Heath Resources and Service Administration			
passed through NC Dept. of Health and Human Services			
Division of Public Health			
Maternal and Child Health Services Block Grant	93.994	57,064	42,803
Office of Population Affairs			
passed through NC Dept. of Health and Human Services			
Office of Population Affairs			
Family Planning Services	93.217	25,699	-
Office of the Secretary			
passed through NC Dept. of Health and Human Services			
Medical Reserve Corps Small Grant Program	93.008	4,000	-
Total U.S. Dept. of Health and Human Services		40,281,035	20,788,264
<u>US Department of Education</u>			
<u>Office of Special Education and Rehabilitative Services</u>			
Passed-through NC Dept of Health and Human Services:			
Division of Vocational Rehabilitation			
Vocational Rehabilitation	84.126	178,414	48,287
<u>U.S. Election Assistance Commission</u>			
Passed through the State Board of Elections:			
State Elections Grant (HAVA Title I)	90.401	5,954	-
State Elections Grant (HAVA HHS)	90.401	5,975	-
<u>U.S. Department of Justice</u>			
Equitable Sharing Program			
Bureau of Justice Assistance State Criminal	16.922	100,440	-
Alien Assistance Program (SCAAP)	16.606	-	4,714
Total US Department of Justice		100,440	4,714
Total federal awards		42,291,972	20,882,024

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2013

Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Federal (Direct & Pass-Through) Expenditures	State Expenditures
STATE AWARDS:			
<u>N.C. Dept. of Cultural Resources</u>			
Division of State Library			
State Aid to Public Libraries		-	90,818
<u>N.C. Dept. of Public Instruction</u>			
Public School Building Capital Fund		-	1,533,360
<u>N.C. Dept. of Health and Human Services</u>			
Division of Social Services:			
State/County Special Assistance for			
Adults-Direct Benefit Payments		-	520,365
Administration		-	8,574
SFHS Maximization - Direct		-	31,565
State Foster Care Benefits Program-Direct		-	31,116
F/C At Risk Maximization-Direct		-	1,599
CWS-Direct Benefit Payments		-	70,720
Energy Program		-	13,237
Incent/Program Integrity		-	1,546
Total Division of Social Services		-	678,722
Division of Public Health:			
General Aid to Counties		-	85,785
General Communicable Disease Control		-	4,398
Tuberculosis		-	8,718
TB Medical Services		-	540
Public Health Nurse Training		-	800
School Nurse Funding Initiative		-	150,000
Healthy Communities		-	2,840
Food and Lodging Fees		-	5,193
Environmental Health		-	4,000
Risk Reduction/Health Promotion		-	6,206
WHSF		-	11,559
Total Division of Public Health		-	280,039
Total N.C. Dept. of Health and Human Resources		-	958,761
<u>N.C. Dept. of Transportation</u>			
ROAP-Elderly and Disabled Transportation Assistance Program		-	54,498
ROAP-Work First		-	15,691
ROAP-Rural General Public Program		-	64,052
Land Acquisition		-	343,664
Total N.C. Dept. of Transportation		-	477,905
<u>N.C. Dept. of Administration</u>			
Grant Veteran Service		-	1,452
<u>N.C. Dept. of Environment and Natural Resources</u>			
Division of Soil and Water Conservation:			
Soil and Water Distribution Grant		-	3,600
Division of Environmental Health:			
DEA Off Waste R&D Trust Fund		-	17,342
Division of Waste Management:			
Electronics Management Program		-	2,279
Total N.C. Dept. of Environment and Natural Resources		-	23,221
<u>N.C. Rural Economic Development Center</u>			
2011-093-60501-107		-	480,000
2013-090-60501-118		-	500,000
Total N.C. Rural Economic Development Center		-	980,000
<u>N.C. Dept. of Public Safety</u>			
Juvenile Crime and Delinquency Prevention		-	123,213
Total State awards		-	4,188,729
Total federal and State awards		\$ 42,291,972	\$ 25,070,753

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2013

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal and State awards includes the federal and State grant activity of Person County and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and the State Single Audit Implementation Act. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements. Benefit payments are paid directly to recipients and are not included in the County's basic financial statements. However, due to the county's involvement in determining eligibility, they are considered federal awards to the county and are included in the schedule.

2. SUBRECIPIENTS

Of the federal and state expenditures presented in this schedule, Person County provided state awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
Special Programs for the Aging-Title III B			
Grants for Supportive Services and Senior Centers	93.044	\$ 56,946	\$ 198,150
Special Programs for the Aging-Title III C			
Nutrition Services	93.045	43,384	36,711
Nutrition for the Elderly	10.570	8,753	
ROAP - EDTAP		-	48,542
Person County Senior Center		-	314,385
Person County Group Home		-	4,258