

Annual Comprehensive Financial Report

2024

PERSON COUNTY



For Year Ended – June 30, 2024

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Person County, North Carolina
Annual Comprehensive Financial Report
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INTRODUCTORY SECTION

INTRODUCTORY SECTION

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PERSON COUNTY

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

The Board of County Commissioners
Person County, North Carolina
October 30, 2024

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

State law requires that each fiscal year all general-purpose local governments publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the County of Person (the "County") for the fiscal year ended June 30, 2024.

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 Interim Chief Financial Officer, I assert that, to the best of my knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Thompson, Price, Scott, Adams & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Description of the County

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

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

The County provides its citizens with a wide range of services that include public safety, health and social services, cultural and recreational activities, general administration, and others. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the following: Person County Board of Education; Piedmont Community College; Person County Tourism Development

Authority; Developmental Disabilities, Substance Abuse Authority (Vaya Health); and Kerr-Tar Regional Council of Governments. Since the County Commissioners appoint three members of the Person County ABC Board (the "ABC Board") and the Person County Tourism Development Authority, the government-wide statements include both entities as discretely presented component units.

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

Local Economy

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

At the conclusion of FY 2024, Person County, NC, the unemployment rate was 4.2%. Average annual wages for Person County rose from \$45,440 in 2023 to \$47,933 in 2024. Person County is experiencing growth, and numerous residential developments are in various phases of development throughout the City and County.

FY 2024 Economic Development efforts in Person County focused on the following:

- Managed the clearing and grading for the North Park Site after receiving the Golden Leaf Grant for the project.
- Successfully negotiated an extension on the Person County Mega Park option.
- Began a large marketing campaign with WRAL, representing a different marketing avenue in response to changing times.
- Attended the NEXT conference in Chicago, Economic Development Partnership of NC (EDPNC), and Research Triangle Regional Partnership (RTRP) events.
- Recruited for and hired an Existing Industry Specialist.
- Developed and debuted a new logo and branding efforts for the department to reflect Person County's offerings.
- Worked on multiple large projects to support the increase in project requests received by the department.
- Economic Development Specialist and Existing Industry Specialist attended the annual EDA Conference.
- The Existing Industry Specialist has started business visits throughout the County.

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

Agriculture is a major contributor to the Person County Economy. Agriculture and Agribusiness generate over \$90 million in value-added income and provides 20% of Person County's jobs. Tobacco is still the top revenue-producing crop with Person County ranking #8 in the nation in tobacco production. This provides almost half of the total cash receipts to Person County farmers. Other major agricultural commodities and livestock produced by Person County farmers include soybeans, wheat, corn, hay, nursery, specialty, greenhouse crops, vegetables, beef cattle, hogs, goats, horses, and sheep. Person County citizens enjoy the locally produced foods provided by Person County farms. Consumers enjoy knowing how their food was grown or raised and are making more food purchases at farmers' markets and farm stands across the County. This benefits farms, families, and communities by keeping dollars circulating locally.

The Visit NC Farms app helps people connect with farms in Person County and across the state. There is more interest in industrial hemp, particularly now that a value-added processor is currently established in the County. Improved marketing options may help make this a viable crop alternative for Person County growers.

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

Long-Term Financial Planning

Many of the successes of the Board of County Commissioners can be attributed to the long-term planning efforts initiated by the Board. In fiscal year 2024, the Person County Capital Improvement Plan ("CIP") for the years 2025-2029 was presented and approved in April 2024, and serves as a mechanism for future planning. It has become an effective and strategic tool that typically includes a mixture of

“pay as you go” and financed projects that take advantage of the current debt market conditions. The CIP addresses many of the capital improvements needed within the county and will be revisited and updated annually to correspond with changing revenues and the current economic environment.

Person County’s total debt increased by \$11,740,421 (129.7%) during the past fiscal year, due to the issuance of new debt for improvements to Person High School (\$12.775M Limited Obligation Bonds), and addition of a re-negotiated lease for the Maxway Building that houses the Tax and Register of Deeds Offices. All other debt, leases (GASB 87) and subscription-based information technology agreements (GASB 96), were offset by repayment of existing obligations.

2023 Limited Obligation Bonds

On March 6, 2023, the Board of Commissioners approved a Resolution of Intent to issue Limited Obligation Bonds (LOBs) for \$38,255,000 to finance improvements to Person High School and various other School buildings, and to increase property taxes by a ¼ cent in order to make principal and interest payments on the Bonds. The proposed issuance was established to occur in two-year increments beginning with \$12.745M in October 2023 for Person High School. The two issuances for the remaining schools are scheduled to occur in 2025 and then in 2027. The average annual debt payment once all three tranches have been issued is estimated to be \$2.33M. Before the County could issue bonds, a rating assessment was required to be performed. Shortly before the scheduled closing on the first tranche of debt, Moody’s Investors Service assigned a rating of Aaa2 to Person County, which was higher and more favorable than the Aa2 rating that Person County had in place for bonds issued almost three decades ago. Once this rating was verified, the County issued LOBs in November 2023 for \$12.775M (slightly more than the original estimate of \$12.745M) for improvements at Person High School. The interest rate secured for this issuance was 5.0% for a 20-year term. The first scheduled payment was on June 1, 2024 for interest expense only in the amount of \$342,985. The next scheduled payment for principal and interest will take place on December 1, 2024 for \$914,125.

Relevant Financial Policies

Financial Policies and Capital Investment Fund

As per the guidance provided in the County’s *Budget, Accounting and Fund Reserve Policies*, the County recognized excess fund balance reserves over 25% of audited expenditures for the prior audited year, resulting in a transfer of \$7,121,437 to the Capital Investment Fund (CIF) in support of future capital and debt expenditures. In addition, another \$3.3M was transferred into the CIF as recommended by this policy, to support Capital Improvement Projects for capital items over \$50,000.

Major Initiatives

Broadband Expansion

The County reserved \$2.75M in ARPA funding for broadband expansion. The State of North Carolina awarded Growing Rural Economies with Access to Technology (GREAT) Grants to Connect Holding II, LLC (dba Brightspeed) and Spectrum Southeast, LLC to provide broadband services to a total of 790 households and 1 business. The amount awarded to Brightspeed was \$2,886,131, and the amount awarded to Spectrum was \$396,896, with County matching funds of \$40,000 and \$1, respectively. The GREAT Grant awarded to ZiTTEL LLC was terminated by mutual consent. The County plans to leverage remaining ARPA funding for broadband expansion by partnering with the state and internet service providers through the Completing Access to Broadband (CAB) Program.

Raleigh Regional Airport at Person County

Using federal grant dollars and matching local funds, the County is currently working on projects at the Person County Airport. Currently, these include the Runway 6-24 Connector Taxiways & Apron Rehabilitation Project and a Runway Extension Project. The Corporate Hangar Project has been completed and the County has partnered with Jamestown Properties, Inc. with a 10-year lease. The Runway, Taxiway, and Apron Rehabilitation Project involves the overlay of about 5 inches of asphalt to rehabilitate and re-enforce the existing pavement. This Project was bid out and construction commenced on September 9, 2024, with estimated completion in November 2024. The Airport Development Study (i.e., Master Plan) reviews all aspects of the airport, providing focus on areas of potential growth and expansion. Based on this Master Plan, the County anticipates an \$11.23M grant award for an Airport Runway Extension, which was approved in June 2017. This funding has since been moved out to 2029 due to NCDOT projections. However, Person County has been awarded \$12M in direct funding from the State which is being dedicated to this project. The environmental phase has started with estimated completion of that phase around October 2024. Person County Airport is actively pursuing this 700-foot runway extension as called for in the Master Plan which will open the Airport to larger airplanes, more traffic, and increased cargo transporting. The Airport serves local industries by providing convenient access to transportation by air for both personnel and cargo. It also serves the general public by providing air service & storage for small planes. A Terminal Study is also in process to consider options for building a new, larger airport terminal, which includes large meeting spaces, restrooms, kitchen, and observation deck overlooking the airport runway.

Stormwater IAIA Projects

For the fiscal year ending June 30, 2024, Person County expended \$40,737.35 in stormwater funds for design and permitting activities for the “County Farm” site as part of the Falls Lake Nutrient Management Strategy Stage I Existing Development Interim Alternative Implementation Approach (IAIA). The remaining \$73,656.65 of the required \$114,394 allocation for IAIA activities is carried over from the previous fiscal year. A construction contract for the County Farm Park Project, totaling \$473,747, is in place and expected to be utilized in fiscal year 2025.

Opioid Settlement Funds

Person County received \$712,495 in FY24 in opioid settlement payments, contributing to a total of \$1,048,992 reported through June 30, 2024. Over the life of the settlement ending in 2040, Person County will receive approximately \$4,693,613. These funds must be used to address the opioid epidemic. The Opioid Settlement Advisory Committee (OSAC) held monthly meetings during FY24 on the first Wednesday of the month at 10:00 am at the Health Department. In late October 2023, OSAC launched a survey to provide an opportunity for the community’s input. The OSAC reviewed the survey results, the most recent Community Health Assessment, and the information gathered during the lived experience panel discussions to determine which strategies would be the focus of the committee’s efforts. The committee recommended to the Board of Commissioners to fund an Early Intervention strategy through Person County Schools and a Post Overdose Response Team (PORT) through Person County Emergency Management. The Board of Commissioners approved funding for two years for each of the initiatives beginning July 1, 2024; the total two-year allocation for both initiatives is \$707,517. The annual community meeting was held on June 10, 2024.

Duke Energy’s Carbon Plan

Duke Energy, the County’s largest taxpayer, plans to retire the Mayo Plant by 2030 and the Roxboro (Hyco) Plant by 2033. The company plans to construct two new, hydrogen-capable natural gas units at Hyco. The site would be home to one of the most advanced power plants in Duke Energy’s fleet. A similar project in Asheville supported around 1,300 construction jobs and more than \$120M in supplier goods and services, and generated more than \$1.5M in new county property taxes in 2019. Duke Energy continues to evaluate other potential future generation sources for Person County, including additional natural gas, advanced nuclear and renewables. The County supports Duke Energy’s efforts to meet established carbon reduction goals and generate clean energy locally.

Moriah Energy Center

Enbridge Gas North Carolina is constructing the Moriah Energy Center in Person County, which will store up to 25 million gallons of natural gas in liquid form. During construction alone, related activities could bring more than \$40 million in economic benefits to the county and nearly \$1 million in state and local tax benefits. The proposed \$400 million investment will bring many short-term and long-term (10-12) workers to Person County.

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Person County for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2023. The report ending June 30, 2023 marked the thirty-sixth consecutive year that the County has received this prestigious award.

To be awarded a Certificate of Achievement, a government must publish an ACFR that is both easily readable and efficiently organized, meeting both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements. The Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the requirements of the Certificate of Achievement Program, and we are submitting it to the GFOA for consideration for another certificate.

The preparation of this report was made possible through the consistent dedication to excellence demonstrated by the entire staff of the Finance Department. Special recognition is due to Debbie Whitfield and Katrina Fields for their invaluable assistance in providing the auditors with much of the requested data. We would also like to express our gratitude to retired CFO Amy Wehrenberg for returning to lend her expertise during this process. Appreciation is further extended to the County Manager, administrative staff, and the members of the Board of Commissioners for their continued support throughout the past year. Lastly, we acknowledge the Audit Partner and associates from Thompson, Price, Scott, Adams & Co., P.A. for their cooperation and assistance in the preparation of this report.

Respectfully submitted,



Tracy Clayton
Person County Interim CFO



Government Finance Officers Association

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

Presented to

**County of Person
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

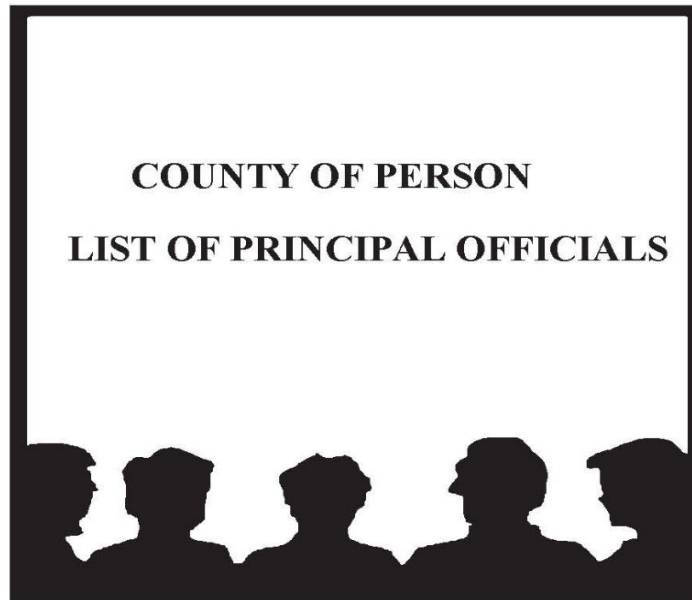
June 30, 2023

Christopher P. Morill

Executive Director/CEO

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Person County, North Carolina



Board of County Commissioners

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

County Manager

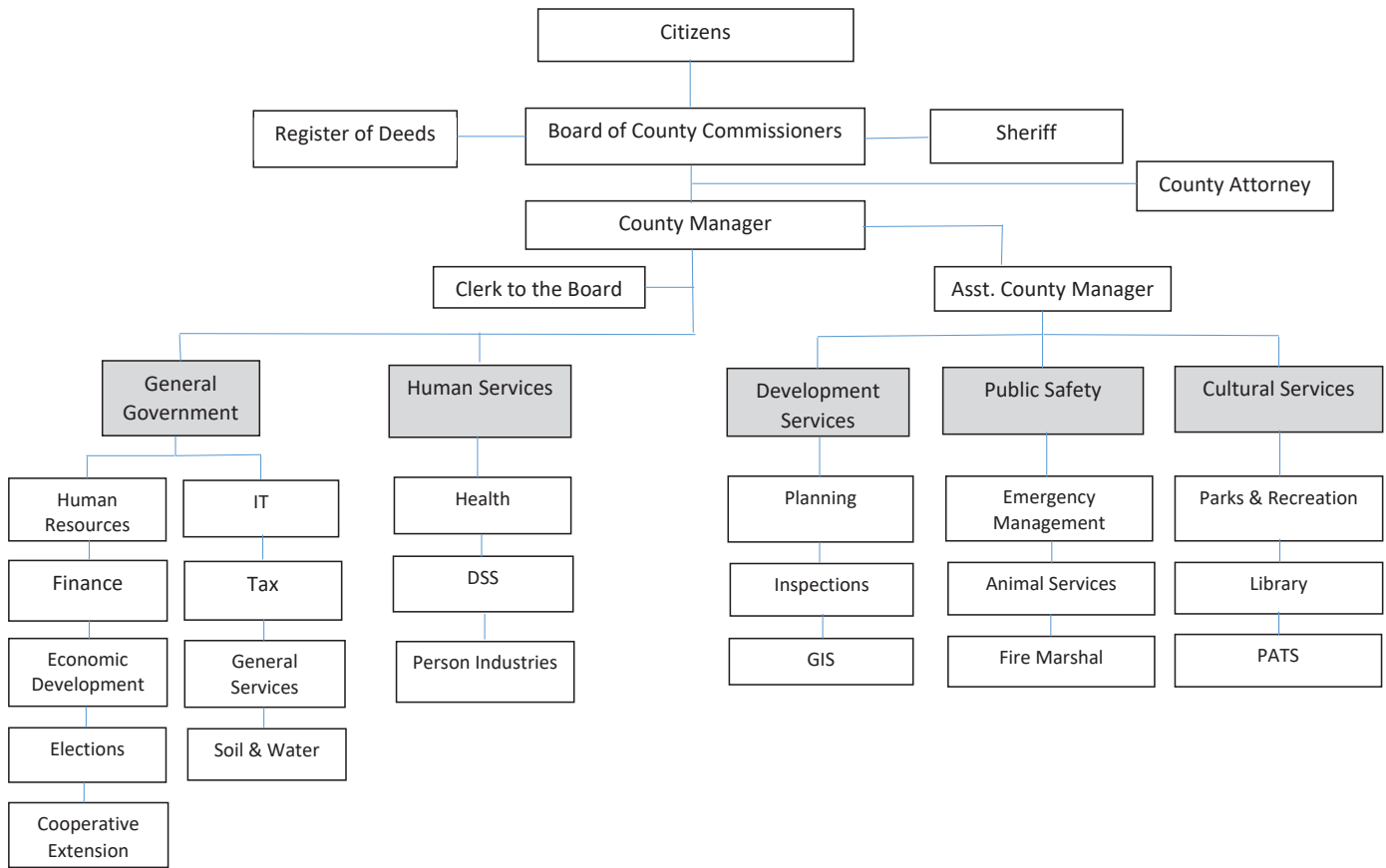
Katherine Cathey

Finance Director

Tracy Clayton, Interim

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PERSON COUNTY GOVERNMENT



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FINANCIAL SECTION

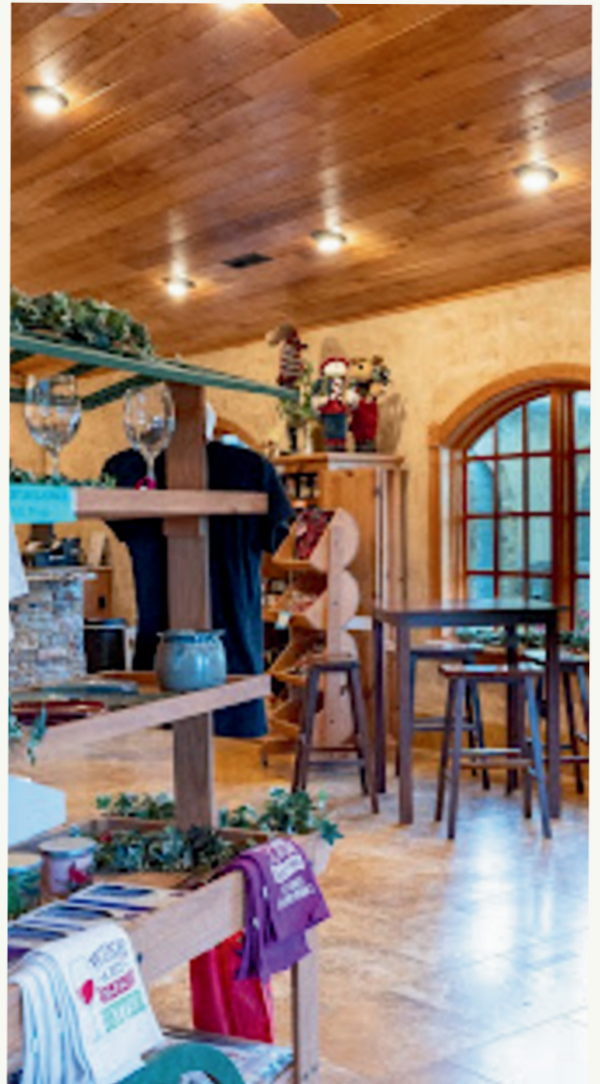
Independent Auditor's Report

**Management's Discussion &
Analysis**

**Government-wide Financial
Statements**

Fund Financial Statements

Notes to Financial Statements



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

**P.O Box 398
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Telephone (910) 642-2109
Fax (910) 642-5958**

**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Person County, North Carolina (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Person County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the report of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information of Person County, North Carolina as of June 30, 2024, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund and Capital Investment Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Person County ABC Board, which represents 83.80 percent, 80.11 percent, and 90.11 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Person County ABC Board, is based solely on the report of the other auditors.

Basis for Opinions

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

Responsibilities of Management for the Audit of the Financial Statements

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

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

Auditors' Responsibility for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, pages 76 and 77, and the Register of Deeds' Supplemental Pension Fund Schedules of the County's Proportionate Share of the Net Pension Asset and County Contributions on pages 78 and 79, and the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, pages 80 and 81, and the Schedule of Changes in the Total OPEB Liability and Related Ratios, page 82, be presented to supplement the basic financial statements. Such information is the responsibility of management, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2024 on our consideration of Person County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Person County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 30, 2024

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

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, 2024. 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 \$98,589,428 (net position).
- The government's total net position increased by \$3,115,377, primarily due to the increase in property tax revenues and sales tax collections. Additionally, the County recorded a change in accounting principle associated with recording a restricted opioid settlement receivable that resulted in an increase in net position of \$4,257,902. This adjustment that was offset by prior period adjustments that decreased net position by \$1,178,326 that were associated with adjusting salaries payable and construction in process accounts. The combination of these adjustments resulted in a net increase to net position of \$3,079,576. Other contributing factors to the increase in net position are management's focus on monitoring spending and maximizing revenue collection.
- As of the close of the current fiscal year, Person County's governmental funds reported combined ending fund balance of \$78,310,696, after a net increase in fund balance of \$13,470,779. A Prior Period Adjustment was also recorded to reflect salaries payable and adjustments to lease receivables that decreased fund balance by \$851,702. Approximately 50% of this total amount, or \$39,387,352 is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$17,547,130, which represents 21.71% of total general fund expenditures and outgoing transfers for the fiscal year.
- Person County's total debt increased by \$12,342,209 (15% of total governmental expenditures) during the current fiscal year. This increase is a result of the paydown of scheduled debt, and reductions in reported liabilities related to leases (GASB 87) and IT subscriptions (GASB 96), offset by the issuance of 2023 LOBS for school improvements.
- Person County had an A1 bond rating from Moody's Investor Service (Moody's) prior to when the last publicly offered bonds matured on 2/1/2009. However, after undergoing a rating assessment in November 2023 due to the need to issue new bonds for the improvement of schools, Moody's Investors Service assigned a rating of Aa2 to Person County, reflecting the County's consistent reputation for conservative fiscal management and strong financial position.

Overview of the Financial Statements

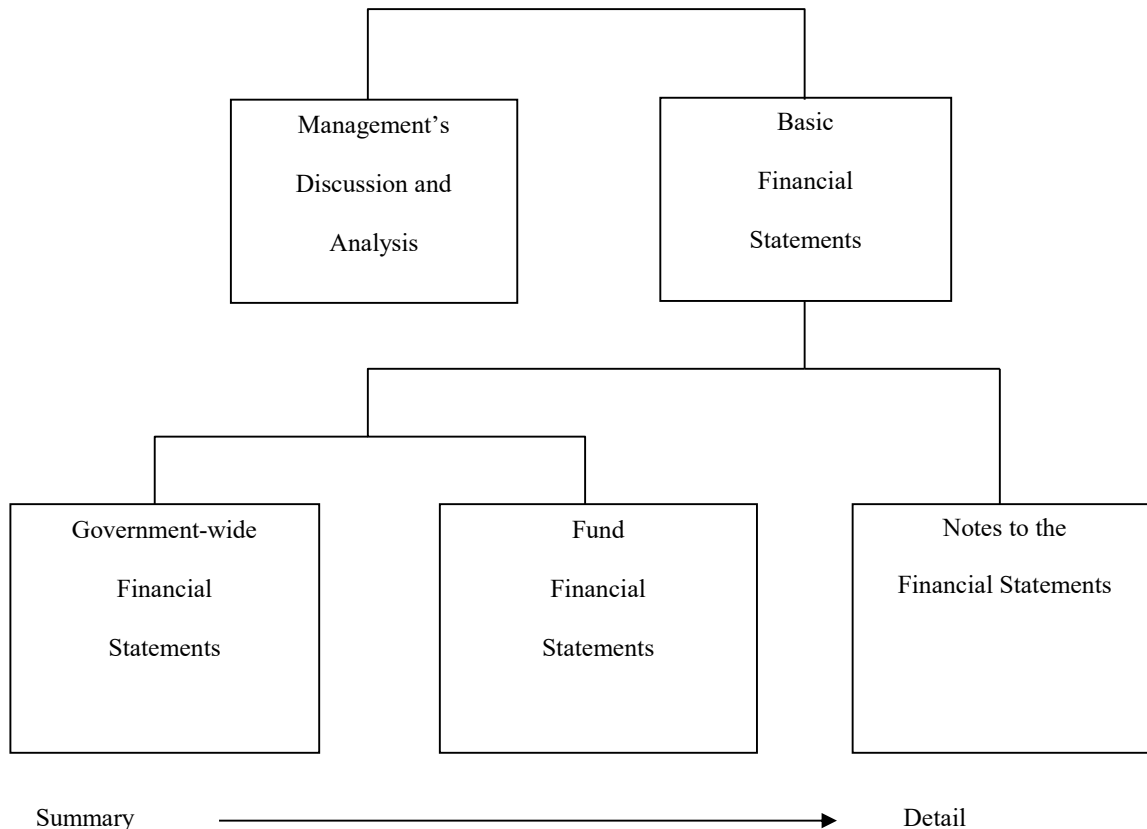
This discussion and analysis are intended to serve as an introduction to Person County's basic financial statements. The County's basic financial statements consist of three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements (see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

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

Person County, North Carolina

Management's Discussion and Analysis

For the Year Ended June 30, 2024

Government-wide Financial Statements

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

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

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

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Person County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Person County are divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

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

Proprietary Funds – Person County has two types of proprietary funds, one of which is an Enterprise Fund used to report the same functions presented as business-type activities in the government-wide financial statements. Person County uses the enterprise fund category to account for its funding applicable to the Stormwater Management Utility including measures and activities designed to protect, restore and manage stormwater quality; all associated costs are supported solely through assessed user fees. This fund is the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities. The other proprietary fund is classified as an Internal Service Fund that accounts for the accumulation and allocation of costs associated with the County's self-insured group health insurance plan. Unlike the Enterprise Fund, this fund is included in governmental activities in the government-wide statements.

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 29 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Person County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 76 of this report.

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

For the Year Ended June 30, 2024

Government-Wide Financial Analysis

PERSON COUNTY'S NET POSITION

Figure 2

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 105,174,196	\$ 87,532,593	\$ 585,848	\$ 580,063	\$ 105,760,044	\$ 88,112,656
Capital assets	54,413,812	50,631,630	253,547	-	54,667,359	50,631,630
Total assets	159,588,008	138,164,223	839,395	580,063	160,427,403	138,744,286
Total deferred outflows of resources	12,214,347	12,400,955	-	-	12,214,347	12,400,955
Long-term liabilities outstanding	46,918,156	33,731,520	-	-	46,918,156	33,731,520
Other liabilities	22,801,336	20,933,808	2,485	6,859	22,803,821	20,940,667
Total liabilities	69,719,491	54,665,328	2,485	6,859	69,721,976	54,672,187
Total deferred inflows of resources	4,330,346	4,078,579	-	-	4,330,346	4,078,579
Net position:						
Net investment in capital assets	42,521,097	42,111,459	-	-	42,521,097	42,111,459
Restricted	39,167,691	24,888,237	-	-	39,167,691	24,888,237
Unrestricted	16,063,730	24,821,575	836,910	573,204	16,900,640	25,394,779
Total net position	\$ 97,752,518	\$ 91,821,271	\$ 836,910	\$ 573,204	\$ 98,589,428	\$ 92,394,475

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$98,589,428 as of June 30, 2024. The County's net position increased by \$3,115,377 for the fiscal year ended June 30, 2024. Net position of \$42,521,097 (43.13%) 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 \$39,167,691 (39.73%) at June 30, 2024. The remaining balance of \$16,900,640 (17.14%) is the unrestricted portion of the total net position.

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

- Continued emphasis on the collection of property taxes. The tax collection percentage achieved for FY24 was 99.47%, the same favorable rate reported for FY23. This still represents the highest collection rate on record for Person County. The overall tax collections for current year's taxes increased by \$1,181,691.
- Large increase in investment earnings as the Federal Reserve raised rates in FY23 to battle an inflationary economy.
- Continued low cost of debt due to the County's high bond rating and history of capital planning.
- Management's proactive stance on monitoring spending across County departments to ensure compliance with the budget.

Person County, North Carolina
Management's Discussion and Analysis

For the Year Ended June 30, 2024

PERSON COUNTY'S CHANGES IN NET POSITION

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$ 7,292,012	\$ 7,214,485	\$ 287,494	\$ 285,750	\$ 7,579,506	\$ 7,500,235
Operating grants and contributions	11,825,146	17,066,228	-	-	11,825,146	17,066,228
Capital grants and contributions	216,730	2,450,223	-	-	216,730	2,450,223
General revenues:						
Property taxes	43,118,554	41,805,225	-	-	43,118,554	41,805,225
Local option sales taxes	13,347,812	13,232,684	-	-	13,347,812	13,232,684
Other taxes	1,147,088	1,118,369	-	-	1,147,088	1,118,369
Investment earnings, unrestr	4,510,032	2,621,074	1,866	2,049	4,511,898	2,623,123
Other	709,549	787,400	-	-	709,549	787,400
Total revenues	82,166,923	86,295,688	289,360	287,799	82,456,283	86,583,487
Expenses:						
General government	13,600,292	11,273,568	-	-	13,600,292	11,273,568
Public safety	21,879,909	19,282,517	-	-	21,879,909	19,282,517
Transportation	1,621,833	1,366,707	-	-	1,621,833	1,366,707
Human services	18,719,577	16,426,099	-	-	18,719,577	16,426,099
Environmental Protection	1,026,123	817,478	-	-	1,026,123	817,478
Economic and physical development	2,026,959	1,947,943	-	-	2,026,959	1,947,943
Cultural and recreation	2,504,393	2,421,730	-	-	2,504,393	2,421,730
Education	16,568,423	17,817,364	-	-	16,568,423	17,817,364
Interest on long-term debt	1,154,934	298,300	-	-	1,154,934	298,300
Stormwater	-	-	238,463	460,291	238,463	460,291
Total expenses	79,102,443	71,651,706	238,463	460,291	79,340,906	72,111,997
Increase (decrease) in net position	3,064,480	14,643,982	50,897	(172,492)	3,115,377	14,471,490
Net position, beginning	91,821,271	77,137,789	573,204	745,696	92,394,475	77,883,485
Net position, beginning, restated	94,688,038	77,177,289	786,013	745,696	95,474,051	77,922,985
Net position, ending	\$ 97,752,518	\$ 91,821,271	\$ 836,910	\$ 573,204	\$ 98,589,428	\$ 92,394,475

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

Governmental activities. Governmental activities resulted in an increase of the County's net position by \$3,064,480. Key elements of this increase are as follows:

- Increase in property taxes by \$1.3M, resulting from the 2021 revaluation and higher state appraised properties.
- Growth in sales tax revenues reflecting minimal increase by \$115K over the prior fiscal year.
- Significant increase of \$1.8M in investment earnings associated with the investment of restricted cash.
- Increase in charges for services which is related to the higher cost of providing governmental services.

Business-type activities. Business-type activities increased Person County's net position by \$50,897 in the Stormwater Fund. Key elements of this increase are as follows:

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

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Person County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Person County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of Person County. At the end of the current fiscal year, Person County's unassigned fund balance in the General Fund was \$17,547,130, available fund balance was \$25,718,165, while total fund balance reached \$35,647,066. The Governing Body of Person County has determined that the County should maintain an unassigned fund balance of 18% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. Unassigned fund balance for the General Fund is 21.71% of general fund expenditures and outgoing transfers less lease liabilities issued, while available fund balance represents 31.82% and total fund balance represents 44.11% of that same amount. Significant reductions in recovery and stimulus funds that were expended and reimbursed in prior years is a major cause for the \$7M reduction in fund balance from the prior year. Significant expenditure increases from pay adjustments for employees as a result of the implementation of a compensation market study, an increase in health insurance and mandated retirement contributions, higher operating allocations to the schools and community college, and the overall higher cost of providing services are other contributing factors for the reduction in fund balance for the General Fund.

The Capital Investment Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$15,283,042 at June 30, 2024, an increase of \$4,170,425 over the last year. An increase in the transfer from the General Fund to recognize excess reserves reported in FY 23 over the 25% level of unassigned fund balance is the primary cause for the increased in fund balance for this fund.

The Opioid Settlement Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$1,048,992 at June 30, 2024, in increase of \$712,494 over the restated fund balance reported last year. This special revenue fund accounts for opioid settlement proceeds received to battle the opioid pandemic. A restricted receivable balance (net of an allowance for doubtful accounts) of \$3,280,159 is recorded to reflect amounts that the County expects to receive in future years.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

The ARPA Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$498,998 at June 30, 2024. The increase is mostly attributed to higher investment earnings. This capital project fund accounts for revenue and expenditures associated with the American Rescue Plan Act of 2021. The County elected to take the standard allowance, as authorized by 31 CFR Part 35.6(d)(1) and expend all its ARP/CSLFRF funds for the provision of government services. The County plans to leverage the remaining \$2.75M in ARPA funding for broadband expansion by partnering with the state and internet service providers through the Completing Access to Broadband (CAB) Program.

The Airport Capital Projects Fund (classified as a major fund within Person County's financial statements), reported a fund balance of \$2,066,268 at June 30, 2024, an increase of \$538,293 over the last year. The increase is mostly attributable to investment earnings on grant funds that are unspent in the amount of \$12,000,000.

At June 30, 2024, the governmental funds of Person County reported a combined fund balance of \$78,310,696, an increase of \$13,470,779 (20.88%) from last year. The primary causes include an increase in property and sales tax revenues, as well as a large increase in intergovernmental revenues for various departments. Total governmental expenditures decreased compared to the prior year by \$122,166, mostly due to the decreases in capital expenditures. With increased revenues and decreased expenditures in the governmental funds, total revenues exceeded expenditures, causing a net surplus of \$13.4M for FY 2024.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on a number of occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$15,714,105.

Ad valorem taxes exceeded budget by \$1,135,366 due to the 2021 revaluation and higher state appraised properties. Investment earnings was collected over budget by \$198,016. Other impacts of this budget surplus include charges for services which were received over budget by \$155,926. This includes higher landfill host fees due to processing higher tonnage volume, and medicaid funds for the Maternal Health and Family Planning Programs in the Health Department.

Appropriations within the General Fund covered actual expenditures by more than \$8.6M. Unspent vehicle funds due to the unavailability of vehicles, as well as lapse salary expenditures in the Sheriff's Department and EMS cause the overall surplus of remaining funds in the Public Safety function of \$2.6M. Approximately \$2.1M of these remaining funds was reported in the Human Services departments, primarily from unspent contracted services funds in the Health Department and medicaid expansion and data storage services in the Social Services Department. General Government reported \$1.8M of available funds due to incomplete project expenditures in General Services, Human Resources and Register of Deeds Departments and in the Community Development Project Fund, remaining expenditures in contracted services for the revaluation process in the Reappraisal Fund, and unspent funds for department technology requests in the Information Technology Fund.

Proprietary Funds. Person County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. Unrestricted net position of the Stormwater Management Fund at the end of the fiscal year amounted to \$583,363. The total increase in net position was \$50,897. Other factors concerning the finances of this fund have already been addressed in the discussion of Person County's business-type activities.

Internal Service Fund. The Unrestricted net position reported in the Internal Service Fund for the County's Insurance Fund is \$2,717,944, an increase of \$419,653. This is primarily due to an increase in applied health plan premiums from employees as the result of elevated costs in health insurance rates. Higher investment earnings also contributed to the increase in net position at June 30, 2024.

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

For the Year Ended June 30, 2024

Capital Asset and Debt Administration

Capital Assets. Person County's capital assets for its governmental activities as of June 30, 2024, total \$54,667,359 (net of accumulated depreciation and amortization). These assets include land, buildings, improvements, machinery and equipment (including vehicles), and park facilities. Major capital asset transactions during the year include:

General Government

- Construction and renovation improvements at Person High School, roofing construction at the Old Helena Gym, EMS Building, EMS Satellite Building, and North End Elementary, repaving of parking lots at the Person County Office Building and North End Elementary, HVAC improvements at the Senior Center, refurbishment of the water tank at the Airport, purchase of a John Deere tractor used to maintain the Airport, sound system upgrades in the Person County Auditorium, camera security system installation at Helena Park, transit van for Person Industries, and truck for the Inspections Department.

Public Safety

- For EMS, the purchase of a new and two refitted ambulances, a high power generator, three Lucas CPR devices, a stretcher replacement, upgraded timekeeping software, and educational simulator equipment; for the Detention Center, a transit cargo van for transporting inmates; for the Sheriff's Department, twelve vehicle replacements, a license plate camera system, and a search & rescue boat; and for Animal Services, the installation of a shelter security system.

Transportation

- Camera security system for the Person Area Transportation System (PATs).

Human Services

- One truck and Ground Penetrating Radar (GPR) equipment for Environmental Health, and two vehicle replacements for DSS

Culture and Recreation

- Renovation of the Teen Room at the Public Library, upgrade of playground equipment at the Bushy Fork, Allensville, and Longhurst Parks, one truck replacement and septic upgrade for Mayo Park, one truck replacement and digital camera security system for Parks & Recreation, and an off-road utility vehicle for use at the Sportsplex Park.

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

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land	\$ 4,247,822	\$ 4,247,822	\$ -	\$ -	\$ 4,247,822	\$ 4,247,822
Buildings	14,176,692	15,802,129	-	-	14,176,692	15,802,129
Improvements	16,148,550	16,449,755	-	-	16,148,550	16,449,755
Machinery and equipment	5,232,504	4,477,202	-	-	5,232,504	4,477,202
Infrastructure	3,522,281	2,893,057	-	-	3,522,281	2,893,057
Construction in Progress	7,692,549	3,451,066	253,547	212,810	7,946,096	3,663,876
Right to Use Assets	3,393,414	2,771,166	-	-	3,393,414	2,771,166
Total	\$ 54,413,812	\$ 50,092,197	\$ 253,547	\$ 212,810	\$ 54,667,359	\$ 50,305,007

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

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

Long-term Debt. As of June 30, 2024, Person County had total bonded debt outstanding of \$1,218,669 which is backed by the full faith and credit of the government. Other total outstanding debt is as follows:

PERSON COUNTY'S OUTSTANDING DEBT
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds Payable	\$ 1,218,669	\$ 1,371,002	\$ -	\$ -	\$ 1,218,669	\$ 1,371,002
LOBS Payable	12,165,000	-	-	-	12,165,000	-
Premium on LOBs	601,790	-	-	-	601,790	-
Installment Purchases	3,955,924	4,914,760	-	-	3,955,924	4,914,760
Lease Liability	3,352,208	2,542,005	-	-	3,352,208	2,542,005
IT Subscription Liability	102,929	226,544	-	-	102,929	226,544
Total	\$ 21,396,520	\$ 9,054,311	\$ -	\$ -	\$ 21,396,520	\$ 9,054,311

Person County's total debt increased by \$12,342,209 (136.31%) during the past fiscal year, due to the issuance of LOBS for School construction and new GASB 87 leases.

As mentioned in the financial highlights section of this document, Person County's conservative fiscal management and ability to maintain a strong financial position helps in keeping interest costs low when the County issues debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Person County is \$426,722,920.

The Person County Board of Commissioners has had a history of fiscal conservatism that also contributes to the favorable bond rating. Additional information regarding Person County's long-term debt can be found in Note 3(b) of the Notes to the Financial Statements.

Economic Factors and Next Year's Budgets and Rates

- The County's average unemployment rate as of June 30, 2024, was 4.1%, an increase of 0.4% from last year's rate of 3.7% but only 0.5% under the statewide average of 4.1%.
- Based on these inflation forecasts, average consumer price inflation is 3.1% in 2024, compared to 4.06% in 2023.
- Management is enacting initiatives to take advantage of the growth in manufacturing.
- Population of 40,134 is slightly higher than in the previous year.

Person County, North Carolina Management's Discussion and Analysis

For the Year Ended June 30, 2024

Budget Highlights for Fiscal Year Ending June 30, 2025

Government Activities:

The Adopted Budget for Fiscal Year 2024-2025 is \$101,327,458, which includes all annually budgeted funds, an increase of 8.25% over the previous year's adopted budget. The General Fund comprises \$80,149,406 of this total, which is an increase of \$6.4M, or 8.7% over the prior year. Additional expenditures in the budget include a 3.5% COLA for employees for approximately \$1.1M. An increase in mandatory state retirement rates and in health insurance rates are also contributing cost factors in next year's budget. A new fleet program was implemented that will replace 28 vehicles in the County's aging fleet inventory for \$1.2M. DSS Program expenditures increase by \$545K due to Medicaid Expansion and legislative changes in foster care. Operational funding also substantially increases for the schools by \$1.2M and for the community college by approximately \$282K. The total approved fiscal year CIP funding amount is \$27,724,070. In addition to a \$21M proposed debt issuance, the plan includes new projects such as the upgrade of the County's virtual infrastructure system, construction improvements to the County's Human Services Building, window replacements to the front side of the Person County Office Building, Emergency Service building and equipment upgrades, various ADA projects at the Kirby Theater and park playgrounds, building exterior and technology improvements for the community college, and HVAC and water fountain replacements for several schools.

Revenues are projected to increase by just over \$6.41 million in the General Fund compared to the fiscal year 2024 budget and approximately \$7.72 million for all funds. The County is unique in terms of budgeting and tax base because of the significant percentage that lies in state-appraised property (public utilities). The County ranks first in the State for the largest percentage of tax base comprised of state-appraised property. The County's budget maintains the property tax rate of \$0.7225 and fire tax rate at \$.05. The tax collection rate increased from 97.5% to 98.0%. Consistent with the County's financial policy, the appropriation of fund balance is tied to one-time expenses, such as capital outlay. The budget includes a fund balance appropriation of \$2.31 million, a decrease of more than \$1.3 million from the prior year. The largest increase in revenues is primarily the result of the use and recognition of American Recovery Plan Act (ARPA) funds that are budgeted as a transfer into the General Fund for almost \$3 million, as well as the return of \$1 million to the General Fund for a fiscal year 2025 CIP project that was advanced to be completed in fiscal year 2024 due to equipment failure and the need to make the replacement earlier than anticipated.

Business Type Activities:

The stormwater rates increase by \$8,000 to \$285,000, which is projected to adequately cover the costs of operations. Budgeted revenues and expenditures increased by \$7,600 for a total of \$286,600. This is primarily due to the \$38,333 increase in administrative costs for the management of stormwater activities.

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 Chief Financial Officer, Person County, 304 South Morgan Street, Suite 219, Roxboro, NC 27573. You can also call (336)-597-1726 or visit our website <http://www.personcountync.gov> for more information.

Person County, North Carolina
Statement of Net Position
June 30, 2024

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Person County Tourism Development Authority	Person County ABC Board
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 47,571,646	\$ 575,327	\$ 48,146,973	\$ 590,475	\$ 1,339,660
Taxes receivable (net)	319,569	-	319,569	-	-
Other receivables (net)	6,393,028	10,521	6,403,549	52,886	6,503
Restricted opioid receivable, net	338,446	-	338,446	-	-
Lease receivable - current	-	-	-	-	-
Inventories	-	-	-	-	841,300
Prepaid items	117,162	-	117,162	-	288
Restricted cash and cash equivalents	45,991,250	-	45,991,250	-	-
Total current assets	100,731,101	585,848	101,316,949	643,361	2,187,751
Non-current Assets:					
Net pension asset- Register of Deeds	43,715	-	43,715	-	-
Restricted opioid receivable, net	2,941,713	-	2,941,713	-	-
Lease receivable	1,457,667	-	1,457,667	-	-
Capital assets:					
Land, improvements, and construction in progress	11,940,371	253,547	12,193,918	-	184,576
Other capital assets, net of depreciation	39,080,027	-	39,080,027	13,231	877,848
Right to use lease asset, net of amortization	3,393,414	-	3,393,414	-	-
Total capital assets	54,413,812	253,547	54,667,359	13,231	1,062,424
Total non-current assets	58,856,907	253,547	59,110,454	13,231	1,062,424
Total assets	159,588,008	839,395	160,427,403	656,592	3,250,175
DEFERRED OUTFLOWS OF RESOURCES	12,214,347	-	12,214,347	-	145,550
LIABILITIES					
Current Liabilities:					
Accounts payable and accrued expenses	4,132,389	2,485	4,134,874	37,448	544,571
Accrued interest payable	64,837	-	64,837	-	-
Customer deposits	20,594	-	20,594	-	-
Unearned revenues	14,764,268	-	14,764,268	-	-
Current portion of long-term liabilities	3,819,248	-	3,819,248	-	96,320
Total current liabilities	22,801,336	2,485	22,803,821	37,448	640,891
Long-term liabilities:					
Net pension liability - LGERS	14,083,663	-	14,083,663	-	162,663
Total pension liability- LEOSSA	2,629,992	-	2,629,992	-	-
Total OPEB liability	10,866,061	-	10,866,061	-	-
Long-term liabilities due in more than one year	19,338,440	-	19,338,440	-	97,488
Total long-term liabilities	46,918,156	-	46,918,156	-	260,151
Total liabilities	69,719,491	2,485	69,721,976	37,448	901,042
DEFERRED INFLOWS OF RESOURCES	4,330,346	-	4,330,346	-	390
NET POSITION					
Net investment in capital assets	42,521,097	-	42,521,097	13,231	881,842
Restricted for:					
Stabalization by State Statute	9,665,714	-	9,665,714	-	-
Opioid Settlement	1,048,992	-	1,048,992	-	-
Public Safety	1,257,595	-	1,257,595	-	-
Register of deeds	62,329	-	62,329	-	-
Register of deeds pension plan	43,715	-	43,715	-	-
Economic and physical development	-	-	-	-	-
Capital projects	27,089,346	-	27,089,346	-	300,000
Working capital	-	-	-	-	178,538
Unrestricted (deficit)	16,063,730	836,910	16,900,640	605,913	1,133,913
Total net position	\$ 97,752,518	\$ 836,910	\$ 98,589,428	\$ 619,144	\$ 2,494,293

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

Person County, North Carolina
Statement of Activities
For the Year Ended June 30, 2024

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental Activities:				
General government	\$ 13,600,292	\$ 819,120	\$ -	\$ -
Public safety	21,879,909	3,001,064	1,048,479	-
Transportation	1,621,833	166,334	642,487	212,630
Human services	18,719,577	1,587,142	8,951,263	-
Environmental protection	1,026,123	1,292,957	27,786	-
Economic and physical development	2,026,959	8,658	785,843	-
Cultural and recreation	2,504,393	416,737	170,537	-
Education	16,568,423	-	198,751	4,100
Interest on long-term debt	1,154,934	-	-	-
Total governmental activities	79,102,443	7,292,012	11,825,146	216,730
Business-type activities:				
Stormwater	238,463	287,494	-	-
Total primary government	\$ 79,340,906	\$ 7,579,506	\$ 11,825,146	\$ 216,730
Component Units:				
Person County Tourism Development Authority	\$ 496,939	\$ 504,642	\$ -	\$ -
Person County ABC Board	4,364,234	4,641,999	-	-
Total component units	\$ 4,861,173	\$ 5,146,641	\$ -	\$ -
General revenues:				
Taxes:				
Property taxes, levied for general purpose				
Local option sales tax				
Other taxes				
Unrestricted intergovernmental				
Investment earnings, unrestricted				
Miscellaneous, unrestricted:				
Other miscellaneous				
Total general revenues				
Change in net position				
Net position-beginning				
Prior Period Adjustment (see Note VIII)				
Prior Period Restatment (see Note IX)				
Net position-beginning, restated				
Net position-ending				

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

Net (Expense) Revenue and Changes in Net Position				
Primary Government			Component Unit	
Governmental Activities	Business-type Activities	Total	Person County Tourism Development Authority	Person County ABC Board
\$ (12,781,172)	\$ -	\$ (12,781,172)	\$ -	\$ -
(17,830,366)	-	(17,830,366)	-	-
(600,382)	-	(600,382)	-	-
(8,181,172)	-	(8,181,172)	-	-
294,620	-	294,620	-	-
(1,232,458)	-	(1,232,458)	-	-
(1,917,119)	-	(1,917,119)	-	-
(16,365,572)	-	(16,365,572)	-	-
(1,154,934)	-	(1,154,934)	-	-
(59,768,555)	-	(59,768,555)	-	-
-	49,031	49,031	-	-
(59,768,555)	49,031	(59,719,524)	-	-
-	-	-	7,703	-
-	-	-	-	277,765
-	-	-	7,703	277,765
43,118,554	-	43,118,554	-	-
13,347,812	-	13,347,812	-	-
1,147,088	-	1,147,088	-	-
438,532	-	438,532	-	-
4,510,032	1,866	4,511,898	5,222	10,188
271,017	-	271,017	841	550
62,833,035	1,866	62,834,901	6,063	10,738
3,064,480	50,897	3,115,377	13,766	288,503
91,821,271	573,204	92,394,475	605,378	2,205,790
(1,391,135)	212,809	(1,178,326)	-	-
4,257,902	-	4,257,902	-	-
94,688,038	786,013	95,474,051	605,378	2,205,790
\$ 97,752,518	\$ 836,910	\$ 98,589,428	\$ 619,144	\$ 2,494,293

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Basic Financial Statements

Basic Financial Statements

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Person County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

	Major					Non-Major	
	General	Capital Investment Fund	Opioid Settlement Fund	ARPA Fund	Airport Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 29,890,043	\$ -	\$ -	\$ -	\$ -	\$ 14,059,556	\$ 43,949,599
Cash and cash equivalents-Restricted	1,845,768	15,409,562	1,048,992	3,248,998	14,091,744	10,346,186	45,991,250
Ad valorem taxes receivables, net	292,550	-	-	-	-	-	292,550
Other Receivables, net	6,196,605	4,100	-	-	5,666	186,607	6,392,978
Restricted opioid receivables, net	-	-	3,280,159	-	-	-	3,280,159
Lease Receivable	1,457,667	-	-	-	-	-	1,457,667
Due from other funds	479,244	-	-	-	-	-	479,244
Prepays items	117,162	-	-	-	-	-	117,162
Total assets	\$ 40,279,039	\$ 15,413,662	\$ 4,329,151	\$ 3,248,998	\$ 14,097,410	\$ 24,592,349	\$ 101,960,609
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 2,731,287	\$ 130,620	\$ -	\$ -	\$ 31,142	\$ 335,187	\$ 3,228,236
Deposits	20,594	-	-	-	-	-	20,594
Due to other funds	-	-	-	-	-	479,244	479,244
Unearned revenues	14,268	-	-	2,750,000	12,000,000	-	14,764,268
Total liabilities	2,766,149	130,620	-	2,750,000	12,031,142	814,431	18,492,342
DEFERRED INFLOWS OF RESOURCES							
Prepaid Taxes	144,271	-	-	-	-	-	144,271
Property taxes receivable	292,550	-	-	-	-	-	292,550
Lease receivable	1,429,003	-	-	-	-	-	1,429,003
Notes and Settlement receivables	-	-	3,280,159	-	-	11,588	3,291,747
Total deferred inflows of resources	1,865,824	-	3,280,159	-	-	11,588	5,157,571
Fund balances:							
Nonspendable:							
Prepays	117,162	-	-	-	-	-	117,162
Leases	28,664	-	-	-	-	-	28,664
Restricted:							
Stabilization by State Statute	9,434,886	4,100	-	-	-	226,728	9,665,714
Register of Deeds	62,329	-	-	-	-	-	62,329
Public Safety	285,860	-	-	-	-	971,735	1,257,595
Opioid Settlement	-	-	1,048,992	-	-	-	1,048,992
Human Services	-	-	-	-	-	117,550	117,550
Capital Projects	-	15,278,942	-	498,998	2,066,268	9,245,138	27,089,346
Committed:							
Tax Reappraisal	750,380	-	-	-	-	-	750,380
Economic Development	-	-	-	-	-	1,902,452	1,902,452
Environmental protection	-	-	-	-	-	860,254	860,254
Public Safety	-	-	-	-	-	1,495,727	1,495,727
LEOSSA Pension	362,418	-	-	-	-	-	362,418
Capital Projects	-	-	-	-	-	9,071,910	9,071,910
Assigned:							
Broadband Expansion	2,750,000	-	-	-	-	-	2,750,000
Economic Development	2,000,000	-	-	-	-	-	2,000,000
Subsequent year's expenditures	2,308,237	-	-	-	-	-	2,308,237
Unassigned:	17,547,130	-	-	-	-	(125,164)	17,421,966
Total fund balances	35,647,066	15,283,042	1,048,992	498,998	2,066,268	23,766,330	78,310,696
Total liabilities, deferred inflows of resources, and fund balances	\$ 40,279,039	\$ 15,413,662	\$ 4,329,151	\$ 3,248,998	\$ 14,097,410	\$ 24,592,349	\$ 101,960,609

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

Person County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2024

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

Total Fund Balance - Governmental Funds	\$ 78,310,696
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	54,413,812
Accrued interest receivable less that amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements.	27,019
Net pension asset - Register of Deeds	43,715
Internal service fund is used by management to charge insurance costs to individual funds; the assets and liabilities of the internal service fund is included in governmental activities in the Statement of Net Position	2,717,944
Deferred inflows of resources for taxes receivable	292,550
Deferred inflows of resources for note and settlement receivable	3,291,747
Pension related deferrals, net	8,699,885
OPEB related deferrals, net	757,390
Some liabilities, including bonds payable and OPEB benefits, are not due and payable in the current period and therefore are not reported in the funds:	
Accrued interest payable	(64,837)
General Obligation Bonds	(1,218,669)
Installment Purchases	(3,955,924)
Limited Obligation Bonds	(12,165,000)
Premium on Bond Issuances	(601,790)
Lease and IT Subscription Liabilities	(3,455,137)
Compensated Absences	(1,640,886)
Net pension liability- LGERS	(14,083,663)
Net pension liability- LEOSSA	(2,629,992)
Total OPEB liability	(10,866,061)
Net position of governmental activities	<u>\$ 97,752,518</u>

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

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

	General Fund	Capital Investment Fund	Major Opioid Settlement Fund	ARPA Fund	Airport Capital Projects	Non-Major Other Governmental Funds	Total Governmental Funds
REVENUES							
Ad valorem taxes	\$ 40,715,507	\$ -	\$ -	\$ -	\$ -	\$ 2,412,411	\$ 43,127,918
Local options sales taxes	13,347,812	-	-	-	-	-	13,347,812
Other taxes and licenses	1,018,600	-	-	-	-	-	1,018,600
Fees	844,396	-	-	-	-	-	844,396
Intergovernmental	9,707,389	4,100	712,494	-	212,630	2,182,515	12,819,128
Investment earnings	1,907,583	1,036,775	-	202,573	668,818	529,985	4,345,734
Charges for services	5,265,395	-	-	-	-	875,092	6,140,487
Other	981,891	-	-	-	-	11,789	993,680
Total revenues	<u>73,788,573</u>	<u>1,040,875</u>	<u>712,494</u>	<u>202,573</u>	<u>881,448</u>	<u>6,011,792</u>	<u>82,637,755</u>
EXPENDITURES							
Current:							
General government	10,257,047	-	-	-	-	-	10,257,047
Public safety	18,304,445	-	-	-	-	2,180,556	20,485,001
Transportation	1,410,357	-	-	-	-	-	1,410,357
Human services	14,241,608	-	-	-	-	2,633,910	16,875,518
Environmental protection	246,428	-	-	-	-	646,866	893,294
Economic and physical development	1,253,657	-	-	-	-	1,013,201	2,266,858
Cultural and recreational	2,367,767	-	-	-	-	-	2,367,767
Intergovernmental							
Education	13,584,762	1,380,116	-	-	-	5,210,596	20,175,474
Capital outlay	1,688,137	2,042,272	-	-	543,155	1,380,035	5,653,599
Debt service:							
Principal	571,467	1,934,402	-	-	-	21,364	2,527,233
Interest and other charges	33,382	595,643	-	-	-	1,110	630,135
Issuance costs	-	200,000	-	-	-	335,565	535,565
Total expenditures	<u>63,959,057</u>	<u>6,152,433</u>	<u>-</u>	<u>-</u>	<u>543,155</u>	<u>13,423,203</u>	<u>84,077,848</u>
Excess (deficiency) of revenues over expenditures	<u>9,829,516</u>	<u>(5,111,558)</u>	<u>712,494</u>	<u>202,573</u>	<u>338,293</u>	<u>(7,411,411)</u>	<u>(1,440,093)</u>
OTHER FINANCING SOURCES (USES)							
Lease & IT Subscriptions issued	17,443	2,042,272	-	-	-	42,937	2,102,652
Limited Obligation Bonds issued	-	-	-	-	-	12,787,541	12,787,541
Transfers from other funds	-	15,439,711	-	-	200,000	9,440,783	25,080,494
Transfers to other funds	(16,880,494)	(8,200,000)	-	-	-	-	(25,080,494)
Sale of capital assets	20,679	-	-	-	-	-	20,679
Total other financing sources and uses	<u>(16,842,372)</u>	<u>9,281,983</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>22,271,261</u>	<u>14,910,872</u>
Net change in fund balance	<u>(7,012,856)</u>	<u>4,170,425</u>	<u>712,494</u>	<u>202,573</u>	<u>538,293</u>	<u>14,859,850</u>	<u>13,470,779</u>
Fund balances-beginning	<u>43,473,088</u>	<u>11,112,617</u>	<u>-</u>	<u>296,425</u>	<u>1,527,975</u>	<u>8,945,016</u>	<u>65,355,121</u>
Prior Period Adjustment (see Note VIII)	(813,166)	-	-	-	-	(38,536)	(851,702)
Prior Period Restatement (see Note IX)	-	-	336,498	-	-	-	336,498
Fund balances-ending	<u>\$ 35,647,066</u>	<u>\$ 15,283,042</u>	<u>\$ 1,048,992</u>	<u>\$ 498,998</u>	<u>\$ 2,066,268</u>	<u>\$ 23,766,330</u>	<u>\$ 78,310,696</u>

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

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2024

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

Net changes in fund balances - total governmental funds		\$ 13,470,779
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures which were capitalized	8,327,222	
Depreciation expense for governmental assets	(4,555,043)	
Basis of assets disposed	<u>(73,608)</u>	3,698,571
Right to Use Assets - lease assets	2,102,652	
Amortization expense for lease assets	<u>(1,479,608)</u>	623,044
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.		(14,890,193)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.		2,527,233
Amortization of premium on bond refundings		20,751
Post closure costs are reported as an expense on the fund statements but are reflected as a reduction in the liability on the government-wide statements.		(99,460)
Contributions to the pension plan in the current year are not included on the Statement of Activities.		2,924,089
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.		80,131
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position.		240,310
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.		
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)		(9,985)
Compensated absences		(187,641)
OPEB expense		(986,088)
Pension expense		(4,110,905)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.		
Increase (decrease) in deferred inflows of resources - taxes receivable		(7,529)
Increase (decrease) in deferred inflows of resources - opioid settlement		(641,245)
Increase in accrued taxes receivable at end of year		(1,834)
Internal service funds are used by management to charge the costs of health insurance to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		419,653
The issuance of revolving loans consumes current financial resources of governmental funds, while the repayment of the principal of the note receivable provides current financial resources to governmental funds. Neither transaction has any effect on net position. This amount is the amount that the issuance of the note exceeds the principal repayment.		<u>(5,201)</u>
Total changes in net position of governmental activities		<u>\$ 3,064,480</u>

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

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
For the Year Ended June 30, 2024

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 39,334,641	\$ 39,580,141	\$ 40,715,507	\$ 1,135,366
Local option sales taxes	13,629,865	13,629,865	13,347,812	(282,053)
Other taxes and licenses	973,000	1,048,000	1,018,600	(29,400)
Fees	782,408	811,520	844,396	32,876
Intergovernmental	8,670,720	10,490,635	9,707,389	(783,246)
Investment earnings	1,200,000	1,709,567	1,907,583	198,016
Charges for services	4,843,573	5,109,469	5,265,395	155,926
Other	673,704	985,890	981,891	(3,999)
Total revenues	<u>70,107,911</u>	<u>73,365,087</u>	<u>73,788,573</u>	<u>423,486</u>
Expenditures				
Current:				
General government	10,573,446	11,778,573	10,011,595	1,766,978
Public safety	17,913,528	22,155,950	19,567,842	2,588,108
Transportation	1,528,105	2,113,294	1,420,671	692,623
Human services	15,727,546	16,447,898	14,402,821	2,045,077
Environmental protection	418,481	542,705	246,428	296,277
Economic and physical development	1,417,550	1,442,182	1,253,657	188,525
Cultural and recreation	2,393,378	3,096,263	2,522,820	573,443
Contingency	3,345,000	407,537	-	407,537
Intergovernmental				
Education	13,601,011	13,601,011	13,584,762	16,249
Debt service				
Principal	-	572,308	571,467	841
Interest	-	33,412	33,382	30
Total expenditures	<u>66,918,045</u>	<u>72,191,133</u>	<u>63,615,445</u>	<u>8,575,688</u>
Revenues over (under) expenditures	<u>3,189,866</u>	<u>1,173,954</u>	<u>10,173,128</u>	<u>8,999,174</u>
Other financing sources (uses):				
Transfer to other funds	(6,820,260)	(17,278,722)	(17,082,618)	196,104
Sale of capital assets	-	-	20,679	20,679
Total other financing sources (uses)	<u>(6,820,260)</u>	<u>(17,261,277)</u>	<u>(17,044,496)</u>	<u>216,781</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>(3,630,394)</u>	<u>(16,087,323)</u>	<u>(6,871,368)</u>	<u>9,215,955</u>
Appropriated Fund Balance	<u>3,630,394</u>	<u>16,087,323</u>	-	<u>(16,087,323)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>(6,871,368)</u>	<u>\$ (6,871,368)</u>
Fund Balances- beginning			42,581,220	
Prior Period Adjustment (see Note VII)			(813,166)	
Fund Balances- ending			<u>\$ 34,896,686</u>	
Legally budgeted Tax Reappraisal expenditures have been consolidated into the General Fund for reporting purposes:				
Expenditures			(343,612)	
Transfer from General Fund			202,124	
Consolidated change in fund balance			<u>(7,012,856)</u>	
Fund Balances- beginning			43,473,088	
Fund Balances- ending			<u>\$ 35,647,066</u>	

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

Person County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - Capital Investment Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues:				
Lottery Proceeds	\$ 500,000	\$ 54,180	\$ 4,100	\$ (50,080)
Investment earnings	240,000	240,000	1,036,775	796,775
Total revenues	<u>740,000</u>	<u>294,180</u>	<u>1,040,875</u>	<u>746,695</u>
Expenditures:				
Schools	1,555,316	1,382,623	1,250,325	132,298
PCC	70,000	144,791	129,791	15,000
Reserve for future projects	-	6,921,437	-	6,921,437
Capital Outlay	-	2,042,272	2,042,272	-
Debt Service				
Principal retirement	1,111,169	1,934,402	1,934,402	-
Interest and fees	605,784	673,019	595,643	77,376
Issuance Costs	-	200,000	200,000	-
Total debt service	<u>1,716,953</u>	<u>2,807,421</u>	<u>2,730,045</u>	<u>77,376</u>
Total expenditures	<u>3,342,269</u>	<u>13,298,544</u>	<u>6,152,433</u>	<u>7,131,111</u>
Excess (deficiency) of revenues over expenditures	<u>(2,602,269)</u>	<u>(13,004,364)</u>	<u>(5,111,558)</u>	<u>7,877,806</u>
Other Financing Sources (Uses)				
Transfers In	5,802,269	15,837,938	15,439,711	(398,227)
Transfers Out	(3,200,000)	(8,200,000)	(8,200,000)	-
Lease liabilities issued	-	2,042,272	2,042,272	-
Total other financing sources (uses)	<u>2,602,269</u>	<u>9,680,210</u>	<u>9,281,983</u>	<u>(398,227)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>-</u>	<u>(3,324,154)</u>	<u>4,170,425</u>	<u>7,479,579</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ -</u>	<u>4,170,425</u>	<u>\$ 4,155,425</u>
Fund balance, beginning			<u>13,807,907</u>	
Fund balance, ending			<u>\$ 17,978,332</u>	

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

Person County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2024

	Non-Major Enterprise Fund	Internal Service Fund
	Storm Water Fund	Insurance Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 575,327	\$ 3,622,047
Accounts receivable (net)	10,521	50
Total current assets	<u>585,848</u>	<u>3,622,097</u>
Capital assets:		
Construction in progress	253,547	-
Total capital assets	<u>253,547</u>	<u>-</u>
Total non-current assets	<u>253,547</u>	<u>-</u>
Total assets	<u>839,395</u>	<u>3,622,097</u>
LIABILITIES		
Current liabilities:		
Accounts payable and accrued liabilities	2,485	904,153
Total current liabilities	<u>2,485</u>	<u>904,153</u>
Total liabilities	<u>2,485</u>	<u>904,153</u>
NET POSITION		
Net investment in capital assets	253,547	-
Unrestricted	583,363	2,717,944
Total net position	<u>\$ 836,910</u>	<u>\$ 2,717,944</u>

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

Person County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2024

	Non-Major Enterprise Fund	Internal Service Fund
	Storm Water Fund	Insurance Funds
OPERATING REVENUES		
Charges for services	\$ 287,494	\$ 5,162,806
Miscellaneous income	-	304,963
Total operating revenues	<u>287,494</u>	<u>5,467,769</u>
OPERATING EXPENSES		
Professional and contract services	47,495	-
Dues and subscriptions	90,077	-
Stormwater administration	99,691	-
Project expenses	1,200	-
Health insurance administration	-	5,212,414
Total operating expenses	<u>238,463</u>	<u>5,212,414</u>
Operating income	<u>49,031</u>	<u>255,355</u>
NONOPERATING REVENUES (EXPENSES)		
Interest earnings	1,866	164,298
Total nonoperating revenue (expenses)	<u>1,866</u>	<u>164,298</u>
Income (loss) before transfers	<u>50,897</u>	<u>419,653</u>
Transfers from (to) other funds	<u>-</u>	<u>-</u>
Change in net position	<u>50,897</u>	<u>419,653</u>
Total net position, beginning	<u>573,204</u>	<u>2,298,291</u>
Prior Period Adjustment (see Note VIII)	<u>212,809</u>	<u>-</u>
Total net position, ending	<u><u>\$ 836,910</u></u>	<u><u>\$ 2,717,944</u></u>

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

Person County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Non-Major Enterprise Fund Storm Water Fund	Internal Service Fund Insurance Funds
Cash flows from operating activities:		
Cash received from customers	\$ 288,423	\$ 5,467,719
Cash paid for goods and services	(242,838)	(5,203,003)
Net cash provided (used) by operating activities	45,585	264,716
Cash flows from noncapital financing:		
Transfers in	-	-
Net cash provided (used) by noncapital financing activities	-	-
Capital flows from capital and related financing activities:		
Acquisition and construction of capital assets	(40,737)	-
Net cash provided (used) by capital and related financing activities	(40,737)	-
Cash flows from investing activities:		
Interest on investments	1,866	164,298
Net increase (decrease) in cash and cash equivalents	6,714	429,014
Cash and cash equivalents		
Beginning of year, July 1	568,613	3,193,033
End of year, June 30	\$ 575,327	\$ 3,622,047
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	\$ 49,031	\$ 255,355
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Changes in assets and liabilities:		
Accounts receivable	929	(50)
Account payable and accrued liabilities	(4,375)	9,411
Total adjustments	(3,446)	9,361
Net cash provided by (used for) operating activities	\$ 45,585	\$ 264,716

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

Person County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Funds
Assets	
Cash and cash equivalents	\$ 120,997
Taxes receivables, net	112,133
Total assets	<u>233,130</u>
Liabilities	
Accounts payable and accrued liabilities	2,081
Due to other governments	44,200
Total liabilities	<u>46,281</u>
Net Position	
Restricted for:	
Individuals, organizations, and other governments	186,849
Total net position	<u>\$ 186,849</u>

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

Person County, North Carolina
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Funds
Additions	
Ad valorem taxes for other governments	\$ 6,557,803
Collections on behalf of inmates	269,180
Collections on behalf of 4H	13,979
Total additions	<u>6,840,962</u>
Deductions	
Tax distributions to other governments	6,560,145
Payments on behalf of inmates	248,874
Payments to 4H	11,579
Total deductions	<u>6,820,598</u>
Net increase (decrease) in fiduciary net position	20,364
Net position - beginnning	<u>166,485</u>
Net position - ending	<u><u>\$ 186,849</u></u>

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

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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.

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Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

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

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

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position of Person County, North Carolina (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. However, any interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

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

The County reports the following major governmental funds:

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

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

Opioid Settlement Fund - This fund reports revenues for amounts paid by a number of corporations to settle various opioid lawsuits. These amounts are restricted to be spent for certain opioid abatement and remediation activities.

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

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

The County maintains twelve legally budgeted non-major funds.

The County reports the following non-major fund types:

Special Revenue Funds: Special Revenue Funds account for specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes. The County maintains nine Special Revenue Funds within its non-major governmental fund types: Fire Tax District Fund, Emergency Telephone System Fund, Revolving Loan Fund, Economic Catalyst Fund, Water and Sewer Construction Reserve Fund, Sheriff's Execution Fund, Person Industries Community Rehabilitation Program and Material Recovery Facility Fund, and Social Services Representative Fund.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Capital Project Funds: Capital Project Funds account for financial resources to be used for the acquisition or construction of capital facilities (other than those financed by proprietary funds and trust funds). Currently, the County maintains four Capital Project Funds within its non-major governmental fund types: Capital Improvement Projects Fund, Waterline Extension RRSF Fund, Public Safety Towers and Broadband Fund, and the Public School Improvements - LOBs fund.

The County reports the following non-major enterprise fund:

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

The County reports the following internal service fund:

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

The County reports the following fiduciary fund types:

Custodial Funds: Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: the City of Roxboro Property and Vehicle Tax Fund, which accounts for property taxes that are billed and collected by the County for the City of Roxboro; the Inmate Fund, which accounts for moneys deposited with the Sheriff's Department on behalf of inmates held in the Person County jail; the 4-H Program Fund which accounts for moneys to be spent for future 4-H programs.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary, and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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. Issuance of general long-term debt, leases initiated during the year, and new IT subscription acquisitions are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues collected and held by the State at year-end on behalf of the County, are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

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

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds and at the project level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$10,000. The governing board must approve all amendments. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

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

1. Deposits and Investments

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

State law [G.S. 159-30(c)] authorizes the County and its component units to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT).

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

2. Cash and Cash Equivalents

The County pools moneys from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The PCTDA's deposits are pooled with the County. The ABC Board considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

The amount of unspent resources obtained from the Opioid Settlement are restricted to use for specific purposes (i.e., opioid remediation). Accordingly, the assets from the settlement that remain on hand are reported as restricted assets. In addition to the restricted cash shown below, opioid receivables, net, of \$3,280,159 related to the settlement are also reported as restricted assets. The American Rescue Plan Act (ARPA) established the Coronavirus State and Local Fiscal Recovery Funds to support urgent COVID-19 response efforts and replace lost revenue for the eligible state, local, territorial, and tribal governments. These funds are limited to specific purposes. So, until the amounts are assigned to use for a specific purpose they are reported as restricted assets.

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Restricted cash at June 30, 2024 consisted of the following:

Person County Restricted Cash			
Governmental Activities			
General Fund	Tax Revaluation	\$	750,381
General Fund	Information Technology		379,821
General Fund	Register of Deeds		62,329
General Fund	Law Enforcement		290,818
General Fund	LEOSSA Pension		362,419
ARPA Fund	Unexpended Grant Proceeds		3,248,998
Opioid Settlement Funds	Unexpended Settlement Funds		1,048,992
Public School Improvements - LOBS Funds	Unspent loan proceeds		9,402,857
Airport Capital Projects Fund	Airport Construction		14,091,744
Emergency Telephone System Fund	Public Safety		943,329
Capital Investments Fund	Capital Projects		15,409,562
Total restricted cash			<u>\$ 45,991,250</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. These taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2023. Ad valorem tax revenues are reported in the County's General Fund.

5. Lease Receivable

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

6. Allowance for Doubtful Accounts

All receivables that historically experience uncollectible accounts are shown net of an allowance for doubtful accounts. This amount is estimated by analyzing the percentage of receivables that were written off in prior years. While this is the first year that the County reports a receivable for the amount to be received related to the Opioid Settlement the County has estimated an allowance for uncollectible accounts even in the absence of historical data to serve as the basis of the calculation. The County believes this is prudent given the term over which these amounts are to be paid and the possibility that corporations party to the settlement may experience bankruptcy or going concern issues. The initial allowance estimate has been established as a flat 10% of the outstanding receivable balance.

7. Inventories and Prepaid Items

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

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements and expensed as the items are used in accordance with the consumption method.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

8. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County defines capital assets as assets with an individual cost of more than \$5,000, and an estimated useful life of more than two years. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

	<u>Years</u>
Buildings	30-50
Store Equipment	5-25
Office Furniture and Fixtures	5-25
Vehicles	5

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

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

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

9. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to future periods and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – pension and OPEB related deferrals (including contributions made to the OPEB and pension plan in the current fiscal year). In addition to liabilities, the statement of net position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to future periods and so will be recognized as revenue until then. The County has four items that meet the criterion for this category – prepaid taxes, leases, and other OPEB and pension plan deferrals. In addition, certain unavailable revenues related to taxes, notes receivables, opioid settlement receivables are reported as deferred inflows of resources, but only on the balance sheet of the governmental funds.

10. Long-Term Obligations

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

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

11. Compensated Absences

The vacation policy of the County provides for the accumulation of up to 12 days annual leave per year for the first five years of employment and up to 21 days per year after twenty years. Annual leave fully vests when earned. Employees may accumulate up to thirty (30) days earned vacation leave. Accumulated leave earned in excess of 30 days for any calendar year converts to sick leave at the end of the calendar year. For the County, the current portion of the accumulated vacation pay is not considered to be material. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2024 is recorded in the government-wide financial statements on a LIFO basis. Employees typically take leave as it is earned and the current portion is estimated to approximately the same amount as the previous year's leave taken.

The sick leave policy of the County provides for the accumulation of up to 12 days per year. There is no limit on the accumulation of sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since the County has no obligation for the accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County. With the implementation of GASB No. 101, the County, ABC Board, and TDA will estimate what sick leave is "more likely than not to be paid or used" and recognize that portion as a liability for compensated absence and salary-related payments.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

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

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

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

The vacation policy of the PCTDA provides for the accumulation of up to 240 hours earned vacation leave with such leave being fully vested when earned. The sick leave policy of the PCTDA provides for an unlimited accumulation of earned sick leave. Sick leave does not vest and is limited to a carryover of 120 hours per year.

12. Opioid Settlement Funds

In April 2022, drug manufacturer Johnson & Johnson, and three drug distributors, McKesson, AmerisourceBergen, and Cardinal Health, finalized a \$26 billion-dollar nationwide settlement related to multiple opioid lawsuits. These funds will be disbursed to each participating state over an 18-year period according to an allocation agreement reached with all participating states. The majority of these funds are intended for opioid abatement and the distribution of the funds is front loaded. The County received \$336,498 as part of this settlement in Fiscal Years 2022 and 2023. Per the terms of the MOA, the County created a special revenue fund, the Opioid Settlement Fund, to account for these funds. All funds are to be used for opioid abatement and remediation activities.

The significance of this issue resulted in guidance being provided to state and local governments to help ensure that there was consistency in the accounting and financial reporting of these funds. The guidance provided that because of the restrictions on the use of the fund's revenue should not be recognized until the funds were expended. Because the county did not expend any amounts in FY22 and FY23, the total of \$336,498 that was received remained on hand at June 30, 2023. In such cases the guidance specified that the cash on hand should be reported as an asset offset by an amount for unearned revenues, a liability. The result was that amounts were only presented on the balance sheet of governmental funds and the statement of net position for governmental activities.

As the litigation progressed and more settlements were finalized, the conclusion on the appropriate accounting and financial reporting also evolved. While there are cases where the appropriate guidance to apply is for government-mandated or voluntary nonexchange transactions, there are other cases where it is appropriate to apply the guidance for exchange and exchange-like transactions.

Essentially, the guidance for nonexchange transactions bases revenue recognition on the unit fulfilling all of the eligibility requirements for the nonexchange transaction. In some cases, the incurrence of expenditures is one of the eligibility requirements. The initial guidance viewed all of the opioid settlements' activity as nonexchange transactions that include the incurrence of qualifying expenditure amounts among their eligibility requirements. Accordingly, the nonexchange transaction guidance was applied to all of the opioid settlements' activity.

A similarity was recognized with the Tobacco Settlement that occurred in the early 2000's. The GASB issued a technical bulletin in 2004 to provide recognition guidance for those revenues. The technical bulletin stated that "tobacco settlement revenues are exchange transactions, based on the notion that the payments are made to the settling states in exchange for their agreement to release the tobacco companies from present and future litigation."

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

Accordingly, going forward it is no longer appropriate to use a single approach to the accounting and financial reporting of the opioid settlement activity. Instead, it will be necessary to determine whether to apply the guidance for exchange and exchange-like transactions or to apply the guidance for government-mandated or voluntary nonexchange transactions.

In cases where the unit is a party to the litigation and the opioid settlement, the guidance for exchange and exchange-like transactions is appropriate. In a more traditional exchange/exchange-like transaction the recognition takes place at the point where one party incurs an obligation to pay the other party for goods or services that they were provided. In the opioid settlement activity, the time the settlement is finalized is the point at which the company incurs a liability to pay the unit and the unit has an enforceable claim to receive amounts from the company.

Thus far, the amounts the County has received or will receive qualify as an exchange or exchange-like transaction. Accordingly, it was necessary to record prior period adjustments for the activity that occurred in the prior fiscal year. See Note IX Change in Accounting Principle for additional discussion about those adjustments.

In FY24 the County applied the exchange and exchange-like transactions guidance to these transactions. Accordingly, the cash received during the year of \$712,494 was recognized in the Opioid Settlement Major Special Revenue Fund. Because all funding was previously recognized for Governmental Activities, the revenue on the government-wide statements will be decreased for amounts previously recognized. This amount was calculated as follows:

		<u>Governmental Activities</u>
<u>Accrual basis of accounting</u>		
County's Share of North Carolina's Unpaid Aggregate Settlements through FY 24	\$ 3,644,621	
Less: Allowance for uncollectible accounts	<u>(364,462)</u>	
Opioid Settlement receivable at June 30, 2024		\$ 3,280,159
County's Share of North Carolina's Unpaid Aggregate Settlements through FY 23	\$ 4,357,116	
Less: Allowance for uncollectible accounts	<u>(435,712)</u>	
Opioid Settlement receivable at June 30, 2023		\$ 3,921,404
Accrual basis revenue previously recognized		<u><u>\$ (641,245)</u></u>

13. Reimbursements for Pandemic-related Expenditures

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

This pledged funding from the American Rescue Plan will allow the County to continue its response to fighting the COVID-19 public health emergency, and will be a bridge to the local economic recovery and catalyst for transformational and equitable change. In April 2023, the Board of Commissioners revised the original ARPA Project Ordinance to include an appropriation for Broadband expansion for \$2.75M, with the remaining \$4.9M to be pledged for salaries and benefits associated with Sheriff's Department, Emergency Communications, Emergency Medical Services, and Park and Recreation services. In FY23, appropriations included \$82,110 for installing wheelchair and cargo lifts in the Kirby Cultural Arts Center, \$397,239 for a records retention program in the Register of Deeds Department, and set-aside funding of \$2M for future Economic Development opportunities. The approved use of ARPA funds in FY24 included a contribution of \$60,000 to the Roxboro Housing Development Authority. The remaining uncommitted balance of supplanted ARP/CSLFRF funds at the end of FY24 is \$1.14 million.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

14. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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.

Lease Receivable, net - portion of fund balance that is not an available resource because it is not in spendable form. The reported amount is calculated by reducing the lease receivable by the related deferred inflow of resources.

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

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

Restricted for Opioid Settlement - portion of fund balance that is restricted by revenue source for opioid abatement and remediation activities.

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.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

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

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

Restricted net position in Exhibit 1 varies from restricted fund balance on Exhibit 3 by the amount of the Register of Deeds' Pension plan of \$43,715.

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

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

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

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

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

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

Assigned Fund Balance - portion of fund balance that the Person County governing board has budgeted.

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

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

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

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

15. Defined Benefit Cost Sharing Plans

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

NOTE II: Stewardship, Compliance and Accountability

Excess of Expenditures over Appropriations

None Reported.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

NOTE III Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the ABC Board's and the PCTDA's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's or the ABC Board's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County the ABC Board and the PCTDA, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest-bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board or the PCTDA, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County the ABC Board or the PCTDA under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The County the ABC Board and the PCTDA do not have policies regarding custodial credit risk for deposits.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County, the ABC Board and the PCTDA rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The ABC Board and PCTDA have no formal policy regarding custodial credit risk for deposits.

At June 30, 2024, the County's deposits had a carrying amount of \$3,419,444 and a bank balance of \$4,081,935. Of the bank balance, \$500,000 was covered by federal depository insurance and \$3,581,935 in interest-bearing deposits was covered by collateral held under the Pooling Method.

At June 30, 2024, Person County had \$4,094 cash on hand which was composed of undeposited receipts and petty cash.

At June 30, 2024, the Person County ABC Board's deposits had a carrying amount of \$1,335,100 and a bank balance of \$2,029,797. Of this balance, \$500,000 was covered by federal depository insurance. The balance in excess of FDIC coverage is covered by the Pooling Method of collateralization. At June 30, 2024 the Person County ABC Board also had cash on hand in the amount of \$4,560.

At June 30, 2024, the PCTDA's deposits had a carrying amount of \$590,275 and a bank balance of \$641,118. Of the bank balance, \$250,000 was covered by federal depository insurance and \$250,000 was covered by collateral held under the pooling method. At June 30, 2024, the Authority maintained a cash on hand balance of \$200.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

2 . Investments

At June 30, 2024, the County had the following investments and maturities:

<u>Investment Type</u>	<u>Valuation</u>	<u>Fair Value</u>	<u>Less Than 6</u> <u>months</u>
	<u>Measurement</u> <u>Method</u>		
NC Capital Management Trust - Government Portfolio (Operating)	Fair Value- Level I	\$ 62,228,978	\$ 62,228,978
NC Capital Management Trust - Government Portfolio (Home Health & Hospice)	Fair Value- Level I	201,638	201,638
US Bank - NC Capital Management Trust - Government Portfolio (2023 LOBS)	Fair Value- Level I	12,024,083	12,024,083
NC Capital Management Trust - Government Portfolio (Airport Grant)	Fair Value- Level I	13,131,985	13,131,985
NC Capital Management Trust - Government Portfolio (American Rescue Plan)	Fair Value- Level I	3,248,998	3,248,998
TOTAL		<u>\$ 90,835,682</u>	<u>\$ 90,835,682</u>

* Because the NCCMT Government Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P and AAA-mf by Moody's Investor Service.

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

Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level Two: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The County has no policy on interest rate risk. However, as a means of limiting the County's exposure to fair value losses arising from rising interest rates, investments are limited to at least half of the County's investment portfolio to maturities of less than 12 months. The attempt is made to stagger maturity dates and limit all securities to a final maturity of no more than 3 years. As of June 30, 2024, 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, 2024, the County has no investments in commercial paper. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2024.

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

Year Levied	Tax	Interest	Total
2024	\$ 2,444,380	\$ 140,552	\$ 2,584,932
2023	2,413,558	356,000	2,769,558
2022	2,382,116	565,753	2,947,869
2021	1,874,790	613,994	2,488,784
Total	<u>\$ 9,114,844</u>	<u>\$ 1,676,298</u>	<u>\$ 10,791,142</u>

4. Receivables

Receivables at the government-wide level at June 30, 2024, were as follows:

	Other Accounts	Taxes Receivable	Interest Receivable	Lease Receivable	Total
Governmental Activities:					
General	\$ 6,461,890	\$ 437,599	\$ 27,019	\$ 1,457,667	\$ 8,384,175
Capital Investment Fund	4,100	-	-	-	4,100
Airport Capital Project Fund	5,666	-	-	-	5,666
Non-major funds	186,607	-	-	-	186,607
Total Receivables	<u>\$ 6,658,313</u>	<u>\$ 437,599</u>	<u>\$ 27,019</u>	<u>\$ 1,457,667</u>	<u>\$ 8,580,598</u>
Less: allowance for doubtful accounts	(265,285)	(145,049)	-	-	(410,334)
Total Governmental Activities	<u>\$ 6,393,028</u>	<u>\$ 292,550</u>	<u>\$ 27,019</u>	<u>\$ 1,457,667</u>	<u>\$ 8,170,264</u>
Business-type activities					
Stormwater	\$ 10,521	\$ -	\$ -	\$ -	\$ 10,521

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Lease Receivable

GASB 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On 07/01/2021, the County entered into a 92 month lease as Lessor for the use of Lease 1-Airport Lease. An initial lease receivable was recorded in the amount of \$569,236. As of 06/30/2024, the value of the lease receivable is \$370,991. The lessee is required to make monthly fixed payments of \$7,076. The lease has an interest rate of 3.5100%. The value of the deferred inflow of resources as of 06/30/2024 was \$347,695, and the County recognized lease revenue of \$73,847 during the fiscal year.

On 06/01/2023, the County entered into a 60 month lease as Lessor for the use of Airport Hangar Lease. An initial lease receivable was recorded in the amount of \$1,170,269. As of 06/30/2024, the value of the lease receivable is \$933,490. The lessee is required to make monthly fixed payments of \$20,000. The lease has an interest rate of 2.2370%. The value of the deferred inflow of resources as of 06/30/2024 was \$916,710, and the County recognized lease revenue of \$234,054 during the fiscal year.

On 07/01/2021, the County entered into a 237 month lease as Lessor for the use of Riverstreet Fiber IRU. An initial lease receivable was recorded in the amount of \$194,078. As of 06/30/2024, the value of the lease receivable is \$153,186 and the value of the short-term lease receivable is \$15,107. The lessee is required to make monthly fixed payments of \$1,687. The lease has an interest rate of 3.5100%. The value of the deferred inflow of resources as of 06/30/2024 was \$164,598, and the County recognized lease revenue of \$9,827 during the fiscal year.

Principal and Interest Expected to Maturity:

<u>Fiscal Year</u>	<u>Governmental</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 313,483	\$ 35,574	\$ 349,057
2026	325,416	27,299	352,715
2027	337,716	18,713	356,429
2028	324,596	8,995	333,591
2029	68,572	4,210	72,782
2030-2034	32,263	13,237	45,500
2035-2039	38,337	7,163	45,500
2040-2041	17,284	915	18,199
Total	\$ 1,457,667	\$ 116,106	\$ 1,573,773

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2024, were as follows:

<u>Governmental Activities:</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 4,247,822	\$ -	\$ -	\$ 4,247,822
Construction in Progress	3,451,066	6,639,086	2,397,603	7,692,549
Total capital assets not being depreciated	7,698,888	6,639,086	2,397,603	11,940,371
Capital assets being depreciated				
Buildings	36,380,603	-	-	36,380,603
Improvements	27,561,730	940,549	-	28,502,279
Equipment	19,447,353	2,161,324	1,099,577	20,509,100
Infrastructure	15,311,223	983,866	-	16,295,089
Total capital assets being depreciated	98,700,909	4,085,739	1,099,577	101,687,071
Less accumulated depreciation for:				
Buildings	20,578,474	1,625,437	-	22,203,911
Improvements	11,111,975	1,241,754	-	12,353,729
Equipment	14,970,151	1,333,210	1,026,765	15,276,596
Infrastructure	12,418,166	354,642	-	12,772,808
Total accumulated depreciation	59,078,766	4,555,043	1,026,765	62,607,044
Total capital assets being depreciated, net	39,622,143	(469,304)	72,812	39,080,027
Capital assets being amortized:				
Lease buildings	4,991,867	2,042,272	273,396	6,760,743
Lease equipment	191,569	60,380	31,730	220,219
IT subscriptions	391,048	-	27,516	363,532
Total capital assets being amortized	5,574,484	2,102,652	332,642	7,344,494
Less accumulated amortization for:				
Lease buildings	2,551,971	1,287,589	273,357	3,566,203
Lease equipment	125,079	64,723	30,973	158,829
IT subscriptions	126,268	127,296	27,516	226,048
Total accumulated amortization	2,803,318	1,479,608	331,846	3,951,080
Total capital assets being amortized, net	2,771,166	623,044	796	3,393,414
Governmental activities capital assets, net	\$ 50,092,197	\$ 6,792,826	\$ 2,471,211	\$ 54,413,812

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

General government	\$ 3,537,406
Public Safety	416,764
Transportation	156,815
Human Services	1,178,196
Environmental Protection	18,555
Economic and physical development	1,612
Cultural and Recreational	77,500
Education	647,803
Total depreciation expense	<u>\$ 6,034,651</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

<u>Proprietary Activities</u>	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Construction in Progress	\$ 212,810	\$ 40,737	\$ -	\$ 253,547
Total capital assets not being depreciated	212,810	40,737	-	253,547
Business-type activities capital assets, net	\$ 212,810	\$ 40,737	\$ -	\$ 253,547

Construction Commitments

As of June 30, 2024, the County has active contracts for engineering services and construction for projects associated with the Airport, Person County Recycling Center, Person High School, South Elementary, and the new County farm park funded partially with Stormwater funds.

<u>Project</u>	Spent-to-date	Remaining commitment
Airport Construction Fund	\$ 896,517	\$ 307,252
Capital Improvement Projects Fund	1,269,080	4,263,775
2023 School LOBs Project Fund	3,885,830	8,346,608
Stormwater Management Fund	95,407	17,293
Total	\$ 6,146,834	\$ 12,934,928

Discretely presented component unit

Activity for the ABC Board for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Transfers/ Retirements	Ending Balances
Capital assets not being depreciated:				
Land	\$ 184,576	\$ -	\$ -	\$ 184,576
Total capital assets not being depreciated	184,576	-	-	184,576
Capital assets being depreciated				
Buildings	1,116,736	-	-	1,116,736
Office furniture and fixtures	18,567	-	-	18,567
Store equipment	149,153	3,670	-	152,823
Vehicles	16,582	-	-	16,582
Total capital assets being depreciated	1,301,038	3,670	-	1,304,708
Less accumulated depreciation for:				
Buildings	212,156	33,856	-	246,012
Office furniture and fixtures	15,507	682	-	16,189
Store equipment	140,500	7,577	-	148,077
Vehicles	16,582	-	-	16,582
Total accumulated depreciation	384,745	42,115	-	426,860
Total capital assets being depreciated, net	916,293	\$ (38,445)	\$ -	877,848
Governmental activities capital assets, net	\$ 1,100,869			\$ 1,062,424

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Activity for the TDA for the year ended June 30, 2024, was as follows:

	Beginning Balances	Increases	Transfers/ Retirements	Ending Balances
Capital assets not being depreciated:				
Construction in Progress	\$ -	\$ 4,000	\$ -	\$ 4,000
Total capital assets not being depreciated	-	4,000	-	4,000
Capital assets being depreciated				
Building and improvements	7,679	-	-	7,679
Furnishings and equipment	8,553	-	-	8,553
Total capital assets being depreciated	16,232	-	-	16,232
Less accumulated depreciation for:				
Building and improvements	672	192	-	864
Furnishings and equipment	4,645	1,492	-	6,137
Total accumulated depreciation	5,317	1,684	-	7,001
Total capital assets being depreciated, net	10,915	\$ (1,684)	\$ -	9,231
Governmental activities capital assets, net	<u>\$ 10,915</u>			<u>\$ 13,231</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2024, were as follows :

	Vendors	Accrued Interest	Salaries & Benefits	Total
Governmental Activities:				
General	\$ 1,702,519	\$ 64,837	\$ 1,028,768	\$ 2,796,124
Capital Investment Fund	130,620	-	-	130,620
Airport Capital Project Fund	31,142	-	-	31,142
Non-major funds	287,998	-	47,189	335,187
Internal service funds	904,153	-	-	904,153
Total governmental activities	<u>\$ 3,056,432</u>	<u>\$ 64,837</u>	<u>\$ 1,075,957</u>	<u>\$ 4,197,226</u>
Business-type activities				
Stormwater	<u>\$ 2,485</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,485</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2024, was 14.04% of covered payroll for law enforcement officers and 12.90% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,920,888 for the year ended June 30, 2024.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

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

At June 30, 2024, the County reported a liability of \$14,083,663 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2024, the County’s proportion was .2126% (measured as of June 30, 2023), which was a decrease of .0138% from its proportion measured as of June 30, 2023 (measured as of June 30, 2022).

For the year ended June 30, 2024, the County recognized pension expense of \$3,871,078. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,569,337	\$ 33,785
Changes of assumptions	598,474	-
Net difference between projected and actual earnings on pension plan investments	3,769,405	-
Changes in proportion and differences between County Contributions and County contributions subsequent to the measurement date	44,643 2,920,888	426,110 -
Total	<u>\$ 8,902,747</u>	<u>\$ 459,895</u>

\$2,920,888 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$ 2,010,780
2026	918,316
2027	2,433,478
2028	159,390
2029	-
Thereafter	-
Total	<u>\$ 5,521,964</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 Percent
Salary Increases	3.25% to 8.25%, which includes a 3.25% inflation and productivity factor
Investment Rate of Return	6.5 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	33%	2.4%
Global Equity	38%	6.9%
Real Estate	8%	6.0%
Alternatives	8%	8.6%
Credit	7%	5.3%
Inflation Protection	6%	4.3%
	<u>100%</u>	

The information in the preceding table is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022 and is part of the asset, liability, and investment policy study of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The long-term expected real rate of return for the Bond Index Investment Pool as of June 30, 2023 is 0.78%.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50)
County's proportionate share of the net pension liability (asset)	\$ 24,399,393	\$ 14,083,663	\$ 5,590,788

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

b. Law Enforcement Officers' Special Separation Allowance

1 Plan Description

Person County administers a public employee retirement system (the "Separation Allowance"), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85% of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of NCGS Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2023, the Separation Allowance's membership consisted of:

Retirees receiving benefits	10
Active plan members	52
Total	<u>62</u>

Summary of Significant Accounting Policies:

Basis of Accounting

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

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

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2022 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50 percent
Salary increases	3.25 to 7.75 percent including inflation and productivity factor
Discount rate	4.0 percent

The discount rate used to measure the TPL is the S&P Municipal Bond 20 Year High Grade Rate Index.

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019.

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the Safety Mortality Table for Retirees. Rates for all members are multiplied by 97% and Set Forward by 1 year.

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

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

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

Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$154,640 as benefits came due for the reporting period.

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

At June 30, 2024, the County reported a total pension liability of \$2,629,992. The total pension liability was measured as of December 31, 2023 based on a December 31, 2022 actuarial valuation. The total pension liability was rolled forward to December 31, 2023 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2024, the County recognized pension expense of \$233,517. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 163,921	\$ 808
Changes of assumptions	260,880	265,815
County benefit payments and plan administrative expense made subsequent to the measurement date	80,131	-
Total	<u>\$ 504,932</u>	<u>\$ 266,623</u>

Person County, North Carolina
Notes to the Financial Statements
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\$80,131 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 126,104
2026	49,115
2027	(47,332)
2028	28,775
2029	1,516

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 4.00 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00 percent) or 1-percentage-point higher (5.00 percent) than the current rate:

	1% Decrease (3.00%)	Discount Rate (4.00%)	1% Increase (5.00%)
Total pension liability	\$ 2,832,896	\$ 2,629,992	\$ 2,444,635

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

The actuarial assumptions used in the December 31, 2022 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2019.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description - The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. The County has elected to contribute monthly five percent of each employee's salary for permanent full-time employees not engaged in law enforcement, and all amounts contributed are vested immediately. Also, the law enforcement officers and other employees may make voluntary contributions to the plan.

The County contributed \$1,121,982 for the reporting year to all full-time employees, a portion of which was contributed for law enforcement officers of \$169,029. No amounts were forfeited.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

d. Registers of Deeds' Supplemental Pension Fund

Plan Description . Person County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Annual Comprehensive Financial Report for the State of North Carolina. The State's Annual Comprehensive Financial Report includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$3,201 for the year ended June 30, 2024.

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

At June 30, 2024, the County reported an asset of \$43,715 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2023. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2022. The total pension liability was then rolled forward to the measurement date of June 30, 2023 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2024, the County's proportion was .3638%, which was a increase of .00275% from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the County recognized pension expense of \$6,310. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 1,935
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan	22,205	-
Changes in proportion and differences between County Contributions and	-	4,747
County contributions subsequent to the measurement date	3,201	-
Total	<u>\$ 25,406</u>	<u>\$ 6,682</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

\$3,201 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2025	\$	2,121
2026		5,555
2027		6,446
2028		1,401
2029		-
Thereafter		-
Total	\$	<u>15,523</u>

Actuarial Assumptions. The total pension liability in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2022 valuations were based on the results of an actuarial experience review for LGERS for the period January 1, 2015 through December 31, 2019.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2024, is 0.9%.

The information above is based on 30-year expectations developed with an investment consulting firm as part of a study that was completed in early 2022, and is part of the asset liability and investment policy of the North Carolina Retirement Systems. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 2.25%. Return projections do not include any excess return expectations over benchmark averages. All rates of return and inflation are annualized. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class and is 100% invested in the Bond Index External Investment Pool. The long term expected real rate of return for the Bond Index Investment Pool as of June 30, 2022 is 0.78%.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

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

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00 percent) or 1-percentage-point higher (4.00 percent) than the current rate:

	1% Decrease (2.00%)	Discount Rate (3.00%)	1% Increase (4.00%)
County's proportionate share of the net pension liability (asset)	\$ (29,841)	\$ (43,715)	\$ (55,415)

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

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

The net pension liability for LGERS and ROD was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022. The total pension liability for LEOSSA was measured as of December 31, 2023, with an actuarial valuation date of December 31, 2022.

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate share of the Net Pension Liability (Asset)	\$ 14,083,663	\$ (43,715)	\$ -	\$ 14,039,948
Proportionate of the Net Pension Liability (Asset)	0.2126%	0.3638%	n/a	
Total Pension Liability	-	-	2,629,992	2,629,992
Pension Expense	3,871,078	6,310	233,517	4,110,905

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,569,337	\$ -	\$ 163,921	\$ 1,733,258
Changes of assumptions	598,474	-	260,880	859,354
Net difference between project and actual earnings on plan investments	3,769,405	22,205	-	3,791,610
Changes in proportion and differences between contributions and proportionate share of contributions	44,643	-	-	44,643
Benefit payments and administrative costs paid subsequent to the measurement date	2,920,888	3,201	80,131	3,004,220
<u>Deferred Inflows of Resources</u>				
Difference between expected and actual experience	33,785	1,935	808	36,528
Changes of assumptions	-	-	265,815	265,815
Changes in proportion and differences between contributions and proportionate share of contributions	426,110	4,747	-	430,857

f. Other Postemployment Benefits

Under the terms of the County's resolution, the County administers the Healthcare Benefits Plan (the HCB Plan), a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System). The HCB Plan is available to qualified retirees until the age of 65 or until Medicare eligible, whichever is sooner. The plan, which has a June 30, 2024 year-end, does not issue a stand-alone report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

The County provides a portion of the total cost for individual coverage for retirees based on the guidelines below:

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

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

Inactive plan members or beneficiaries currently receiving benefit payments	19
Active Plan members	445
Total	<u>464</u>

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Total OPEB Liability

The County's total OPEB liability of \$10,866,061 was measured as of June 30, 2023 and was determined by an actuarial valuation as of June 30, 2023.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real wage growth	0.75%
Wage inflation	3.25%
Salary increases	3.3% - 8.3%
Municipal Bond Index Rate	
Prior Measurement Date	3.86%
Measurement Date	3.54%
Health Care Cost Trends	7.0% for 2024 decreasing to an ultimate rate of 4.50% by 2031

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at June 30, 2022	\$ 11,080,706
Changes for the year	
Service Cost	479,277
Interest	384,571
Changes of benefit terms	-
Difference between expected and actual experience	(361,724)
Changes in assumptions or other inputs	(395,012)
Benefit payments	(321,757)
Net changes	<u>(214,645)</u>
Balance at June 30, 2023	<u><u>\$ 10,866,061</u></u>

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2015 through December 31, 2019, adopted by the LGERS Board.

Discount rate. Pursuant to GASB 75, for unfunded plans the discount rate should be a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The Fidelity GO AA Bond index is often cited as an appropriate benchmark. The 20-year bond rate from that index was 3.86% on June 30, 2023. A discount rate of 3.54% was used at the prior measurement date.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current discount rate:

	<u>1% Decrease (2.86%)</u>	<u>Discount Rate (3.86%)</u>	<u>1% Increase (4.86%)</u>
Total OPEB Liability	\$ 12,052,830	\$ 10,866,061	\$ 9,813,607

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

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 9,613,519	\$ 10,866,061	\$ 12,353,690

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

For the year ended June 30, 2024, the County recognized OPEB expense of \$986,088. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 995,469	\$ 316,508
Changes of assumptions	1,545,483	1,707,364
Benefit payments and administrative costs made subsequent to the measurement date	240,310	-
Total	<u>\$ 2,781,262</u>	<u>\$ 2,023,872</u>

\$240,310 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2025. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2025	\$ 207,964
2026	235,907
2027	239,646
2028	193,043
2029	(22,923)
Thereafter	(336,557)

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

g. Other Employment Benefits

Under the terms of a County resolution, the County has elected to provide death benefits to employees through the Death Benefit Plan for members of the LGERS (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the retirement system or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the system at the time of death are eligible for death benefits. Lump sum benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions.

h. Person County ABC Board

The ABC Board has elected to provide death benefits to employees through the Death Benefit Plan for Members of the LGERS (Death Benefit Plan), a multiple employer, State administered, cost-sharing plan funded on a one year-term basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest month's salary in a row during the 24 months prior to the employee's death, but may not exceed \$50,000 or less than \$25,000. All death benefit payments are made from the Death Benefit Plan. The Board has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between employment benefit amount and the other benefit amount. The Board considers these contributions to be immaterial.

3. Closure and Post closure Care Costs - Person County Landfill

On April 9, 1994, the Person County Sanitary Landfill ceased to accept municipal solid waste (MSW) for burial, began transferring to facilities outside the county and currently, contracts with a private company to accept its MSW for burial at a site within the County. State and federal laws and regulations require the County to place a final cover on the landfill when it stops accepting MSW and to perform certain maintenance and monitoring functions at the site after closure. In 1994 the County accrued \$255,500 estimated for closure and postclosure care costs. The County incurred \$34,727 in post-closure care costs for the year ending June 30, 2024. The \$120,281 reported as Accrued Post-closure Care Costs represents the estimated costs remaining at June 30, 2024. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. This liability was transferred from the Enterprise Fund to the General Fund on June 30, 1998.

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

4. Deferred Outflows and Inflows of Resources

Following are the deferred inflows of resources that are reported in the government-wide financial statements at June 30, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pensions - difference between expected and actual experience		
LGERS	\$ 1,569,337	\$ 33,785
Register of Deeds	-	1,935
LEOSSA	163,921	808
OPEB	995,469	316,508
Changes of Assumptions		
LGERS	598,474	-
Register of Deeds	-	-
LEOSSA	260,880	265,815
OPEB	1,545,483	1,707,364
Pensions - difference between projected and actual investment		
LGERS	3,769,405	-
Register of Deeds	22,205	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	44,643	426,110
Register of Deeds	-	4,747
Contributions to pension plan in current fiscal year		
LGERS	2,920,888	-
Register of Deeds	3,201	-
Benefit payments/administration costs paid subsequent to the measurement date		
LEOSSA	80,131	-
OPEB	240,310	-
Leases (General)	-	1,429,003
Prepaid taxes (General)	-	144,271
Government-wide deferred outflows and inflows	<u>\$ 12,214,347</u>	<u>\$ 4,330,346</u>

Following are the deferred inflows of resources that are reported in the governmental fund financial statements at June 30, 2024:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Leases (General)	\$ -	\$ 1,429,003
Prepaid taxes (General)	-	144,271
Taxes receivable, net (General)	-	292,550
Restricted Opioid settlement receivables, net (Special Revenue)	-	3,280,159
Notes receivable (Person Industries)	-	11,588
Governmental Funds deferred outflows and inflows	<u>\$ -</u>	<u>\$ 5,157,571</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

5. Risk Management

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

Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence. The pools also provide \$1,000,000 in Cyber Event Coverage per loss occurrence. The County has opted to purchase a higher liability and cyber limits. Auto physical damage coverage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to the statutory limits are provided by the pools.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

The pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$750,000, up to a \$2 million limit for liability coverage and limits above the \$2,000,000 are provided by private reinsurers. For Cyber, the pool retains the first \$250,000 per loss occurrence. Single occurrence losses in excess of \$750,000 for workers' compensation are provided by a combination of the captive and a private reinsurer.

Through the captive, the Liability and Property Pool is reinsured for \$2,500,000 of annual aggregate losses in excess of \$500,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$997.5 million purchased through a group of commercial carriers through the multi-state public entity captive.

In accordance with G.S 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. The Finance Director is individually bonded for \$1,000,000.

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 are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Board has property, general liability, auto liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. There have been no significant reductions in insurance coverage from the prior year and settled claims have not exceeded coverage in any of the past three fiscal years. In accordance with G.S. 18B-700(i), each board member and the employees designated as the general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

Person County Tourism Development Authority is covered under a commercial insurance coverage carrier. There was no significant reduction in insurance coverage in the prior year and settled claims have not exceeded coverage since inception. The Authority carries a \$50,000 fidelity bond on the ex-officio Finance Officer.

6. Contingent Liabilities

At June 30, 2024, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

7. Long-Term Obligations

a. Leases

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

On 07/01/2021, the County entered into a 49 month lease as Lessee for the use of Lease 2d-HS Lease-DSS Dept. An initial lease liability was recorded in the amount of \$2,290,988. As of 06/30/2024, the value of the lease liability is \$638,248. The County is required to make monthly fixed payments of \$50,107. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$2,290,988 with accumulated amortization of \$1,683,175 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 49 month lease as Lessee for the use of Lease 2c-HS Lease-Health Dept. An initial lease liability was recorded in the amount of \$1,290,559. As of 06/30/2024, the value of the lease liability is \$359,538. The County is required to make monthly fixed payments of \$28,226. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$1,290,559 with accumulated amortization of \$948,166 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 49 month lease as Lessee for the use of Lease 2b-HS Lease-Mental Health. An initial lease liability was recorded in the amount of \$906,067. As of 06/30/2024, the value of the lease liability is \$232,663. The County is required to make monthly fixed payments of \$19,817. The lease has an interest rate of 3.5100%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of \$906,067 with accumulated amortization of \$665,682 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 49 month lease as Lessee for the use of Lease 2a-HS Lease-Juvenile Probation. An initial lease liability was recorded in the amount of \$207,034. As of 06/30/2024, the value of the lease liability is \$57,677. The County is required to make monthly fixed payments of \$4,528. The lease has an interest rate of 3.5100%. The Buildings estimated useful life was 0 months as of the contract commencement. The value of the right to use asset as of 06/30/2024 of \$207,034 with accumulated amortization of \$152,107 is included with Buildings on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 46 month lease as Lessee for the use of the Walker Property, that currently houses Person Industries, a County department that provides Community Rehabilitation Program Services. An initial lease liability was recorded in the amount of \$23,823. As of 06/30/2024, the value of the lease liability is \$5,855. The County is required to make monthly fixed payments of \$542. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$23,823 with accumulated amortization of \$18,365 is included with Buildings on the Capital Assets schedule above.

On 07/01/2021, the County entered into a 28 month lease as Lessee for the use of the Maxway Building. An initial lease liability was recorded in the amount of \$273,396. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$10,154. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$273,396 with accumulated amortization of \$273,396 is included as a retirement of Buildings on the Capital Assets schedules above.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

On 11/29/2022, the County entered into a 60 month lease as Lessee for the use of Pitney Bowes equipment at the Library. An initial lease liability was recorded in the amount of \$2,666. As of 06/30/2024, the value of the lease liability is \$1,770. The County is required to make quarterly fixed payments of \$145. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$2,666 with accumulated amortization of \$847 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 36 month lease as Lessee for the use of Monitors for the EMS department. An initial lease liability was recorded in the amount of \$143,978. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make annual fixed payments of \$73,659. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$143,978 with accumulated amortization of \$142,788 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 50 month lease as Lessee for the use of Pitney Bowes equipment at the Health Department. An initial lease liability was recorded in the amount of \$3,713. As of 06/30/2024, the value of the lease liability is \$1,147. The County is required to make quarterly fixed payments of \$235. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$3,713 with accumulated amortization of \$2,650 is included with Equipment on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 30 month lease as Lessee for the use of a forklift for Person Industries. An initial lease liability was recorded in the amount of \$18,686. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make monthly fixed payments of \$631. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$18,686 with accumulated amortization of \$18,686 is included as a retirement of Equipment on the Capital Assets schedule above.

On 07/01/2021, the County entered into a 29 month lease as Lessee for the use of Pitney Bowes equipment at Person Industries. An initial lease liability was recorded in the amount of \$1,515. As of 06/30/2024, the value of the lease liability is \$30. The County is required to make quarterly fixed payments of \$158. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$1,515 with accumulated amortization of \$1,515 is included as a retirement of Equipment on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 37 month lease as Lessee for the use of Pitney Bowes equipment for DSS. An initial lease liability was recorded in the amount of \$10,733. As of 06/30/2024, the value of the lease liability is \$0. The County is required to make quarterly fixed payments of \$871. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$10,733 with accumulated amortization of \$10,733 is included as a retirement of Equipment on the Capital Assets schedules above.

On 07/01/2021, the County entered into a 43 month lease as Lessee for the use of Pitney Bowes equipment for the Human Resources department. An initial lease liability was recorded in the amount of \$9,482. As of 06/30/2024, the value of the lease liability is \$1,988. The County is required to make quarterly fixed payments of \$674. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$9,482 with accumulated amortization of \$7,841 is included with Equipment on the Capital Assets schedules above.

On 10/10/2023, the County entered into a 180 month lease as Lessee for the use of Lease 8b-Maxway Lease. An initial lease liability was recorded in the amount of \$2,042,272. As of 06/30/2024, the value of the lease liability is \$1,978,040, and the value of the short-term lease liability is \$88,191. The County is required to make monthly fixed payments of \$12,826. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$2,042,272 with accumulated amortization of \$98,710 is included with Buildings on the Capital Assets schedules above.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

On 01/22/2024, the County entered into a 60 month lease as Lessee for the use of Lease 14a-Pitney Bowes Lease-PI. An initial lease liability was recorded in the amount of \$3,651. As of 06/30/2024, the value of the lease liability is \$3,477, and the value of the short-term lease liability is \$726. The County is required to make quarterly fixed payments of \$210. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$3,651 with accumulated amortization of \$323 is included with Equipment on the on the Capital Assets schedules above.

On 04/30/2024, the County entered into a 60 month lease as Lessee for the use of Lease 15a-Pitney Bowes-DSS. An initial lease liability was recorded in the amount of \$17,444. As of 06/30/2024, the value of the lease liability is \$16,570, and the value of the short-term lease liability is \$3,264. The County is required to make quarterly fixed payments of \$951. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$17,444 with accumulated amortization of \$591 is included with Equipment on the on the Capital Assets schedules above.

On 01/05/2024, the County entered into a 60 month lease as Lessee for the use of Lease 13a-PI Forklift #2 Lease. An initial lease liability was recorded in the amount of \$39,285. As of 06/30/2024, the value of the lease liability is \$35,478, and the value of the short-term lease liability is \$7,262. The County is required to make monthly fixed payments of \$699. The lease has an interest rate of 3.5100%. The value of the right to use asset as of 06/30/2024 of \$39,285 with accumulated amortization of \$3,787 is included with Vehicles on the on the Capital Assets schedules above.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024, were as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 1,314,229	\$ 96,668	\$ 1,410,897
2026	209,319	66,551	275,870
2027	113,751	62,392	176,143
2028	120,673	58,287	178,960
2029	123,309	53,955	177,264
2030-2034	696,455	201,139	897,594
2035-2039	774,472	61,184	835,656
Total	<u>\$ 3,352,208</u>	<u>\$ 600,176</u>	<u>\$ 3,952,384</u>

b. Installment Purchases

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

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

\$ 730,924

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

Person County Recycling Center & Various Roofing Improvements Capital Projects Fund

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

500,000

Roxplex and Various Improvements Fund

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

225,000

Public Safety Towers & Broadband Fund

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

2,500,000

Total installment purchases remaining balance

\$ 3,955,924

Future minimum payments for Installment Purchases are as follows::

	Principal	Interest
2025	\$ 858,836	\$ 128,376
2026	783,836	100,415
2027	633,836	74,777
2028	529,416	52,362
2029	425,000	36,103
2030-2034	725,000	43,656
Total	<u>\$ 3,955,924</u>	<u>\$ 435,689</u>

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

c. Limited Obligation Bonds

Limited Obligation Bonds payable at June 30, 2024 are comprised of the following issues:

On October 2, 2023, the County entered into an agreement with PNC Capital Markets to finance improvements to Person High School that include, but are not limited to, safety and accessibility improvements to meet Americans with Disabilities Act requirements, security improvements to the interior and exterior of the School, and removal of parking areas. The financing contract requires a 20 year term with semi-annual interest payments due June 1 and December 1 at 5%, and annual principal payments ranging from \$605,000 to \$610,000 beginning on December 1, 2024 and ending on December 1, 2043. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.

\$ 12,165,000

Total Limited Obligation Bonds

\$ 12,165,000

Future minimum payments for Limited Obligation Bonds are as follows:

	Principal	Interest
2025	\$ 610,000	\$ 593,000
2026	610,000	562,500
2027	610,000	532,000
2028	610,000	501,500
2029	610,000	471,000
2030-2034	3,050,000	1,897,410
2035-2039	3,040,000	1,135,500
2040-2044	3,025,000	378,125
Total	<u>\$ 12,165,000</u>	<u>\$ 6,071,035</u>

d. General Obligation Bonds

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County. In the case of default the county would be required to levy additional Ad Valorem Taxes as necessary to pay principal and interest payments when they became due. Principal and interest payments are appropriated when due. As of June 30, 2024, the County's general obligation bonds consist of the following:

\$2,285,000 2017 Recreation Facilities Bonds due on September 1 and March 1 in 15 installments of \$152,333 through March 1, 2032; interest at 2.59% \$ 1,218,669

Future minimum payments for General Obligation Bonds:

	Principal	Interest
2025	\$ 152,333	\$ 31,564
2026	152,333	27,618
2027	152,333	23,673
2028	152,333	19,727
2029	152,333	15,782
2030-2034	457,004	23,673
Total	<u>\$ 1,218,669</u>	<u>\$ 142,037</u>

At June 30, 2024, Person County had a legal debt margin of \$426,722,920.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

e. Debt Related to Capital Activities

The County holds title to certain County Board of Education properties that have been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. Of the total Governmental Activities debt, \$13,530,793 relates to County Board of Education properties to which the County holds title. There were restricted cash balances in the amount of \$9,402,857 related to this debt since there were financed projects that were not complete at June 30, 2024.

f. Subscriptions

The County implemented the requirements of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (Subscriptions) effective July 1, 2022. The Statement provides a definition of Subscriptions and provides uniform guidance for accounting and financial reporting for such transactions. The guidance will decrease diversity in the accounting and financial reporting for these transactions, thereby, increasing comparability in financial reporting among governments. Further, the reporting of a subscription asset (a right-to-use intangible capital asset) and a subscription liability will enhance the relevance and reliability of the financial statements.

On 07/01/2022, the County entered into a 36 month subscription for the use of HR-NEOGOV Software. An initial subscription liability was recorded in the amount of \$171,439. As of 06/30/2024, the value of the subscription liability is \$63,162. The County is required to make annual fixed payments of \$50,199. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2024 of \$183,939 with accumulated amortization of \$122,626 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, the County entered into a 35 month subscription for the use of GIS-ESRI Software. An initial subscription liability was recorded in the amount of \$66,238. As of 06/30/2024, the value of the subscription liability is \$0. The County is required to make annual fixed payments of \$30,000. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2023 of \$66,238 with accumulated amortization of \$44,241 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 09/26/2022, the County entered into a 36 month subscription for the use of PI-SETWorks Subscription. An initial subscription liability was recorded in the amount of \$26,682. As of 06/30/2024, the value of the subscription liability is \$10,565. The County is required to make monthly fixed payments of \$765. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2024 of \$26,682 with accumulated amortization of \$15,688 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, the County entered into a 32 month subscription for the use of PI-Client Payroll Manager. An initial subscription liability was recorded in the amount of \$6,625. As of 06/30/2024, the value of the subscription liability is \$1,786. The County is required to make monthly fixed payments of \$162. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of 06/30/2024 of \$6,625 with accumulated amortization of \$4,968 is included in the IT Subscription Class on the Capital Outlay schedule above.

On 07/01/2022, the County entered into a 23 month subscription for the use of EM-WebEOC. An initial subscription liability was recorded in the amount of \$27,516. As of 06/30/2024, the value of the subscription liability is \$0.00. The County is required to make annual fixed payments of \$28,031. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of 06/30/2024 of \$27,516 with accumulated amortization of \$27,516 is shown as a retirement in the IT Subscription Class on the Capital Outlay schedule above.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

On 07/01/2022, the County entered into a 49 month subscription for the use of IT-govAccess-Website Design. An initial subscription liability was recorded in the amount of \$53,049. As of 06/30/2024, the value of the subscription liability is \$27,416. The County is required to make annual fixed payments of \$13,168. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of 06/30/2024 of \$80,049 with accumulated amortization of \$38,526 is included in the IT Subscription Class on the Capital Outlay schedule above.

The future minimum subscription obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30	Principal	Interest	Total
2025	\$ 87,333	\$ 2,159	\$ 89,492
2026	15,596	324	15,920
Total	\$ 102,929	\$ 2,483	\$ 105,412

g. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Current Portion of Balance
Governmental Activities:					
General Obligation Bonds	\$ 1,371,002	\$ -	\$ 152,333	\$ 1,218,669	\$ 152,333
Limited Obligation Bonds	-	12,165,000	-	12,165,000	610,000
Premium on LOBS	-	622,541	20,751	601,790	31,127
Installment purchases (direct borrowings)	4,914,760	-	958,836	3,955,924	858,836
Lease Liability	2,542,005	2,102,652	1,292,449	3,352,208	1,314,229
IT Subscription Liability	226,544	-	123,615	102,929	87,333
Accrued post-closure care costs	20,821	134,187	34,727	120,281	34,727
Compensated absences	1,453,245	237,197	49,556	1,640,886	410,222
Net Pension liability (LGERS)	12,772,757	1,310,906	-	14,083,663	-
Total Pension Liability (LEOSSA)	2,444,442	185,550	-	2,629,992	80,131
Total OPEB Liability	11,080,706	-	214,645	10,866,061	240,310
Total	\$ 36,826,282	\$ 16,758,033	\$ 2,846,912	\$ 50,737,403	\$ 3,819,248

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

C. Interfund Balances and Activity

Transfers to/from other fund at June 30, 2024, consist of the following:

From the General Fund to the Person Industries Community Rehabilitation and Recovery Facility Fund to provide resources and payments of ongoing program activities and material recovery facility equipment and operations.	\$ 940,224
From the Fleet Service Fund (part of the General Fund) to the Person Industries Community Rehabilitation and Recovery Facility Fund to provide resources for capital purchases.	40,230
From the General Fund to the Capital Investment Fund to provide resources for debt payments, construction projects, and School and College capital needs.	13,469,850
From the General Fund to the Capital Investment Fund to track sales tax dedicated for school debt.	1,969,861
From the General Fund to the Emergency Telephone Fund to reimburse ETSF costs deemed ineligible for FY 23.	10,329
From the General Fund to the Economic Catalyst Fund to provide support for economic development incentives.	250,000
From the General Fund to the Reappraisal Fund to provide resources in preparation for the fiscal year 2025 Revaluation (this nets out with the General Fund).	200,000
From the Capital Investment Fund to the Capital Improvement Project Fund to provide funding for capital projects.	<u>8,200,000</u>
Total	<u><u>\$ 25,080,494</u></u>

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

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

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

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

D. Net Investment in Capital Assets

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

Net capital assets	\$ 54,413,812
Capital debt calculation:	
Total debt, gross	21,396,520
Retainage payable	182,419
Less:	
School debt for assets to which the County does not hold title	283,367
Unexpended debt proceeds	9,402,857
Total capital debt	<u>11,892,715</u>
Net investment in capital assets	<u><u>\$ 42,521,097</u></u>

E. Fund Balance

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

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

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

Total Fund Balance - General Fund	\$ 35,647,066
Less:	
Prepays	117,162
Leases	28,664
Stabilization by State Statute	9,434,886
Appropriated Fund Balance in Subsequent Year's Budget	2,308,237
Broadband Expansion	2,750,000
Economic Development	2,000,000
Register of Deeds	62,329
Public Safety	285,860
Tax Reappraisal	750,380
LEOSSA	362,418
Remaining Fund Balance	<u><u>\$ 17,547,130</u></u>

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

General	\$ 2,759,037
Non-Major Funds	51,709

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

NOTE IV: Joint Ventures

The County, in conjunction with the State of North Carolina, the Person County Board of Education, and Caswell County participates in a joint venture to operate Piedmont Community College (PCC). Of the fifteen-member board of trustees for the community college, the Person County Board of Commissioners and Board of Education appoint four members each, Caswell County Board of Commissioners appoints two members, and the North Carolina Governor appoints three members. A member from PCC's student government association also serves in a non-voting, ex officio capacity for the board of trustees. The community college is included as a component unit of the state. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for facilities, the County has the authority to issue general obligation bonds to provide financing for new and restructured facilities. The County contributed \$1,418,338 to the community college for operating purposes during the fiscal year ended June 30, 2024. 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, 2024. 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 Vaya Health. Person County, in conjunction with Orange and Chatham Counties, contributes to Vaya Health for Mental Health, Intellectual/Developmental Disabilities and Substance Abuse services to individuals in the Orange-Person-Chatham catchment area. Each County appoints one Commissioner to the Authority's sixteen-member Board. The remaining thirteen members are selected by the three appointed Commissioners. Person County appropriated \$344,273 to Vaya Health for the year ended June 30, 2024. None of the participating governments have any equity interest in the Authority, so no equity interest has been reflected in the financial statements at June 30, 2024. Complete financial statements for the Authority can be obtained from the Authority's offices at 3013 Mail Service Center, Raleigh, NC 27699.

NOTE V: Jointly Governed Organization

The County, in conjunction with four other counties and sixteen municipalities, established the Kerr-Tar Regional Council of Governments (KTRCOG). The participating governments established the KTRCOG to coordinate joint planning and joint ventures. Each county appoints three members to the Council's thirty-three-member (includes two at-large members to meet EDA private sector requirement) governing board. The County paid membership fees of \$20,436 to the KTRCOG during the fiscal year ended June 30, 2024. The County was the subrecipient of grants for \$441,055 from the U.S. Department of Health and Human Services and the Division of Aging of the North Carolina Department of Human Resources and which were passed through the KTRCOG.

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

The Person County Business and Industrial Center, Inc. (PCBIC) is a nonprofit organization created to promote business and industrial development in Person County. The governing board of the organization consists of the members of the board of directors of the Person County Economic Development Commission. There were no staffing expenditures in the year ended June 30, 2024 due to the County having a full-time Economic Development Director on staff.

**Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024**

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

NOTE VI: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and state grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant moneys to the grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant moneys.

NOTE VII: Subsequent Events

The County has evaluated events and transactions that occurred between June 30, 2024 and October 30, 2024, which is the date the financial statements were available to be issued.

NOTE VIII: Prior Period Adjustment

Prior Period Adjustments were made to the General Fund and Person Industries (Special Revenue Fund) that decreased fund balance by \$806,514 and \$38,536 respectively, to record salaries payable that was not recorded at June 30, 2023.

Adjustments were made to the Stormwater Fund to move project expenses to Construction in Process for expenses related to the County Farm Project, which increased net position by \$212,809. Additionally, project expenses associated with the Governmental Activities were adjusted to remove projects that were determined should be expensed and to correct beginning construction in process balances for projects that should have been capitalized, the net of which decreased beginning net position by \$539,433.

Additionally, the County recorded an adjustment to beginning balances associated with Lessor Agreements in the Information Technology Fund (which is consolidated as part of the General Fund) that should have been recorded as a GASB 87 lease receivable in prior years, which resulted in an increase in lease receivable of \$167,773, an increase in deferred inflows for leases receivable of \$174,425, and a decrease in fund balance of \$6,652 to establish the beginning balances as of July 1, 2023.

NOTE IX: Change in Accounting Principle

In the prior fiscal year, the County received money from the Opioid Settlement. At that time the appropriate accounting and financial reporting guidance was thought to be that for government-mandated and voluntary nonexchange transactions. As such revenue recognition could only occur when all eligibility requirements were met. The incurrence of qualifying expenditures was among the eligibility requirements. The County did not incur any qualifying expenditures during FY23. Accordingly, no revenue was recognized. See Note I.D.12 Opioid Settlement Funds for further discussion of this nationwide settlement.

During FY24 the conclusion for the appropriate accounting and financial reporting guidance evolved. Instead of a single approach being applicable to the activity, there was realization that the approach needed to be more nuanced. Based on the facts and circumstances of the different distribution methods of the funds, It was determined that the appropriate guidance is either that for exchange and exchange-like transactions or that for government-mandated or voluntary nonexchange transactions.

Person County, North Carolina
Notes to the Financial Statements
For the Year Ended June 30, 2024

After reviewing the method through which the County received the resources it was determined that the activity should have followed the guidance for exchange and exchange-like transactions. As a result, it was necessary for the County to record prior period adjustments in FY24 for a change in accounting principle.

As an exchange/exchange-like transaction the County should have recognized revenue when they obtained a legal claim to the resources. For the opioid settlement the County obtains a claim to the resources on an accrual basis as settlements are finalized. On the modified accrual basis of accounting the resources must also be measurable and available for revenue recognition to occur.

In the prior years, the County received a cash payment of \$336,498. This amount qualified for revenue recognition on both an accrual and modified accrual basis of accounting. It was also necessary to determine if any additional revenue should have been recognized on an accrual basis in FY23. Given that settlements had reached \$26 billion in FY23 it was necessary to determine the portion of that amount related to the County and recognize an additional prior period adjustment for that amount.

Following are the prior period adjustments for this change in accounting principle:

	<u>Governmental</u>	
	<u>Activities</u>	
<u>Accrual basis of accounting</u>		
Net position, beginning, as previously reported	\$ 91,821,271	
Prior period adjustment - change in accounting principle - Revenue for cash received	336,498	
Prior period adjustment - change in accounting principle - County's share of NC's Unpaid Aggregate Settlements thru FY 23, net of allowance for uncollectible accounts of \$435,712	<u>3,921,404</u>	
Net Position, beginning, as restated	<u><u>\$ 96,079,173</u></u>	
	Opioid	Total
	Settlement -	Governmental
	Major Special	Funds
<u>Modified accrual basis of accounting</u>	<u>Revenue Fund</u>	
Fund balances, beginning, as previously reported	\$ -	\$ 65,355,121
Prior period adjustment - change in accounting principle - Revenue for cash received that was measurable and available	<u>336,498</u>	<u>336,498</u>
Net Position, beginning, as restated	<u><u>\$ 336,498</u></u>	<u><u>\$ 65,691,619</u></u>

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Required Supplemental Information

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportion of the net pension liability (asset) (%)	0.21264%	0.22641%	0.24133%	0.24300%	0.23900%
County's proportion of the net pension liability (asset) (\$)	\$ 14,083,663	\$12,772,757	\$ 3,701,027	\$ 8,677,708	\$ 6,538,373
County's covered payroll	\$ 18,842,836	\$17,791,563	\$18,583,709	\$16,908,809	\$16,800,789
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	74.74%	71.79%	19.92%	51.32%	38.92%
Plan fiduciary net position as a percentage of the total pension liability**	82.49%	84.14%	95.51%	88.61%	91.63%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportion of the net pension liability (asset) (%)	0.24600%	0.25100%	0.25700%	0.26900%	0.26600%
County's proportion of the net pension liability (asset) (\$)	\$ 5,839,757	\$ 3,840,085	\$ 5,463,315	\$ 1,207,480	\$ (1,570,847)
County's covered payroll	\$ 16,252,824	\$16,201,554	\$16,114,694	\$16,017,799	\$15,479,514
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	35.93%	23.70%	33.90%	7.54%	-10.15%
Plan fiduciary net position as a percentage of the total pension liability**	91.63%	94.18%	91.47%	98.09%	102.64%

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

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Contractually required contribution	\$ 2,920,888	\$ 2,313,874	\$ 2,046,808	\$ 1,920,053	\$ 1,623,326
Contributions in relation to the contractually required contribution	2,920,888	2,313,874	2,046,808	1,920,053	1,623,326
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 22,367,885	\$ 18,842,836	\$ 17,791,563	\$ 18,583,709	\$ 16,908,809
Contributions as a percentage of covered payroll	13.06%	12.28%	11.50%	10.33%	9.60%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 1,325,452	\$ 1,245,106	\$ 1,206,010	\$ 1,099,065	\$ 1,017,439
Contributions in relation to the contractually required contribution	1,325,452	1,245,106	1,206,010	1,099,065	1,017,439
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 16,800,789	\$ 16,252,824	\$ 16,201,554	\$ 16,114,694	\$ 16,017,799
Contributions as a percentage of covered payroll	7.89%	7.66%	7.44%	6.82%	6.35%

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's proportionate share of the net pension liability (asset) %	0.3638%	0.3363%	0.3187%	0.3160%	0.3030%
County's proportionate share of the net pension liability (asset) \$	\$ (43,715)	\$ (44,520)	\$ (61,226)	\$ (72,322)	\$ (59,775)
Plan fiduciary net position as a percentage of the total pension liability	135.74%	139.04%	156.53%	173.62%	164.11%
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's proportionate share of the net pension liability (asset) %	0.3490%	0.3450%	0.3510%	0.3540%	0.3730%
County's proportionate share of the net pension liability (asset) \$	\$ (57,924)	\$ (58,832)	\$ (65,677)	\$ (82,140)	\$ (84,639)
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%

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

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

Person County, North Carolina
Schedule of County Contributions
Register of Deeds' Supplemental Pension Fund
Last Ten Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
County's required contribution	\$ 3,201	\$ 3,247	\$ 3,855	\$ 4,086	\$ 2,760
Contributions in relation to contractually required contribution	<u>3,201</u>	<u>3,247</u>	<u>3,855</u>	<u>4,086</u>	<u>2,760</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County's required contribution	\$ 2,878	\$ 2,993	\$ 2,995	\$ 3,148	\$ 2,558
Contributions in relation to contractually required contribution	<u>2,878</u>	<u>2,993</u>	<u>2,995</u>	<u>3,148</u>	<u>2,558</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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

Person County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
Last Eight Fiscal Years*

	2024	2023	2022	2021
Beginning Balance	\$ 2,444,442	\$ 2,785,062	\$ 2,685,736	\$ 1,734,475
Service Cost	84,926	113,920	125,349	80,650
Interest on the total pension liability	102,023	61,287	50,996	55,744
Differences between expected and actuarial experience in the measurement of the total pension liability	97,471	(1,342)	77,534	138,125
Changes of assumptions and other inputs	55,770	(392,073)	(67,692)	725,804
Benefit payments	<u>(154,640)</u>	<u>(122,412)</u>	<u>(86,861)</u>	<u>(49,062)</u>
Ending balance of total pension liability	<u><u>\$ 2,629,992</u></u>	<u><u>\$ 2,444,442</u></u>	<u><u>\$ 2,785,062</u></u>	<u><u>\$ 2,685,736</u></u>

	2020	2019	2018	2017
Beginning Balance	\$ 1,519,755	\$ 1,526,510	\$ 1,395,651	\$ 1,352,634
Service Cost	70,958	68,578	57,617	61,293
Interest on the total pension liability	54,440	47,389	52,959	47,709
Differences between expected and actuarial experience in the measurement of the total pension liability	86,216	(9,694)	(28,783)	(33,504)
Changes of assumptions and other inputs	51,418	(59,313)	96,356	(32,481)
Benefit payments	<u>(48,312)</u>	<u>(53,715)</u>	<u>(47,290)</u>	<u>(47,290)</u>
Ending balance of total pension liability	<u><u>\$ 1,734,475</u></u>	<u><u>\$ 1,519,755</u></u>	<u><u>\$ 1,526,510</u></u>	<u><u>\$ 1,348,361</u></u>

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

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

Person County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
Last Eight Fiscal Years

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total pension liability	\$ 2,629,992	\$ 2,444,442	\$ 2,785,062	\$ 2,685,736
Covered-employee payroll	2,876,067	2,614,455	2,769,912	2,792,438
Total pension liability as a percentage of covered-employee payroll	91.44%	93.50%	100.55%	96.18%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 1,734,475	\$ 1,519,755	\$ 1,526,510	\$ 1,395,651
Covered-employee payroll	2,627,756	2,425,376	2,359,987	2,374,905
Total pension liability as a percentage of covered-employee payroll	66.01%	62.66%	64.68%	58.77%

Notes to the schedules:

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

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

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

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Total OPEB Liability				
Service Cost	\$ 479,277	\$ 622,943	\$ 530,072	\$ 384,074
Interest on the total OPEB liability	384,571	272,375	218,843	286,912
Differences between expected and actuarial experience in the measurement of the total pension liability	(361,724)	261,185	961,707	121,084
Changes of assumptions and other inputs	(395,012)	(1,765,983)	1,416,167	1,219,426
Benefit payments	<u>(321,757)</u>	<u>(590,461)</u>	<u>(434,558)</u>	<u>(468,955)</u>
Net change in total OPEB liability	<u>(214,645)</u>	<u>(1,199,941)</u>	<u>2,692,231</u>	<u>1,542,541</u>
Total OPEB liability - beginning	<u>11,080,706</u>	<u>12,280,647</u>	<u>9,588,416</u>	<u>8,045,875</u>
Total OPEB liability - ending	<u><u>\$ 10,866,061</u></u>	<u><u>\$ 11,080,706</u></u>	<u><u>\$ 12,280,647</u></u>	<u><u>\$ 9,588,416</u></u>
Covered-employee payroll	\$ 18,842,836	\$ 16,029,745	\$ 16,029,745	\$ 15,391,787
Total OPEB liability as a percentage of covered-employee payroll	57.67%	69.13%	76.61%	62.30%
Discount Rate	3.86%	3.54%	2.16%	2.21%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	
Total OPEB Liability				
Service Cost	\$ 345,200	\$ 3,579,979	\$ 388,858	
Interest on the total OPEB liability	277,842	252,125	215,478	
Differences between expected and actuarial experience in the measurement of the total pension liability	343,866	81,127	115,642	
Changes of assumptions and other inputs	133,808	(259,495)	(436,481)	
Benefit payments	<u>(390,865)</u>	<u>(352,654)</u>	<u>(367,832)</u>	
Net change in total OPEB liability	<u>709,851</u>	<u>79,082</u>	<u>(84,335)</u>	
Total OPEB liability - beginning	<u>7,336,024</u>	<u>7,256,942</u>	<u>7,341,277</u>	
Total OPEB liability - ending	<u><u>\$ 8,045,875</u></u>	<u><u>\$ 7,336,024</u></u>	<u><u>\$ 7,256,942</u></u>	
Covered-employee payroll	\$ 15,391,787	\$ 14,860,267	\$ 14,860,267	
Total OPEB liability as a percentage of covered-employee payroll	52.27%	49.37%	48.83%	
Discount Rate	3.50%	3.89%	3.56%	

Notes to Schedule

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

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate of each period. The discount rates used for each year are provided for each year.

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Major Governmental Funds

General Fund

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

Special Revenue Fund

- ♦ **Capital Investment Fund:** accounts for lottery and other special revenues related to capital improvements, but not yet assigned to a specific project. (Not included in this section since it exceeded the limits that categorizes it as a Major Fund. This is not a Capital Project, and therefore all associated financial statements are included in the Basic Financial Statements Section.)
- ♦ **ARPA Fund:** accounts for revenues and expenditures for capital projects funded by the American Rescue Plan Act of 2021.

Capital Projects Funds

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

- ♦ **Opioid Settlement Fund:** accounts for opioid settlement proceeds received to battle opioid pandemic.
- ♦ **Airport Capital Projects Fund:** - This capital projects fund accounts for revenues and expenditures relative to the construction projects for the Raleigh Regional Airport at Person County.

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Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Revenues			
<u>Ad valorem Taxes</u>			
Current year levy	\$ 39,024,141	\$ 40,250,695	\$ 1,226,554
Prior year levy	325,000	228,719	(96,281)
Penalties and interest	190,000	193,954	3,954
Advertising	41,000	42,139	1,139
Total ad valorem taxes	39,580,141	40,715,507	1,135,366
<u>Local option sales taxes</u>			
Article 39 one per cent	6,089,348	6,010,989	(78,359)
Article 40 one per cent	3,593,491	3,406,872	(186,619)
Article 42 one per cent	2,984,526	2,934,580	(49,946)
Article 44 one per cent	962,500	995,371	32,871
Total local option sales taxes	13,629,865	13,347,812	(282,053)
<u>Other taxes</u>			
Deed stamp excise tax	500,000	482,597	(17,403)
Occupancy tax	527,400	510,969	(16,431)
Gross receipts tax	18,000	22,196	4,196
Animal taxes	-	3	3
Privilege licenses tax	2,600	2,835	235
Total other taxes	1,048,000	1,018,600	(29,400)
<u>Fees</u>			
Planning and zoning fees	70,458	79,346	8,888
Register of Deeds fees	194,800	181,254	(13,546)
Inspection fees	546,112	582,736	36,624
Special Use permit fees	150	1,060	910
Total fees	811,520	844,396	32,876
<u>Intergovernmental revenues</u>			
State and Federal Funds			
Public Health Services	1,159,154	927,690	(231,464)
Enviromental Health Services	-	9,960	9,960
Social Services	5,464,374	6,230,270	765,896
Home and Community Care	404,500	386,658	(17,842)
Elderly and Handicapped Transportation	80,702	80,702	-
Community Alternatives	152,010	152,010	-
Beer and Wine Tax	130,000	150,851	20,851
Video Programming	54,000	45,699	(8,301)
DWI Revenues	14,197	7,174	(7,023)
Court Facilities fees	45,000	47,640	2,640
ARPA Workforce Development	256,862	-	(256,862)
EM Grants	392,781	-	(392,781)

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Sherriffs Grants	104,762	104,599	(163)
Inmate cost reimbursement	189,000	214,470	25,470
Fines and Forfeitures	210,000	177,751	(32,249)
Drug Enforcement-related Revenues	121,902	188,868	66,966
Emergency Management	42,113	39,698	(2,415)
Library Grants	126,416	119,795	(6,621)
PARTF Farm Grant	360,000	49,840	(310,160)
Soil and Water Conservation	27,316	27,786	470
Transportation Grant	921,390	508,768	(412,622)
Veterans Services Grant	2,500	2,174	(326)
Subtotal State and Federal funds	10,258,979	9,472,403	(786,576)
Local Funds			
E-911 City Participation	131,656	134,986	3,330
Republic Services	100,000	100,000	-
Subtotal Local Funds	231,656	234,986	3,330
Total Intergovernmental Revenues	10,490,635	9,707,389	(783,246)
<u>Investment Income</u>	1,709,567	1,907,583	198,016
<u>Charges for services</u>			
Sheriff and Jail fees	235,800	236,898	1,098
School Resources Officer Contract	190,554	185,004	(5,550)
ABC Officer Contract	35,000	35,000	-
PCC Officer Contract	60,000	60,000	-
Solid waste and recycling fees	913,000	993,266	80,266
EMS fees	1,912,576	1,791,004	(121,572)
Animal fees	53,600	36,676	(16,924)
Cooperative Extension fees	6,130	1,158	(4,972)
Library fines and fees	7,700	9,556	1,856
Recreation fees	391,577	362,742	(28,835)
Map fees	400	319	(81)
GIS fees	20,543	21,464	921
EDC reimbursement from other governments	7,500	7,500	-
IT Services to other governments	111,800	114,800	3,000
Stormwater Admin fees	99,650	99,650	-
Transportation services	264,819	295,245	30,426
Tax collection fees	72,000	87,044	15,044
Arts Council Reimbursement	44,320	44,320	-
Health fees	506,500	679,634	173,134
Environmental Health fees	175,000	203,765	28,765
DSS fees	1,000	350	(650)
Total charges for services	5,109,469	5,265,395	155,926

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
<u>Other revenues</u>			
Rents and leases	363,104	381,997	18,893
ABC Board distributions	232,000	234,809	2,809
Miscellaneous	315,626	279,753	(35,873)
Other Contributions	37,475	37,475	-
Donations	37,685	47,857	10,172
Total other revenues	985,890	981,891	(3,999)
Total general revenues	73,365,087	73,788,573	423,486
Expenditures			
<u>General Government:</u>			
Governing Body			
Personnel Expenses		98,305	
Operating Expenses		175,444	
ABC profits to City of Roxboro		61,557	
Total	404,896	335,306	69,590
Administration			
Personnel Expenses		604,515	
Operating Expenses		34,169	
Total	644,694	638,684	6,010
Information Technology			
Personnel Expenses		974,457	
Operating Expenses		921,475	
Capital Outlay		20,597	
Total	2,108,739	1,916,529	192,210
Human Resources			
Personnel Expenses		630,527	
Operating Expenses		411,634	
Capital Outlay		2,391	
Total	1,219,691	1,044,552	175,139
Fleet Sales Management			
Operating Expenses		19,137	
Capital Outlay		-	
Total	29,747	19,137	10,610
Elections			
Personnel Expenses		224,920	
Operating Expenses		84,718	
Total	361,662	309,638	52,024

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Finance			
Personnel Expenses		700,450	
Operating Expenses		653,269	
Capital Outlay		-	
Total	1,410,653	1,353,719	56,934
Tax Administration			
Personnel Expenses		887,090	
Operating Expenses		235,242	
Total	1,151,384	1,122,332	29,052
Legal			
Personnel Expenses		-	
Operating Expenses		103,276	
Total	122,159	103,276	18,883
Register of Deeds			
Personnel Expenses		289,456	
Operating Expenses		357,672	
Total	933,330	647,128	286,202
Courts			
Operating Expenses		8,159	
Total	8,939	8,159	780
General Services			
Personnel Expenses		1,101,431	
Operating Expenses		1,406,400	
Capital Outlay		5,304	
Total	2,687,955	2,513,135	174,820
Total general government	11,083,849	10,011,595	1,072,254
<u>Public Safety</u>			
Sheriff			
Personnel Expenses		5,592,701	
Operating Expenses		870,083	
Capital Outlay		654,710	
Total	7,225,078	7,117,494	107,584
Jail			
Personnel Expenses		2,286,772	
Operating Expenses		1,086,759	
Capital Outlay		-	
Total	3,519,440	3,373,531	145,909

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Judicial			
Personnel Expenses		(474)	
Total	-	(474)	474
JCPC Administration			
Personnel Expenses		791	
Total	790	791	(1)
Roots & Wings			
Operating Expenses		155,185	
Total	155,372	155,185	187
Community Connections			
Operating Expenses		23,073	
Total	26,250	23,073	3,177
Emergency Mangement			
Personnel Expenses		146,840	
Operating Expenses		127,560	
Capital Outlay		-	
Total	778,327	274,400	503,927
Fire and Rescue			
Personnel Expenses		81,803	
Operating Expenses		62,535	
City Fire Contract		404,791	
Total	620,442	549,129	71,313
Ambulance Service			
Personnel Expenses		4,434,332	
Operating Expenses		861,432	
Capital Outlay		528,277	
Total	7,419,084	5,824,041	1,595,043
Code Enforcement			
Personnel Expenses		577,462	
Operating Expenses		35,093	
Capital Outlay		39,256	
Total	685,342	651,811	33,531

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Emergency Communications			
Personnel Expenses		1,126,402	
Operating Expenses		56,169	
Capital Outlay		15,435	
Total	1,301,866	1,198,006	103,860
Medical Examiner	37,000	30,450	6,550
Animal Control			
Personnel Expenses		302,087	
Operating Expenses		68,318	
Total	386,959	370,405	16,554
Total public safety	22,155,950	19,567,842	2,588,108
<u>Transportation</u>			
Airport Operations			
Operating Expenses		81,145	
Total	54,712	81,145	(26,433)
Public Transportation			
Personnel Expenses		988,067	
Operating Expenses		351,459	
Total	2,058,582	1,339,526	719,056
Total transportation	2,113,294	1,420,671	692,623
<u>Human Services</u>			
Public Health			
Personnel Expenses		1,936,699	
Operating Expenses		603,166	
Capital Outlay		24,094	
Total	3,105,842	2,563,959	541,883
Enviromental Health			
Personnel Expenses		661,144	
Operating Expenses		82,208	
Capital Outlay		43,202	
Total	861,942	786,554	75,388
Mental Health			
Operating Expenses		359,082	
Total	543,056	359,082	183,974

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Social Services			
Personnel Expenses		7,459,588	
Operating Expenses		733,234	
Capital Outlay		89,318	
Public Assistance		1,877,463	
Total	11,378,932	10,159,603	1,219,329
Veteran Services			
Personnel Expenses		27,782	
Operating Expenses		2,662	
Total	35,396	30,444	4,952
Senior Center			
Operating Expenses		503,179	
Total	522,730	503,179	19,551
Total Human Services	16,447,898	14,402,821	2,045,077
<u>Education</u>			
Public Schools			
Current Expense		11,946,673	
Terrell Fund		42,000	
Fines and Forfeitures		177,751	
Total	12,182,673	12,166,424	16,249
Community College			
Operating Expenses		1,418,338	
Total	1,418,338	1,418,338	-
Total Education	13,601,011	13,584,762	16,249
<u>Enviromental Protection</u>			
Landfill Maintenance			
Operating Expenses		34,727	
Total	51,900	34,727	17,173
Soil and Water Conservation			
Personnel Expenses		165,171	
Operating Expenses		29,336	
Capital Outlay		919	
Total	294,569	195,426	99,143
Hazard Waste Day	196,236	16,275	179,961
Total enviromental protection	542,705	246,428	296,277

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
<u>Economic and Physical Development</u>			
Economic Development			
Personnel Expenses		210,223	
Operating Expenses		96,918	
Total	414,023	307,141	106,882
Planning and Zoning			
Personnel Expenses		268,794	
Operating Expenses		55,843	
Total	386,701	324,637	62,064
GIS			
Personnel Expenses		267,085	
Operating Expenses		5,077	
Total	277,591	272,162	5,429
Cooperative Extension Service			
Personnel Expenses		61	
Operating Expenses		249,360	
Total	256,924	249,421	7,503
Forestry Services			
Operating Expenses		100,296	
Total	106,943	100,296	6,647
Total economic and physical development	1,442,182	1,253,657	188,525
<u>Cultural and Recreational</u>			
Library			
Personnel Expenses		551,606	
Operating Expenses		149,743	
Total	720,103	701,349	18,754
Recreation, Arts and Parks			
Personnel Expenses		1,141,005	
Operating Expenses		487,257	
Capital Outlay		109,975	
Total	2,289,160	1,738,237	550,923

Person County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Amended Budget	Actual	Positive (Negative)
Museum of History			
Operating Expenses		83,234	
Total	87,000	83,234	3,766
Total culture and recreational	3,096,263	2,522,820	573,443
Debt Service			
Principal		571,467	
Interest		33,382	
Total	605,720	604,849	871
Contingency	407,537	-	407,537
Total expenditures	71,496,409	63,615,445	7,880,964
Excess (deficiency) of revenues over expenditures	1,868,678	10,173,128	8,304,450
Other Financing Sources (uses):			
Lease Liabilities Issued	17,445	17,443	(2)
Transfers out			
Special revenue funds	(1,240,784)	(1,240,783)	1
Capital project funds	(200,000)	(200,000)	-
Internal service funds	-	-	-
Capital reserve funds	(15,837,938)	(15,439,711)	398,227
Revaluation Fund	(202,124)	(202,124)	-
Transfer in			
Special revenue funds	-	-	-
Sale of capital assets	-	20,679	20,679
Total other financing sources (uses)	(17,463,401)	(17,044,496)	418,905
Excess (deficiency) of revenues and other financing sources over expenditures	(15,594,723)	(6,871,368)	8,723,355
Appropriated Fund Balance	15,594,723	-	(15,594,723)
Net Change in Fund Balance	\$ -	(6,871,368)	\$ (6,871,368)
Fund balance, beginning of year		42,581,220	
Prior Period Adjustment (see Note VII)		(813,166)	
Fund balance, end of year		\$ 34,896,686	

Person County, North Carolina
Reappraisal Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Amended Budget	Actual	Variance Positive (Negative)
Revenues	\$ -	\$ -	\$ -
Expenditures:			
General government			
Operating expenses	694,724	343,612	351,112
Total expenditures	694,724	343,612	351,112
Excess (deficiency) of revenues over expenditures	(694,724)	(343,612)	351,112
Other Financing Sources (uses):			
Transfers in			
General Fund	202,124	202,124	-
Total other financing sources (uses)	202,124	202,124	-
Appropriated fund balance	492,600	-	(492,600)
Net change in fund balance	\$ -	(141,488)	\$ (141,488)
Fund balance, beginning		891,868	
Fund balance, ending		\$ 750,380	

Person County, North Carolina
Opioid Settlement Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
Opioid Settlement Funds	\$ 2,595,543	\$ 336,498	\$ 712,494	\$ 1,048,992	\$ (1,546,551)
Total revenues	<u>2,595,543</u>	<u>336,498</u>	<u>712,494</u>	<u>1,048,992</u>	<u>(1,546,551)</u>
Expenditures:					
Human Services - Opioid Recovery	2,595,543	-	-	-	2,595,543
Total expenditures	<u>2,595,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,595,543</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	<u>\$ 336,498</u>	712,494	<u>\$ 1,048,992</u>	<u>\$ 1,048,992</u>
Fund balance, beginning			-		
Prior Period Restatement (see Note IX)			<u>336,498</u>		
Fund balance, ending			<u>\$ 1,048,992</u>		

Person County, North Carolina
Coronavirus State Local Fiscal Recovery Funds CFR 21.027 (ARPA Fund)
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Restricted intergovernmental					
ARPA Funds	\$ 7,670,470	\$ 4,920,470	\$ -	\$ 4,920,470	\$ (2,750,000)
Interest Earnings	-	296,425	202,573	498,998	498,998
Total revenues	<u>7,670,470</u>	<u>5,216,895</u>	<u>202,573</u>	<u>5,419,468</u>	<u>(2,251,002)</u>
Expenditures:					
Economic Development					
GREAT Grant - Brightspeed	40,000	-	-	-	40,000
GREAT Grant - Spectrum	170,838	-	-	-	170,838
Total expenditures	<u>210,838</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,838</u>
Excess (deficiency) of revenues over	7,459,632	5,216,895	202,573	5,419,468	(2,040,164)
Other Financing Sources (uses):					
Transfers out					
General Fund	<u>(7,459,632)</u>	<u>(4,920,470)</u>	<u>-</u>	<u>(4,920,470)</u>	<u>2,539,162</u>
Total other financing sources (uses)	<u>(7,459,632)</u>	<u>(4,920,470)</u>	<u>-</u>	<u>(4,920,470)</u>	<u>2,539,162</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ 296,425</u>	<u>202,573</u>	<u>\$ 498,998</u>	<u>\$ 498,998</u>
Fund balance, beginning			<u>296,425</u>		
Fund balance, ending			<u>\$ 498,998</u>		

Person County, North Carolina
Airport Capital Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project	Actual				Variance
	Authorization	Prior	Current	Closed	Total	(Positive)
		Years	Year	Out	to Date	Negative
Revenues:						
Restricted intergovernmental	\$ 25,391,440	\$ 280,704	\$ 212,630	\$ (228,923)	\$ 264,411	\$(25,127,029)
Investment earnings	2,400	536,198	668,818	-	1,205,016	1,202,616
Other revenues	1,196,457	-	-	-	-	(1,196,457)
Total revenues	<u>26,590,297</u>	<u>816,902</u>	<u>881,448</u>	<u>(228,923)</u>	<u>1,469,427</u>	<u>(25,120,870)</u>
Expenditures:						
Construction	31,402,299	1,152,271	467,755	(259,603)	1,360,423	30,041,876
Miscellaneous	2,000	5,021	-	-	5,021	(3,021)
Capital Outlay - Equipment	80,000	-	75,400	-	75,400	4,600
Total expenditures	<u>31,484,299</u>	<u>1,157,292</u>	<u>543,155</u>	<u>(259,603)</u>	<u>1,440,844</u>	<u>30,043,455</u>
Excess (deficiency) of revenues over expenditures	(4,894,002)	(340,390)	338,293	30,680	28,583	4,922,585
Other Financing Sources (Uses):						
Transfer from General Fund	2,537,002	1,868,365	200,000	(30,680)	2,037,685	(499,317)
Transfer from Capital Improvement Fund	2,277,000	-	-	-	-	(2,277,000)
Total Other Financing Sources	<u>4,814,002</u>	<u>1,868,365</u>	<u>200,000</u>	<u>(30,680)</u>	<u>2,037,685</u>	<u>(2,776,317)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	(80,000)	1,527,975	538,293	-	2,066,268	2,146,268
Appropriated Fund Balance	<u>80,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(80,000)</u>
Excess (deficiency) of revenues, other financing sources, and fund balance appropriated over expenditures	<u>\$ -</u>	<u>\$ 1,527,975</u>	538,293	<u>\$ -</u>	<u>\$ 2,066,268</u>	<u>\$ 2,066,268</u>
Fund balance, beginning			<u>1,527,975</u>			
Fund balance, ending			<u>\$ 2,066,268</u>			

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Nonmajor Governmental Funds

Special Revenue Funds

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

- ♦ **Fire Tax District Fund:** accounts for property tax collections for distribution to the County's nine fire service districts.
- ♦ **Emergency Telephone System Fund:** accounts for revenues from a surcharge on County resident's phone services and the use of those revenues to establish and maintain electronic capacity to determine the location of an emergency when citizens telephone 911 which will allow emergency services to more quickly and accurately respond.
- ♦ **Revolving Loan Fund:** accounts for revenues received from the Multi-County Water Infrastructure Fund and the use of those revenues for loans to develop small business enterprises.
- ♦ **Economic Catalyst Fund:** revenues associated with private and state economic development grant funding and general fund support for the purpose of providing expansion incentives to local industries.
- ♦ **Water and Sewer Construction Reserve Fund:** accounts for revenues representing a portion of certain water service rates charged by the City of Roxboro to be held in reserve for future water and sewer extensions.
- ♦ **Sheriff's Executions Fund:** accounts for collections by the Sheriff of small claims remitted to the Clerk of Court and collection of commissions remitted to the County Finance Director.
- ♦ **Person Industries Community Rehabilitation Program and Material Recovery Facility Fund:** accounts for revenues and expenditures generated from Person Industries, a community rehabilitation program and a newly formed Material Recovery Facility operated by program workers associated with the Person Industries Community Rehabilitation Program.
- ♦ **Social Services Representative Payee Fund:** accounts for receipts and disbursements made by the County on behalf of individuals for whom the County serves as or is, in fact, their legal guardian or custodian.

Capital Projects Funds

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

- ♦ **Capital Improvement Projects Fund:** accounts for revenues and expenditures relative to the capital improvement projects for the County, Schools and Community College.
- ♦ **CDBG Fund:** accounts for revenues and expenditures related to CDBG grants.
- ♦ **Waterline Extension RRSF Fund:** accounts for revenues and expenditures related to the construction of a waterline extension that will serve the Person County Mega Park.
- ♦ **Public Safety Towers and Broadband:** accounts for revenues and expenditures related to the construction of two communication towers and installation of broadband equipment, as well as the purchase of hand-held and vehicular radios for improved public safety communications.
- ♦ **Public School Improvements Project - LOB's Fund:** accounts for revenues and expenditures related to public school construction and renovation improvements funded primarily with Limited Obligation Bonds (LOB's).

Person County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Exhibit C-1

Special Revenue Funds						
	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserve Fund	Sheriff's Execution Fund
ASSETS						
Cash and cash equivalents	\$ 1,579,764	\$ -	\$ 47,876	\$ 1,854,625	\$ 860,254	\$ 39,923
Restricted cash	-	943,329	-	-	-	-
Accounts receivable (net)	-	3,924	-	-	16,818	-
Notes receivable	-	-	11,588	-	-	-
Total assets	<u>\$ 1,579,764</u>	<u>\$ 947,253</u>	<u>\$ 59,464</u>	<u>\$ 1,854,625</u>	<u>\$ 877,072</u>	<u>\$ 39,923</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 39,637	\$ 4,208	\$ -	\$ 49	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>39,637</u>	<u>4,208</u>	<u>-</u>	<u>49</u>	<u>-</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Receivables	-	-	11,588	-	-	-
Fund balances:						
Restricted:						
Stabalization by State Statute	44,400	11,233	-	-	16,818	-
Public Safety	-	931,812	-	-	-	39,923
Human Services	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Committed:						
Economic development	-	-	47,876	1,854,576	-	-
Enviromental protection	-	-	-	-	860,254	-
Public Safety	1,495,727	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Unassigned:	-	-	-	-	-	-
Total fund balances	<u>1,540,127</u>	<u>943,045</u>	<u>47,876</u>	<u>1,854,576</u>	<u>877,072</u>	<u>39,923</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,579,764</u>	<u>\$ 947,253</u>	<u>\$ 59,464</u>	<u>\$ 1,854,625</u>	<u>\$ 877,072</u>	<u>\$ 39,923</u>

Person County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Exhibit C-1

	Special Revenue Funds		
	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	Social Services Representative Payee Fund	Total Non-Major Special Revenue Funds
ASSETS			
Cash and cash equivalents	\$ 419,770	\$ 136,659	\$ 4,938,871
Restricted cash	-	-	943,329
Accounts receivable (net)	154,277	-	175,019
Notes receivable	-	-	11,588
Total assets	<u>\$ 574,047</u>	<u>\$ 136,659</u>	<u>\$ 6,068,807</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 65,690	\$ 19,109	\$ 128,693
Due to other funds	479,244	-	479,244
Total liabilities	<u>544,934</u>	<u>19,109</u>	<u>607,937</u>
DEFERRED INFLOWS OF RESOURCES			
Receivables	-	-	11,588
Fund balances:			
Restricted:			
Stabalization by State Statute	154,277	-	226,728
Public Safety	-	-	971,735
Human Services	-	117,550	117,550
Capital projects	-	-	-
Committed:			
Economic development	-	-	1,902,452
Enviromental protection	-	-	860,254
Public Safety	-	-	1,495,727
Capital projects	-	-	-
Unassigned:	(125,164)	-	(125,164)
Total fund balances	<u>29,113</u>	<u>117,550</u>	<u>5,449,282</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 574,047</u>	<u>\$ 136,659</u>	<u>\$ 6,068,807</u>

Person County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2024

Exhibit C-1

Capital Project Funds						
	Capital Improvement Projects Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Public School Improvements Project - LOB's Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS						
Cash and cash equivalents	\$ 9,120,685	\$ -	\$ -	\$ -	\$ 9,120,685	\$ 14,059,556
Restricted cash	-	-	-	9,402,857	9,402,857	10,346,186
Accounts receivable (net)	-	-	-	-	-	175,019
Notes receivable	-	-	-	-	-	11,588
Total assets	<u>\$ 9,120,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,402,857</u>	<u>\$ 18,523,542</u>	<u>\$ 24,592,349</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable and accrued liabilities	\$ 48,775	\$ -	\$ -	\$ 157,719	\$ 206,494	\$ 335,187
Due to other funds	-	-	-	-	-	479,244
Total liabilities	<u>48,775</u>	<u>-</u>	<u>-</u>	<u>157,719</u>	<u>206,494</u>	<u>814,431</u>
DEFERRED INFLOWS OF RESOURCES						
Receivables	-	-	-	-	-	11,588
Fund balances:						
Restricted:						
Stabalization by State Statute	-	-	-	-	-	226,728
Public Safety	-	-	-	-	-	971,735
Human Services	-	-	-	-	-	117,550
Capital projects	-	-	-	9,245,138	9,245,138	9,245,138
Committed:						
Economic development	-	-	-	-	-	1,902,452
Enviromental protection	-	-	-	-	-	860,254
Public Safety	-	-	-	-	-	1,495,727
Capital projects	9,071,910	-	-	-	9,071,910	9,071,910
Unassigned:	-	-	-	-	-	(125,164)
Total fund balances	<u>9,071,910</u>	<u>-</u>	<u>-</u>	<u>9,245,138</u>	<u>18,317,048</u>	<u>23,766,330</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 9,120,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,402,857</u>	<u>\$ 18,523,542</u>	<u>\$ 24,592,349</u>

Exhibit C-2

Person County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Fire Tax District Fund	Emergency Telephone System Fund	Revolving Loan Fund	Economic Catalyst Fund	Water and Sewer Construction Reserve Fund	Sheriff's Execution Fund
Revenues:						
Ad valorem taxes	\$ 2,412,411	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,852	47,089	-	703,802	70,096	47,575
Investment earnings	3,040	45,492	2,410	74,276	42,485	-
Charges for Services	-	-	-	-	-	-
Other revenues	-	-	5,209	-	-	-
Total revenues	<u>2,421,303</u>	<u>92,581</u>	<u>7,619</u>	<u>778,078</u>	<u>112,581</u>	<u>47,575</u>
Expenditures:						
Current:						
Human services	-	-	-	-	-	-
Public Safety	2,043,355	92,239	-	-	-	44,962
Economic and physical development	-	-	-	667,849	345,352	-
Environmental protection	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service:						
Principal	-	-	-	-	-	-
Interest and other charges	-	-	-	-	-	-
Issuance Costs	-	-	-	-	-	-
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,043,355</u>	<u>92,239</u>	<u>-</u>	<u>667,849</u>	<u>345,352</u>	<u>44,962</u>
Excess (deficiency) of revenues over expenditures	377,948	342	7,619	110,229	(232,771)	2,613
Other financing sources (uses):						
IT subscriptions issued	-	-	-	-	-	-
Limited Obligation Bonds Issue	-	-	-	-	-	-
Transfers from other funds	-	10,329	-	250,000	-	-
Total other financing sources (uses)	<u>-</u>	<u>10,329</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Net change in fund balance	377,948	10,671	7,619	360,229	(232,771)	2,613
Fund balances (deficit), beginning	1,162,179	932,374	40,257	1,494,347	1,109,843	37,310
Prior Period Adjustment (see Note VII)	-	-	-	-	-	-
Fund balances (deficit), beginning (as	<u>1,162,179</u>	<u>932,374</u>	<u>40,257</u>	<u>1,494,347</u>	<u>1,109,843</u>	<u>37,310</u>
Fund balances, ending	<u>\$ 1,540,127</u>	<u>\$ 943,045</u>	<u>\$ 47,876</u>	<u>\$ 1,854,576</u>	<u>\$ 877,072</u>	<u>\$ 39,923</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024**

	Special Revenue Funds		
	Person Industries Community Rehabilitation Program and Material Recovery Facility Fund	Social Services Representative Payee Fund	Total Non-Major Special Revenue Funds
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ 2,412,411
Intergovernmental	431,298	876,803	2,182,515
Investment earnings	6,441	-	174,144
Charges for Services	875,092	-	875,092
Other revenues	6,580	-	11,789
Total revenues	<u>1,319,411</u>	<u>876,803</u>	<u>5,655,951</u>
Expenditures:			
Current:			
Human services	1,726,109	907,801	2,633,910
Public Safety	-	-	2,180,556
Economic and physical development	-	-	1,013,201
Environmental protection	646,866	-	646,866
Education	-	-	-
Capital Outlay	-	-	-
Debt Service:			
Principal	21,364	-	21,364
Interest and other charges	1,110	-	1,110
Issuance Costs	-	-	-
Total debt service	<u>22,474</u>	<u>-</u>	<u>22,474</u>
Total expenditures	<u>2,395,449</u>	<u>907,801</u>	<u>6,497,007</u>
Excess (deficiency) of revenues over expenditures	(1,076,038)	(30,998)	(841,056)
Other financing sources (uses):			
IT subscriptions issued	42,937	-	42,937
Limited Obligation Bonds Issue	-	-	-
Transfers from other funds	<u>980,454</u>	<u>-</u>	<u>1,240,783</u>
Total other financing sources (uses)	<u>1,023,391</u>	<u>-</u>	<u>1,283,720</u>
Net change in fund balance	(52,647)	(30,998)	442,664
Fund balances (deficit), beginning	120,296	148,548	5,045,154
Prior Period Adjustment (see Note VII)	<u>(38,536)</u>	<u>-</u>	<u>(38,536)</u>
Fund balances (deficit), beginning (as	<u>81,760</u>	<u>148,548</u>	<u>5,006,618</u>
Fund balances, ending	<u>\$ 29,113</u>	<u>\$ 117,550</u>	<u>\$ 5,449,282</u>

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2024**

	Capital Project Funds					
	Capital Improvement Projects Fund	Waterline Extension RRSG Fund	Public Safety Towers and Broadband Fund	Public School Improvements Project - LOB's Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
Revenues:						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,412,411
Intergovernmental	-	-	-	-	-	2,182,515
Investment earnings	-	-	-	355,841	355,841	529,985
Charges for Services	-	-	-	-	-	875,092
Other revenues	-	-	-	-	-	11,789
Total revenues	-	-	-	355,841	355,841	6,011,792
Expenditures:						
Current:						
Human services	-	-	-	-	-	2,633,910
Public Safety	-	-	-	-	-	2,180,556
Economic and physical development	-	-	-	-	-	1,013,201
Environmental protection	-	-	-	-	-	646,866
Education	2,063,296	-	-	3,147,300	5,210,596	5,210,596
Capital Outlay	1,380,035	-	-	-	1,380,035	1,380,035
Debt Service:						
Principal	-	-	-	-	-	21,364
Interest and other charges	-	-	-	-	-	1,110
Issuance Costs	-	-	-	335,565	335,565	335,565
Total debt service	-	-	-	335,565	335,565	358,039
Total expenditures	3,443,331	-	-	3,482,865	6,926,196	13,423,203
Excess (deficiency) of revenues over expenditures	(3,443,331)	-	-	(3,127,024)	(6,570,355)	(7,411,411)
Other financing sources (uses):						
IT subscriptions issued	-	-	-	-	-	42,937
Limited Obligation Bonds Issue	-	-	-	12,787,541	12,787,541	12,787,541
Transfers from other funds	8,200,000	-	-	-	8,200,000	9,440,783
Total other financing sources (uses)	8,200,000	-	-	12,787,541	20,987,541	22,271,261
Net change in fund balance	4,756,669	-	-	9,660,517	14,417,186	14,859,850
Fund balances (deficit), beginning	4,315,241	-	-	(415,379)	3,899,862	8,945,016
Prior Period Adjustment (see Note VII)	-	-	-	-	-	(38,536)
Fund balances (deficit), beginning (as	4,315,241	-	-	(415,379)	3,899,862	8,906,480
Fund balances, ending	\$ 9,071,910	\$ -	\$ -	\$ 9,245,138	\$ 18,317,048	\$ 23,766,330

Person County, North Carolina
Fire Tax District Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes	\$ 2,306,743	\$ 2,412,411	\$ 105,668
Restricted intergovernmental	8,583	5,852	(2,731)
Investment earnings	-	3,040	3,040
Total revenues	<u>2,315,326</u>	<u>2,421,303</u>	<u>105,977</u>
Expenditures:			
VFD & Rescue Squad capital payments	2,492,131	2,043,355	448,776
Total expenditures	<u>2,492,131</u>	<u>2,043,355</u>	<u>448,776</u>
Excess (deficiency) of revenues over expenditures	<u>(176,805)</u>	<u>377,948</u>	<u>554,753</u>
Appropriated Fund Balance	<u>176,805</u>	<u>-</u>	<u>(176,805)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>377,948</u>	<u>\$ 377,948</u>
Fund balance, beginning		<u>1,162,179</u>	
Fund balance, ending		<u>\$ 1,540,127</u>	

Columbus County, North Carolina
Emergency Telephone Systems Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 73,846	\$ 47,089	\$ (26,757)
Investment earnings	-	45,492	45,492
Total revenues	<u>73,846</u>	<u>92,581</u>	<u>18,735</u>
Expenditures:			
Implemental functions	6,000	1,689	4,311
Telephone	50,576	18,159	32,417
Software maintenance	90,680	31,268	59,412
Hardware maintenance	39,085	31,907	7,178
Training	<u>32,068</u>	<u>9,216</u>	<u>22,852</u>
Total expenditures	<u>218,409</u>	<u>92,239</u>	<u>126,170</u>
Excess (deficiency) of revenues over expenditures	<u>(144,563)</u>	<u>342</u>	<u>144,905</u>
Other financing sources (uses)			
Transfers in	<u>10,330</u>	<u>10,329</u>	<u>(1)</u>
Total other financing sources (uses)	<u>10,330</u>	<u>10,329</u>	<u>(1)</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(134,233)</u>	<u>10,671</u>	<u>144,904</u>
Appropriated Fund Balance	<u>134,233</u>	<u>-</u>	<u>(134,233)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>10,671</u>	<u>\$ 10,671</u>
Fund balance, beginning		<u>932,374</u>	
Fund balance, ending		<u>\$ 943,045</u>	

Person County, North Carolina
Revolving Loan Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 1,053	\$ 2,410	\$ 1,357
Other Revenues			
Loan principle received	5,202	5,209	7
Total revenues	<u>6,255</u>	<u>7,619</u>	<u>1,364</u>
Expenditures:			
Other operating expenditures	6,255	-	6,255
Total expenditures	<u>6,255</u>	<u>-</u>	<u>6,255</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	7,619	<u>\$ 7,619</u>
Fund balance, beginning		<u>40,257</u>	
Fund balance, ending		<u>\$ 47,876</u>	

Person County, North Carolina
Economic Catalyst Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 707,186	\$ 703,802	\$ (3,384)
Investment earnings	28,000	74,276	46,276
Total revenues	<u>735,186</u>	<u>778,078</u>	<u>42,892</u>
Expenditures:			
Other operating expenditures	3,165,948	667,849	2,498,099
Total expenditures	<u>3,165,948</u>	<u>667,849</u>	<u>2,498,099</u>
Excess (deficiency) of revenues over expenditures	<u>(2,430,762)</u>	<u>110,229</u>	<u>2,540,991</u>
Other Financing Sources (Uses)			
Transfers in			
General Fund	250,000	250,000	-
Total other financing sources	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(2,180,762)</u>	<u>360,229</u>	<u>2,540,991</u>
Appropriated Fund Balance	<u>2,180,762</u>	<u>-</u>	<u>(2,180,762)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>360,229</u>	<u>\$ 360,229</u>
Fund balance, beginning		<u>1,494,347</u>	
Fund balance, ending		<u>\$ 1,854,576</u>	

Person County, North Carolina
Water and Sewer Construction Reserve Special Revenue Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 64,000	\$ 70,096	\$ 6,096
Investment earnings	16,000	42,485	26,485
Total revenues	<u>80,000</u>	<u>112,581</u>	<u>32,581</u>
Expenditures:			
Water and sewer construction	80,000	-	80,000
Miscellaneous	1,000,000	345,352	654,648
Total expenditures	<u>1,080,000</u>	<u>345,352</u>	<u>734,648</u>
Excess (deficiency) of revenues over expenditures	<u>(1,000,000)</u>	<u>(232,771)</u>	<u>767,229</u>
Other Financing Sources:			
Transfers in (out)			
Capital Improvement Fund	-	-	-
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(1,000,000)</u>	<u>(232,771)</u>	<u>767,229</u>
Appropriated Fund Balance	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>(232,771)</u>	<u>\$ (232,771)</u>
Fund balance, beginning		<u>1,109,843</u>	
Fund balance, ending		<u>\$ 877,072</u>	

Person County, North Carolina
Sheriff's Execution Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental revenues	\$ 52,125	\$ 47,575	\$ (4,550)
Total revenues	<u>52,125</u>	<u>47,575</u>	<u>(4,550)</u>
Expenditures:			
Public buildings and grounds			
Operating	52,125	44,962	7,163
Total expenditures	<u>52,125</u>	<u>44,962</u>	<u>7,163</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	2,613	<u>\$ 2,613</u>
Fund balance, beginning		<u>37,310</u>	
Fund balance, ending		<u>\$ 39,923</u>	

Person County, North Carolina
Person Industries Community Rehabilitation Program and Material Recovery Facility Fund
Schedule of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental Revenues:			
Adult vocation and rehabilitation program	\$ 411,500	\$ 299,975	\$ (111,525)
White goods disposal tax	20,000	22,832	2,832
Scrap Tire disposal tax	70,000	75,946	5,946
Solid waste disposal tax	28,000	32,545	4,545
Total Intergovernmental Revenues	<u>529,500</u>	<u>431,298</u>	<u>(98,202)</u>
Charge for Services			
Sales	475,000	226,010	(248,990)
Medicaid	660,000	503,924	(156,076)
Transportation	40,500	38,117	(2,383)
Local Services	52,000	20,123	(31,877)
Recycling Fee	25,000	25,000	-
Recycling Sales	41,650	61,918	20,268
Total charge for services	<u>1,294,150</u>	<u>875,092</u>	<u>(419,058)</u>
Investment earnings	<u>-</u>	<u>6,441</u>	<u>6,441</u>
Other Revenues			
Donations and miscellaneous	<u>5,000</u>	<u>6,580</u>	<u>1,580</u>
Total Revenues	<u>1,828,650</u>	<u>1,319,411</u>	<u>(509,239)</u>
Expenditures:			
Human Services			
Personnel Expenditures	1,569,047	1,545,958	23,089
Operating Expenditures	492,214	136,234	355,980
Capital Outlay	43,947	43,917	30
Total	<u>2,105,208</u>	<u>1,726,109</u>	<u>379,099</u>
Environmental Protection			
Personnel Expenditures	461,342	383,099	78,243
Operating Expenditures	228,396	224,482	3,914
Capital Outlay	39,286	39,285	1
Total	<u>729,024</u>	<u>646,866</u>	<u>82,158</u>
Debt Service			
Principal	21,365	21,364	1
Interest	1,111	1,110	1
Total	<u>22,476</u>	<u>22,474</u>	<u>2</u>
Total Expenditures	<u>2,856,708</u>	<u>2,395,449</u>	<u>461,259</u>
Excess (deficiency) of revenues over expenditures	<u>(1,028,058)</u>	<u>(1,076,038)</u>	<u>(47,980)</u>

Person County, North Carolina
Person Industries Community Rehabilitation Program and Material Recovery Facility Fund
Schedule of Revenues, Expenditures, and Changes in Fund Net Position Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Other Financing Sources:			
Transfers in (out)			
General Fund	980,454	980,454	-
Lease / subscription liabilities issued	42,937	42,937	-
Total Other Financing Sources	<u>1,023,391</u>	<u>1,023,391</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing sources	<u>(4,667)</u>	<u>(52,647)</u>	<u>(47,980)</u>
Appropriated Fund Balance	<u>4,667</u>	<u>-</u>	<u>(4,667)</u>
Net change in fund balance	<u>\$ -</u>	<u>(52,647)</u>	<u>\$ (52,647)</u>
Fund Balance Beginning		120,296	
Prior Period Adjustment (see Note VIII)		<u>(38,536)</u>	
Fund Balance Ending		<u>\$ 29,113</u>	

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

Person County, North Carolina
Social Services Representative Payee Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Representative Payee Funds	\$ 935,000	\$ 876,803	\$ (58,197)
Total revenues	<u>935,000</u>	<u>876,803</u>	<u>(58,197)</u>
Expenditures:			
Human Services	935,000	907,801	27,199
Total Expenditures	<u>935,000</u>	<u>907,801</u>	<u>27,199</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	(30,998)	<u>\$ (30,998)</u>
Fund balance, beginning		<u>148,548</u>	
Fund balance, ending		<u>\$ 117,550</u>	

Person County, North Carolina
Capital Improvement Projects Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

		Actual				Variance (Positive) Negative
	Project Authorization	Prior Years	Current Year	Completed Project	Total to Date	
Revenues:						
Restricted intergovernmental						
City of Roxboro Contributions	\$ 17,167	\$ 17,166	\$ -	\$ -	\$ 17,166	\$ (1)
Other revenues	3,812	3,812	-	-	3,812	-
Total revenues	<u>20,979</u>	<u>20,978</u>	<u>-</u>	<u>-</u>	<u>20,978</u>	<u>(1)</u>
Expenditures:						
County	5,773,253	1,904,709	1,380,035	(640,004)	2,644,740	3,128,513
Schools	6,731,965	1,297,696	1,492,597	(467,513)	2,322,780	4,409,185
PCC	3,456,214	1,100,193	570,699	(80,000)	1,590,892	1,865,322
Miscellaneous	3,000	1,576	-	(1,576)	-	3,000
Total expenditures	<u>15,964,432</u>	<u>4,304,174</u>	<u>3,443,331</u>	<u>(1,189,093)</u>	<u>6,558,412</u>	<u>9,406,020</u>
Excess (deficiency) of revenues over expenditures	<u>(15,943,453)</u>	<u>(4,283,196)</u>	<u>(3,443,331)</u>	<u>1,189,093</u>	<u>(6,537,434)</u>	<u>9,406,019</u>
Other Financing Sources (Uses):						
Transfers in						
County Capital Reserve Fund	15,541,344	8,635,907	8,200,000	(1,226,563)	15,609,344	68,000
Water and Sewer Reserve	-	207,530	-	(207,530)	-	-
Transfers out						
Capital Projects Fund	-	(245,000)	-	245,000	-	-
Total Other Financing Sources	<u>15,541,344</u>	<u>8,598,437</u>	<u>8,200,000</u>	<u>(1,189,093)</u>	<u>15,609,344</u>	<u>68,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(402,109)</u>	<u>4,315,241</u>	<u>4,756,669</u>	<u>-</u>	<u>9,071,910</u>	<u>9,474,019</u>
Appropriated Fund Balance	<u>402,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(402,109)</u>
Excess (deficiency) of revenues and other financing sources and appropriated fund balance over expenditures and other uses	<u>\$ -</u>	<u>\$ 4,315,241</u>	<u>4,756,669</u>	<u>\$ -</u>	<u>\$ 9,071,910</u>	<u>\$ 9,071,910</u>
Fund balance, beginning			<u>4,315,241</u>			
Fund balance, ending			<u>\$ 9,071,910</u>			

Person County, North Carolina
Waterline Extension RRSF Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project	Actual			Total	Variance
	Authorization	Prior	Current	Closed	to Date	(Positive)
		Years	Year	Out		Negative
Revenues:						
Intergovernmental	\$ 1,604,124	\$ 1,083,211	\$ -	\$ (1,083,211)	\$ -	\$ (520,913)
Total revenues	<u>1,604,124</u>	<u>1,083,211</u>	<u>-</u>	<u>(1,083,211)</u>	<u>-</u>	<u>(520,913)</u>
Expenditures:						
Schools	2,005,156	1,441,393	-	(1,441,393)	-	563,763
Total expenditures	<u>2,005,156</u>	<u>1,441,393</u>	<u>-</u>	<u>(1,441,393)</u>	<u>-</u>	<u>563,763</u>
Excess (deficiency) of revenues over expenditures	<u>(401,032)</u>	<u>(358,182)</u>	<u>-</u>	<u>358,182</u>	<u>-</u>	<u>42,850</u>
Other Financing Sources (Uses):						
Transfers in						
General Fund	401,032	401,032	-	(401,032)	-	-
Transfers out						
Economic Catalyst Fund	-	(42,850)	-	42,850	-	-
Total Other Financing Sources	<u>401,032</u>	<u>358,182</u>	<u>-</u>	<u>(358,182)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,850</u>
Fund balance, beginning			<u>-</u>			
Fund balance, ending			<u>\$ -</u>			

Person County, North Carolina
Public Safety Towers and Broadband Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project	Actual			Variance
	Authorization	Prior	Current	Closed	(Positive)
		Years	Year	Out	Negative
				Total	
				to Date	
Revenues:					
Investment earnings	\$ -	\$ 236	\$ -	\$ (235)	\$ 1
Total revenues	-	236	-	(235)	1
Expenditures:					
County	3,475,370	3,350,137	-	(3,350,137)	125,233
Schools	1,089,550	1,089,540	-	(1,089,540)	10
Issuance costs	53,780	53,780	-	(53,780)	-
Contingency funds	176,300	-	-	-	176,300
Total expenditures	4,795,000	4,493,457	-	(4,493,457)	301,543
Excess (deficiency) of revenues over expenditures	(4,795,000)	(4,493,221)	-	4,493,222	301,544
Other Financing Sources (Uses):					
Transfers in					
CIP Projects Fund	395,000	395,000	-	(395,000)	-
Installment purchase obligations issued	4,400,000	4,400,000	-	(4,400,000)	-
Transfer out					
CIP Projects Fund	-	(207,530)	-	207,530	(207,530)
Total Other Financing Sources	4,795,000	4,587,470	-	(4,587,470)	(207,530)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ 94,249	-	\$ (94,248)	\$ 94,014
Fund balance, beginning			-		
Fund balance, ending			\$ -		

Person County, North Carolina
Public School Improvements Project - LOB's Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	Project Authorization	Prior Years	Actual Current Year	Total to Date	Variance (Positive) Negative
Revenues:					
Investment earnings	\$ -	\$ -	\$ 355,841	\$ 355,841	\$ 355,841
Total revenues	-	-	355,841	355,841	355,841
Expenditures:					
Construction and Renovation	\$ 32,318,553	\$ -	\$ 2,875,930	\$ 2,875,930	\$ 29,442,623
Planning and Engineering	3,301,405	415,379	271,370	686,749	2,614,656
Issuance Costs	847,948	-	335,565	335,565	512,383
Contingency Funds	1,735,042	-	-	-	1,735,042
Total expenditures	38,202,948	415,379	3,482,865	3,898,244	34,304,704
Excess (deficiency) of revenues over expenditures	(38,202,948)	(415,379)	(3,127,024)	(3,542,403)	34,660,545
Other Financing Sources (Uses):					
Limited Obligation Bonds of 2023	12,692,948	-	12,787,541	12,787,541	94,593
Limited Obligation Bonds of 2025	11,715,000	-	-	-	(11,715,000)
Limited Obligation Bonds of 2027	13,795,000	-	-	-	(13,795,000)
Total Other Financing Sources	38,202,948	-	12,787,541	12,787,541	(25,415,407)
Excess (deficiency) of revenues and other financing sources over expenditures	\$ -	\$ (415,379)	9,660,517	\$ 9,245,138	\$ 9,245,138
Fund balance, beginning			(415,379)		
Fund balance, ending			\$ 9,245,138		

ENTERPRISE FUND

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

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

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Person County, North Carolina
Stormwater Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		Variance
	Final Budget	Actual	Positive (Negative)
Revenues:			
Charges for services	\$ 277,000	\$ 287,494	\$ 10,494
Investment earnings	2,000	1,866	(134)
Total revenues	<u>279,000</u>	<u>289,360</u>	<u>10,360</u>
Expenditures:			
Enviromental Protection			
Operating expenses	279,000	238,463	40,537
Capital outlay	<u>359,461</u>	<u>40,737</u>	<u>318,724</u>
Total expenditures	<u>638,461</u>	<u>279,200</u>	<u>359,261</u>
Revenues over (under) expenditures	(359,461)	10,160	369,621
Other financing sources (uses)			
Fund balance appropriated	<u>359,461</u>	-	<u>(359,461)</u>
Total other financing sources (uses)	<u>359,461</u>	-	<u>(359,461)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>10,160</u>	<u>\$ 10,160</u>
Reconciliation from Budgetary Basis (Modified Accrual) to Full Accrual:			
Reconciling items:			
Capital Outlay		<u>40,737</u>	
Total reconciling items		<u>40,737</u>	
Change in net position		<u>\$ 50,897</u>	

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INTERNAL SERVICE FUND

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

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

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Person County, North Carolina
Insurance Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2024

	2024		
	Final Budget	Actual	Variance Positive (Negative)
Revenues:			
Charges for services	\$ 4,979,915	\$ 5,162,806	\$ 182,891
Investment earnings	58,000	164,298	106,298
Miscellaneous	360,000	304,758	(55,242)
Total revenues	<u>5,397,915</u>	<u>5,632,067</u>	<u>234,152</u>
Expenditures:			
Health insurance administration	1,557,788	1,450,328	107,460
Claims	<u>3,840,127</u>	<u>3,762,086</u>	<u>78,041</u>
Total expenditures	<u>5,397,915</u>	<u>5,212,414</u>	<u>185,501</u>
Excess (deficiency) of revenues over expenditures	<u>\$ -</u>	419,653	<u>\$ 419,653</u>
Fund balance, beginning		<u>2,298,291</u>	
Fund balance, ending		<u>\$ 2,717,944</u>	

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CUSTODIAL FUNDS

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

- ♦ Roxboro Property Tax Fund: accounts for registered motor vehicle property taxes that are billed and collected by the County for the City of Roxboro. This fund also includes the 3% additional first month's interest charged on delinquent motor vehicle motor vehicle tax bills remitted to the State Treasurer.
- ♦ Inmate Fund: accounts for cash held for inmates who are serving time in the Person County Detention Center.
- ♦ 4-H Program Fund: accounts for monies held for future 4-H program expenses.

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Person County, North Carolina
Custodial Funds
Combining Statement of Fiduciary Net Position
June 30, 2024

	Roxboro Property Tax Fund	Inmate Fund	4H Program Fund	Total Custodial Funds
Assets				
Cash and cash equivalents	\$ 44,200	\$ 36,878	\$ 39,919	\$ 120,997
Taxes receivable for other governments, net	112,133	-	-	112,133
Total assets	<u>156,333</u>	<u>36,878</u>	<u>39,919</u>	<u>233,130</u>
Liabilities				
Accounts payable and accrued liabilities	-	-	2,081	2,081
Due to other governments	44,200	-	-	44,200
Total liabilities	<u>44,200</u>	<u>-</u>	<u>2,081</u>	<u>46,281</u>
Net Position				
Restricted for:				
Individuals, organizations, and other governments	112,133	36,878	37,838	186,849
Total net position	<u>\$ 112,133</u>	<u>\$ 36,878</u>	<u>\$ 37,838</u>	<u>\$ 186,849</u>

Person County, North Carolina
Custodial Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2024

	Roxborro Property Tax Fund	Jail Inmate Pay Fund	4H Program Fund	Total Custodial Funds
Additions				
Ad valorem taxes for other governments	\$ 6,557,803	\$ -	\$ -	\$ 6,557,803
Collections on behalf of inmate	-	269,180	-	269,180
Collections on behalf of 4H	-	-	13,979	13,979
Total additions	<u>6,557,803</u>	<u>269,180</u>	<u>13,979</u>	<u>6,840,962</u>
Deductions				
Tax distributions to other governments	6,560,145	-	-	6,560,145
Payments on behalf of inmates	-	248,874	-	248,874
Payments to 4H	-	-	11,579	11,579
Total deductions	<u>6,560,145</u>	<u>248,874</u>	<u>11,579</u>	<u>6,820,598</u>
Net increase (decrease) in fiduciary net position	(2,342)	20,306	2,400	20,364
Net position, beginning	<u>114,475</u>	<u>16,572</u>	<u>35,438</u>	<u>166,485</u>
Net position, ending	<u>\$ 112,133</u>	<u>\$ 36,878</u>	<u>\$ 37,838</u>	<u>\$ 186,849</u>

Other Schedules

This section contains additional information on property taxes.

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

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Person County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Year Ended June 30, 2024

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Uncollected Balance June 30, 2023</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2024</u>
2023-2024	2023	\$ -	\$ 40,497,305	\$ 40,281,871	\$ 215,434
2022-2023	2022	209,580	-	135,733	73,847
2021-2022	2021	74,914	-	38,726	36,188
2020-2021	2020	38,370	-	13,172	25,198
2019-2020	2019	35,024	-	12,756	22,268
2018-2019	2018	23,834	-	7,255	16,579
2017-2018	2017	19,122	-	5,861	13,261
2016-2017	2016	16,789	-	5,081	11,708
2015-2016	2015	13,649	-	2,589	11,060
2014-2015	2014	13,963	-	1,907	12,056
2013-2014	2013	18,136	-	18,136	-
Totals		<u>\$ 463,381</u>	<u>\$ 40,497,305</u>	<u>\$ 40,523,087</u>	<u>437,599</u>
Less Allowance for Doubtful Accounts					145,049
Taxes Receivable (Net)					<u>\$ 292,550</u>
<u>Reconciliation with revenues:</u>					
Ad valorem taxes - General Fund					\$ 40,715,507
Reconciling items:					
Refunds					
Adjustments to prior years taxes					27,557
Amounts written off for tax year 2013 per statute of limitations					16,117
Subtotal					<u>43,674</u>
Penalties and Interest					(193,954)
Advertising Fees					<u>(42,140)</u>
Total Collections and Credits					<u>\$ 40,523,087</u>

Person County, North Carolina
Analysis of Current Tax Levy
County - Wide Levy
For the Year Ended June 30, 2024

	Property Valuation	Rate Per \$100 Valuation	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original levy:					
County Wide					
Property Taxes at Current Years Rate	\$ 5,595,912,890	\$ 0.7225	\$ 40,430,471	\$ 36,995,344	\$ 3,435,127
Late Listing Penalties	-		26,518	26,518	
Total	<u>5,595,912,890</u>		<u>40,456,989</u>	<u>37,021,862</u>	<u>3,435,127</u>
Discoveries and Corrections					
Current Year's Taxes	<u>14,347,026</u>	0.7225	<u>103,657</u>	<u>103,657</u>	<u>-</u>
Releases	<u>(8,766,920)</u>	0.7225	<u>(63,341)</u>	<u>(63,341)</u>	<u>-</u>
Total for Year	<u>\$ 5,601,492,996</u>		<u>40,497,305</u>	<u>37,062,178</u>	<u>3,435,127</u>
Less Uncollected taxes at June 30, 2024			<u>215,434</u>	<u>212,930</u>	<u>2,504</u>
Current year's taxes collected			<u>\$ 40,281,871</u>	<u>\$ 36,849,248</u>	<u>\$ 3,432,623</u>
Current levy collection percentage			<u>99.47%</u>	<u>99.43%</u>	<u>99.93%</u>

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends	121
<i>These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.</i>	
Revenue Capacity	130
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	137
<i>These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.</i>	
Demographic and Economic Information	142
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	143
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.</i>	

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

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

(Page 1 of 2)

	Fiscal Year			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Governmental activities				
Net investment in capital assets	\$ 31,664,023	\$ 38,358,826	\$ 32,964,043	\$ 36,548,803
Restricted	7,043,470	8,700,798	9,036,709	11,648,228
Unrestricted	9,074,436	10,855,661	14,010,974	13,433,622
Total governmental activities net position	<u>47,781,929</u>	<u>57,915,285</u>	<u>56,011,726</u>	<u>61,630,653</u>
Business-type activities				
Unrestricted	144,184	237,204	322,258	415,658
Total business-type activities net position	<u>144,184</u>	<u>237,204</u>	<u>322,258</u>	<u>415,658</u>
Primary government				
Net investment in capital assets	31,664,023	38,358,826	32,964,043	36,548,803
Restricted	7,043,470	8,700,798	9,036,709	11,648,228
Unrestricted	9,218,620	11,092,865	14,333,232	13,849,280
Total primary governmental net position	<u>\$ 47,926,113</u>	<u>\$ 58,152,489</u>	<u>\$ 56,333,984</u>	<u>\$ 62,046,311</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 37,183,541	\$ 38,473,970	\$ 38,679,199	\$ 41,858,897	\$42,111,459	\$42,521,097
9,606,570	12,595,100	13,813,793	20,085,679	24,888,237	39,167,691
17,854,387	17,159,390	16,417,853	15,193,213	24,821,575	16,063,730
<u>64,644,498</u>	<u>68,228,460</u>	<u>68,910,845</u>	<u>77,137,789</u>	<u>91,821,271</u>	<u>97,752,518</u>
528,061	564,442	673,282	745,696	573,204	836,910
<u>528,061</u>	<u>564,442</u>	<u>673,282</u>	<u>745,696</u>	<u>573,204</u>	<u>836,910</u>
37,183,541	38,473,970	38,679,199	41,858,897	42,111,459	42,521,097
9,606,570	12,595,100	13,813,793	20,085,679	24,888,237	39,167,691
18,382,448	17,723,832	17,091,135	15,938,909	25,394,779	16,900,640
<u>\$ 65,172,559</u>	<u>\$ 68,792,902</u>	<u>\$ 69,584,127</u>	<u>\$ 77,883,485</u>	<u>\$92,394,475</u>	<u>\$98,589,428</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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Expenses				
Governmental activities				
General government	\$ 7,149,705	\$ 6,589,856	\$ 7,693,371	\$ 8,511,007
Public safety	12,475,439	12,818,151	13,843,079	13,040,023
Transportation	1,277,326	1,333,946	1,339,616	1,291,899
Human services	14,335,792	14,535,066	15,048,142	16,273,304
Environmental protection	2,510,486	2,469,444	3,083,626	648,644
Economic and physical development	1,433,353	1,246,837	1,608,085	1,443,587
Cultural and recreation	1,615,447	1,800,505	1,812,818	1,745,964
Education	11,626,709	12,987,242	12,404,456	10,633,360
Interest on long term debt	242,746	436,753	370,388	363,297
Total governmental activities expenses	<u>52,667,003</u>	<u>54,217,800</u>	<u>57,203,581</u>	<u>53,951,085</u>
Business-type activities				
Stormwater Department	196,024	175,115	182,996	183,136
Total primary government expenses	<u>\$ 52,863,027</u>	<u>\$ 54,392,915</u>	<u>\$ 57,386,577</u>	<u>\$ 54,134,221</u>
Program Revenues				
Governmental activities				
Charges for services:				
General government	\$ 415,643	\$ 394,378	\$ 421,621	\$ 719,193
Public safety	1,987,725	1,968,436	2,047,699	1,876,352
Transportation	419,617	449,196	381,887	332,338
Human services	2,522,871	3,139,853	3,388,953	3,712,493
Environmental protection	761,116	754,409	819,123	715,722
Economic and physical development	14,731	16,063	15,688	83,041
Cultural and recreation	323,353	368,606	409,525	412,458
Operating grants and contributions:				
General government	-	3,276	-	185,470
Public safety	1,323,629	1,277,367	1,650,012	1,199,209
Transportation	271,196	506,589	494,012	242,456
Human services	8,560,360	8,031,774	8,141,712	6,972,508
Environmental protection	118,251	125,363	126,967	91,576
Economic and physical development	166,357	277,603	259,959	53,027
Cultural and recreation	514,960	141,363	104,096	120,048
Education	-	-	-	-
Capital grants and contributions:				
Transportation	188,211	65,488	194,607	486,117
Environmental protection	-	6,000	1,998	-
Economic and physical development	110,925	-	-	-
Cultural and recreation	15,877	14,513	7,750	-
Education	229,808	198,948	142,569	6,487,181
Total governmental activities program revenues	<u>17,944,630</u>	<u>17,739,225</u>	<u>18,608,178</u>	<u>23,689,189</u>
Business-type activities				
Charges for services:				
Stormwater Department	268,540	268,135	268,050	274,882
Total primary government program revenues	<u>\$ 18,213,170</u>	<u>\$ 18,007,360</u>	<u>\$ 18,876,228</u>	<u>\$ 23,964,071</u>
Net (Expense)/Revenue				
Governmental activities	\$ (34,722,373)	\$ (36,478,575)	\$ (38,595,403)	\$ (30,261,896)
Business-type activities	72,516	93,020	85,054	91,746
Total primary government net expenses	<u>\$ (34,649,857)</u>	<u>\$ (36,385,555)</u>	<u>\$ (38,510,349)</u>	<u>\$ (30,170,150)</u>
General Revenues and Other Changes in Net Position				
Governmental activities				
Property taxes	\$ 31,358,952	\$ 31,272,619	\$ 32,103,402	\$ 32,143,716
Local option sales tax	6,732,660	7,058,217	7,571,089	8,075,831
Other taxes and licenses	563,360	698,818	566,446	454,676
Unrestricted intergovernmental	208,437	-	-	-
Investment earnings	(32,398)	52,812	132,958	216,223
Miscellaneous, unrestricted				
Loss on disposal of capital asset	15,325	163,861	60,478	(560,899)
Contributed capital	10,363,160	6,392,856	-	-
Other miscellaneous	88,262	519,861	(2,400,589)	694,671
Total governmental activities	<u>49,297,758</u>	<u>46,159,044</u>	<u>38,033,784</u>	<u>41,024,218</u>
Business-type activities				
Investment earnings	-	-	-	1,654
Total primary government general revenues, special items and transfers	<u>\$ 49,297,758</u>	<u>\$ 46,159,044</u>	<u>\$ 38,033,784</u>	<u>\$ 41,025,872</u>
Change in Net Position				
Governmental activities	\$ 14,575,385	\$ 9,680,469	\$ (561,619)	\$ 10,762,322
Business-type activities	72,516	93,020	85,054	93,400
Total primary government	<u>\$ 14,647,901</u>	<u>\$ 9,773,489</u>	<u>\$ (476,565)</u>	<u>\$ 10,855,722</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 11,204,154	\$ 11,072,339	\$ 12,935,151	\$ 16,574,401	\$ 11,273,568	\$ 13,600,292
14,574,861	15,662,933	17,240,103	18,312,055	19,282,517	21,879,909
1,611,457	1,331,856	1,212,218	1,327,587	1,366,707	1,621,833
14,662,401	14,833,071	16,788,184	16,825,196	16,426,099	18,719,577
657,940	703,154	788,995	810,927	817,478	1,026,123
1,127,571	1,610,834	1,598,740	2,152,488	1,947,943	2,026,959
1,942,027	2,116,574	2,109,894	2,177,838	2,421,730	2,504,393
11,427,138	11,846,237	12,715,831	13,364,453	17,817,364	16,568,423
545,966	412,610	248,213	228,927	298,300	1,154,934
<u>57,753,515</u>	<u>59,589,608</u>	<u>65,637,329</u>	<u>71,773,872</u>	<u>71,651,706</u>	<u>79,102,443</u>
168,596	245,619	174,143	211,460	460,291	238,463
<u>\$ 57,922,111</u>	<u>\$ 59,835,227</u>	<u>\$ 65,811,472</u>	<u>\$ 71,985,332</u>	<u>\$ 72,111,997</u>	<u>\$ 79,340,906</u>
\$ 756,078	\$ 826,543	\$ 1,077,017	\$ 4,781,307	\$ 506,631	\$ 819,120
2,263,955	2,131,221	2,879,774	3,574,416	3,293,470	3,001,064
339,142	269,714	165,407	277,427	168,054	166,334
2,461,438	1,957,968	1,123,017	1,129,338	1,628,286	1,587,142
718,500	813,290	1,143,744	1,268,645	1,174,655	1,292,957
94,404	96,151	80,130	11,415	14,044	8,658
382,003	271,042	217,340	351,684	429,345	416,737
199,660	194,989	189,523	-	-	-
1,718,231	1,763,381	1,415,887	2,064,271	4,920,470	1,048,479
482,771	471,627	412,355	402,312	1,635,293	642,487
6,918,742	7,760,588	8,884,556	9,846,574	453,990	8,951,263
81,079	67,632	-	39,667	9,419,729	27,786
112,567	85,241	96,166	76,237	27,489	785,843
96,538	157,313	135,407	122,765	94,747	170,537
-	-	-	159,406	171,649	198,751
201,245	22,738	106,147	946,951	280,704	212,630
-	-	-	-	-	-
336,326	360,027	223,516	80,131	-	-
-	-	-	-	-	-
121,122	1,309,423	-	27,503	2,169,519	4,100
<u>17,283,801</u>	<u>18,558,888</u>	<u>18,149,986</u>	<u>25,160,049</u>	<u>26,388,075</u>	<u>19,333,888</u>
278,791	279,446	280,429	281,503	285,750	287,494
<u>\$ 17,562,592</u>	<u>\$ 18,838,334</u>	<u>\$ 18,430,415</u>	<u>\$ 25,441,552</u>	<u>\$ 26,673,825</u>	<u>\$ 19,621,382</u>
\$ (40,469,714)	\$ (41,030,720)	\$ (47,487,343)	\$ (46,613,823)	\$ (45,263,631)	\$ (59,768,555)
110,195	33,827	106,286	70,043	(174,541)	49,031
<u>\$ (40,359,519)</u>	<u>\$ (40,996,893)</u>	<u>\$ (47,381,057)</u>	<u>\$ (46,543,780)</u>	<u>\$ (45,438,172)</u>	<u>\$ (59,719,524)</u>
\$ 32,985,331	\$ 34,906,804	\$ 35,587,594	\$ 39,677,327	\$ 41,805,225	\$ 43,118,554
8,701,260	9,013,933	10,507,215	11,862,245	13,232,684	13,347,812
210,388	177,306	247,726	1,063,057	1,118,369	1,147,088
-	-	-	672,461	459,487	438,532
680,640	424,332	116,113	104,421	2,621,074	4,510,032
-	(489,170)	(133,252)	-	-	-
-	-	-	-	-	-
905,940	581,477	1,698,193	550,667	327,913	271,017
<u>43,483,559</u>	<u>44,614,682</u>	<u>48,023,589</u>	<u>53,930,178</u>	<u>59,564,752</u>	<u>62,833,035</u>
2,208	2,554	2,554	2,371	2,049	1,866
<u>\$ 43,485,767</u>	<u>\$ 44,617,236</u>	<u>\$ 48,026,143</u>	<u>\$ 53,932,549</u>	<u>\$ 59,566,801</u>	<u>\$ 62,834,901</u>
\$ 3,013,845	\$ 3,583,962	\$ 536,246	\$ 7,316,355	\$ 14,301,121	\$ 3,064,480
112,403	36,381	108,840	72,414	(172,492)	50,897
<u>\$ 3,126,248</u>	<u>\$ 3,620,343</u>	<u>\$ 645,086</u>	<u>\$ 7,388,769</u>	<u>\$ 14,128,629</u>	<u>\$ 3,115,377</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
2015	\$ 31,358,952	\$ 6,732,660	\$ 563,360	\$ 38,654,972
2016	31,272,619	7,058,217	698,818	39,029,654
2017	32,103,402	7,571,089	566,446	40,240,937
2018	32,143,716	8,075,831	454,676	40,674,223
2019	32,985,331	8,701,260	210,388	41,896,979
2020	34,906,804	9,013,933	177,306	44,098,043
2021	35,587,594	10,507,215	247,726	46,342,535
2022	39,677,327	11,862,245	1,063,057	52,602,629
2023	41,805,225	13,232,684	1,118,369	56,156,278
2024	43,118,554	13,347,812	1,147,088	57,613,454

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

(Page 1 of 2)

	Fiscal Year			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund				
Nonspendable	\$ 101,957	\$ 183,550	\$ 108,934	\$ 145,382
Restricted	4,696,872	5,508,761	5,981,436	6,279,373
Committed	264,569	645,154	726,480	726,481
Assigned	2,721,258	3,471,017	2,734,736	2,594,047
Unassigned	13,163,785	13,599,981	14,172,971	16,223,464
Total general fund	<u>\$ 20,948,441</u>	<u>\$ 23,408,463</u>	<u>\$ 23,724,557</u>	<u>\$ 25,968,747</u>
 All Other Governmental Funds				
Nonspendable	\$ 70,000	\$ -	\$ -	\$ -
Restricted	2,346,598	3,192,037	3,055,273	5,368,855
Committed	1,785,342	1,787,660	4,341,003	3,968,392
Assigned	-	-	-	698,143
Unassigned	(217,136)	-	(483,469)	(30,266)
Total all other governmental funds	<u>\$ 3,984,804</u>	<u>\$ 4,979,697</u>	<u>\$ 6,912,807</u>	<u>\$ 10,005,124</u>

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 177,691	\$ 105,187	\$ 126,044	\$ 136,594	\$ 133,559	\$ 145,826
6,197,001	7,533,859	7,179,951	9,454,394	9,561,292	9,783,075
969,306	968,937	983,319	1,124,272	1,233,600	1,112,798
5,900,352	3,898,600	965,506	2,168,060	8,378,395	7,058,237
15,491,651	17,680,799	21,726,864	21,108,169	24,166,242	17,547,130
<u>\$ 28,736,001</u>	<u>\$ 30,187,382</u>	<u>\$ 30,981,684</u>	<u>\$ 33,991,489</u>	<u>\$ 43,473,088</u>	<u>\$ 35,647,066</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3,409,569	5,061,241	6,108,028	10,736,224	15,409,483	29,458,451
3,466,399	4,181,240	3,386,385	5,415,295	7,063,645	13,330,343
-	-	640,925	-	-	-
(255,018)	(9,186)	1,191	-	(591,095)	(125,164)
<u>\$ 6,620,950</u>	<u>\$ 9,233,295</u>	<u>\$ 10,136,529</u>	<u>\$ 16,151,519</u>	<u>\$ 21,882,033</u>	<u>\$ 42,663,630</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)

	Fiscal Year			
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Revenues				
Property	\$ 30,915,707	\$ 31,276,307	\$ 32,078,642	\$ 32,141,941
Sales	6,732,660	7,058,217	7,571,089	8,075,831
Other	348,207	477,014	356,461	454,676
Total taxes	37,996,574	38,811,538	40,006,192	40,672,448
Fees	516,700	433,330	573,352	578,565
Intergovernmental	11,457,497	11,046,450	11,598,701	10,312,203
Investment earnings	(32,398)	52,401	131,895	346,990
Charges for services	5,751,890	6,404,761	6,550,975	7,273,032
Other	998,161	604,799	493,568	699,355
Total Revenues	56,688,424	57,353,279	59,354,683	59,882,593
Expenditures				
General government	6,020,465	5,849,007	5,756,073	5,944,581
Public safety	12,748,522	13,834,037	13,461,794	13,014,359
Transportation	863,199	1,007,835	1,016,508	858,553
Human services	14,534,583	14,694,995	14,806,037	15,749,375
Environmental protection	2,500,386	2,446,162	3,045,427	649,558
Economic and physical development	1,442,248	1,258,242	1,653,788	1,479,461
Cultural and recreational	2,117,676	1,731,294	1,688,993	1,784,228
Education	11,021,422	12,085,890	11,266,416	10,520,135
Capital projects	1,461,191	2,169,724	4,259,925	6,538,982
Debt service:				
Principal	3,563,836	1,979,648	1,826,474	1,796,246
Interest and other charges	423,876	408,585	394,432	370,618
Issuance costs	-	-	-	-
Total expenditures	56,697,404	57,465,419	59,175,867	58,706,096
Excess of revenues over (under) expenditures	(8,980)	(112,140)	178,816	1,176,497
Other Financing Sources (Uses)				
Lease & IT Subscriptions issued	-	-	-	-
Limited Obligation Bonds issued	-	-	-	-
Transfers in	1,200,989	2,170,034	4,666,974	3,141,905
Transfers out	(1,200,989)	(2,195,123)	(4,942,064)	(3,468,841)
Installment purchase obligations issued	2,360,000	1,884,000	2,285,000	4,400,000
Lease obligations issued	207,040	1,099,125	-	-
Sale of capital assets	15,325	156,131	60,478	86,946
Total other financing sources (uses)	2,582,365	3,114,167	2,070,388	4,160,010
Net change in fund balances	\$ 2,573,385	\$ 3,002,027	\$ 2,249,204	\$ 5,336,507
Debt service as a percentage of noncapital expenditures	7.34%	4.31%	4.08%	4.00%

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 33,051,014	\$ 34,966,925	\$ 35,827,112	\$ 39,413,213	\$ 42,188,843	\$ 43,127,918
8,701,260	9,013,933	10,507,215	11,862,245	13,232,684	13,347,812
210,388	177,306	247,726	964,188	992,859	1,018,600
41,962,662	44,158,164	46,582,053	52,239,646	56,414,386	57,494,330
596,492	650,681	725,897	881,347	861,860	844,396
10,268,281	12,210,125	11,652,532	14,159,159	19,784,602	12,819,128
667,713	411,899	115,870	102,375	2,550,796	4,345,734
6,419,028	5,698,082	5,771,557	5,868,311	6,087,992	6,140,487
910,706	586,328	1,703,129	1,202,363	874,409	993,680
60,824,882	63,715,279	66,551,038	74,453,201	86,574,045	82,637,755
6,796,127	6,880,173	8,393,239	8,530,374	8,649,976	10,257,047
14,325,860	14,486,793	15,894,511	16,205,388	17,804,870	20,485,001
1,212,589	1,011,707	881,606	1,022,038	1,152,245	1,410,357
14,681,146	13,571,410	15,748,024	15,392,926	14,502,820	16,875,518
627,054	692,482	700,940	727,264	788,593	893,294
1,144,750	1,539,942	1,501,061	2,060,874	1,880,787	2,266,858
1,883,322	1,976,766	1,911,945	1,929,160	2,275,346	2,367,767
10,779,335	11,787,235	11,759,077	12,716,650	17,169,561	20,175,474
7,192,119	5,478,121	4,314,086	10,317,340	3,273,913	5,653,599
1,884,918	1,866,039	1,772,505	1,570,386	2,868,453	2,527,233
564,306	393,613	272,126	226,282	314,811	630,135
-	-	-	-	-	535,565
61,091,526	59,684,281	63,149,120	70,698,682	70,681,375	84,077,848
(266,644)	4,030,998	3,401,918	3,754,519	15,892,670	(1,440,093)
-	-	-	5,115,281	29,348	2,102,652
-	-	-	-	-	12,787,541
2,719,044	8,782,008	7,358,158	15,148,662	22,827,473	25,080,494
(3,868,983)	(8,782,008)	(8,776,364)	(16,434,562)	(23,577,474)	(25,080,494)
776,086	-	-	-	-	-
-	-	-	-	-	-
23,577	32,728	93,501	4,492	40,096	20,679
(350,276)	32,728	(1,324,705)	3,833,873	(680,557)	14,910,872
\$ (616,920)	\$ 4,063,726	\$ 2,077,213	\$ 7,588,392	\$ 15,212,113	\$ 13,470,779
4.42%	4.10%	3.48%	2.60%	4.26%	4.16%

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
2015	\$ 30,915,707	\$ 6,732,660	\$ 348,207	\$ 37,996,574
2016	31,276,307	7,058,217	477,014	38,811,538
2017	32,078,642	7,571,089	356,461	40,006,192
2018	32,141,941	8,075,831	454,676	40,672,448
2019	33,051,014	8,701,260	210,388	41,962,662
2020	34,966,925	9,013,933	177,306	44,158,164
2021	35,827,112	10,507,215	247,726	46,582,053
2022	39,413,213	11,862,245	964,188	52,239,646
2023	42,188,843	13,232,684	992,859	56,414,386
2024	43,127,918	13,347,812	1,018,600	57,494,330

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

(Page 1 of 2)

Fiscal Year	Real Property			Present-use Value (1)	Personal Property
	Residential Property	Commercial and Industrial Property (6)	Industrial Property (6)		
2015	\$ 2,317,684,346	\$ 426,682,434	\$ -	\$ 112,156,063	\$ 666,236,563
2016	2,206,654,052	426,359,519	-	122,245,652	814,937,206
2017	2,227,240,421	428,570,249	-	123,815,353	883,731,276
2018	2,260,294,438	417,808,197	-	127,826,715	881,797,478
2019	2,099,071,038	527,044,234	111,069,448	125,314,460	900,763,236
2020	2,122,746,270	530,203,079	112,428,482	129,433,664	863,963,542
2021	2,152,328,184	538,428,716	114,742,147	133,384,450	892,083,967
2022 (5)	2,584,780,117	615,275,915	112,167,818	156,466,490	908,012,636
2023	2,648,341,407	621,529,510	113,063,887	158,669,746	948,098,606
2024	2,714,657,457	632,940,578	114,090,136	165,524,389	989,103,173

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

- (1) Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use. The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.
- (2) Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.
- (3) Per \$100 of value
- (4) The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.
- (5) Property revaluation is typically performed every four years. The last reassessment was implemented on January 1, 2021, meeting the eight year minimum time period for property revaluation. This was the basis for fiscal 2022 taxes.
- (6) The prior tax office software did not differentiate between Commercial and Industrial Property value. Therefore, this column is presented as a sum of the two in those years.

Public Service Companies (2)	Total Taxable Assessed Value	County Direct Tax Rate (3)	Estimated Actual Taxable Value (4)	Assessed Value as a Percentage of Actual Value (4)
\$ 848,831,812	\$ 4,371,591,218	0.7000	\$ 4,328,308,137	101%
865,247,565	4,435,443,994	0.7000	4,525,963,259	98%
888,270,969	4,551,628,268	0.7000	4,713,294,261	97%
889,051,094	4,576,777,922	0.7000	5,009,989,997	91%
877,589,870	4,640,852,286	0.7000	5,156,502,540	90%
845,688,750	4,604,463,787	0.7000	4,945,213,718	93%
920,233,559	4,751,201,023	0.7300	5,249,945,882	91%
932,211,885	5,308,914,861	0.7200	5,812,892,654	91%
966,424,834	5,456,127,990	0.7200	6,820,159,988	80%
985,177,254	5,601,492,987	0.7225	7,435,939,184	75%

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

Fiscal Year Ended June 30	County of Person Direct Rates			Overlapping Rates Levied by Municipality	
	County Basic Rate	Fire District Tax Rate (1)	Total Direct Rate	City of Roxboro (2)	
2015	0.7000	-	0.700	0.660	
2016	0.7000	-	0.700	0.670	
2017	0.7000	-	0.700	0.670	
2018	0.7000	-	0.700	0.670	
2019	0.7000	0.0100	0.710	0.670	
2020	0.7300	0.0275	0.7575	0.670	
2021	0.7200	0.0275	0.7475	0.670	
2022	0.7200	0.0275	0.7475	0.650	
2023	0.7200	0.0500	0.7700	0.700	
2024	0.7225	0.0500	0.7725	0.800	

Notes:

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

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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 2024		
		Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Duke Energy	Public utility	\$ 918,126,327	1	16.39%
Spuntech	Manufacturer	43,322,418	2	0.77%
Lousiana Pacific Corp	Manufacturer	41,806,833	3	0.75%
GKN Automotive, Inc.	Manufacturer	38,511,587	4	0.69%
US Flue Cured Tobacco Growers	Manufacturer	34,390,133	5	0.61%
Eaton Corporation	Manufacturer	33,266,716	6	0.59%
Piedmont EMC	Public utility	32,326,420	7	0.58%
Polywood	Finance company	31,187,576	8	0.56%
CertainTeed	Manufacturer	29,999,276	9	0.54%
Public Service Co of NC	Public utility	21,747,358	10	0.39%
NC Eastern Municipal Power Agency	Public utility			
DLP Person Memorial Hospital	Service Provider			
Cogentrix of NC, Inc.	Private Utility			
Totals		<u>\$ 1,224,684,644</u>		21.86%

Source: Person County Tax Department

Fiscal Year 2015

Assessed Valuation	Rank	Percentage of Total Assessed Valuation
\$ 739,221,531	1	16.91%
53,122,772	4	1.22%
47,913,652	6	1.10%
32,571,740	7	0.75%
71,156,383		1.63%
25,593,292	10	0.59%
103,701,878	2	2.37%
52,751,007	5	1.21%
27,182,214	8	0.62%
26,930,377	9	0.62%
\$ 1,180,144,846		27.00%

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

Fiscal Year	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Net Collections and Adjustments in Subsequent Years (1)	Total Net Collections and Adjustments to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Adjusted Levy
2015	\$ 30,622,680	\$ 30,227,699	98.71%	\$ 382,925	\$ 30,610,624	99.96%
2016	31,084,929	30,737,959	98.88%	335,910	31,073,869	99.96%
2017	31,882,532	31,506,743	98.82%	364,081	31,870,824	99.96%
2018	32,070,704	31,666,404	98.74%	391,039	32,057,443	99.96%
2019	32,502,011	32,127,667	98.85%	357,764	32,485,431	99.95%
2020	33,682,129	33,312,102	98.90%	347,760	33,659,862	99.93%
2021	34,255,502	34,025,269	99.33%	205,035	34,230,304	99.93%
2022	38,252,589	37,725,897	98.62%	490,504	38,216,401	99.91%
2023	39,309,759	39,100,179	99.47%	135,733	39,235,912	99.81%
2024	40,497,305	40,281,870	99.47%	-	40,281,870	99.47%

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 (4)	Percentage of Personal Income (4)
	General Obligation Bonds	Limited Obligation Bonds (1)	Installment Purchase Agreements	Capital Leases	Leases GASB 87 (2)	IT Subscription Agreements GASB 96 (3)			
2015	\$ -	\$ -	\$ 9,645,448	\$ 343,175	\$ -	\$ -	\$ 9,988,623	255	0.74%
2016	-	-	9,870,612	1,121,487	-	-	10,992,099	280	0.79%
2017	2,285,000	-	8,351,776	801,284	-	-	11,438,060	291	0.79%
2018	2,132,667	-	11,357,940	551,207	-	-	14,041,814	357	0.93%
2019	1,980,334	-	10,029,104	896,640	-	-	12,906,078	327	0.84%
2020	1,828,001	-	8,720,268	491,771	-	-	11,040,040	273	0.67%
2021	1,675,668	-	7,281,432	310,435	-	-	9,267,535	237	0.51%
2022	1,523,335	-	6,173,813	-	3,871,402	324,866	11,893,416	304	0.67%
2023	1,371,002	-	4,914,761	-	2,542,005	226,544	9,054,312	230	N/A*
2024	1,218,669	12,766,790	3,955,924	-	3,352,208	102,929	21,396,520	533	N/A*

* Information not yet available

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

- (1) Limited Obligation Bonds include the premium on those proceeds.
- (2) Effective for FY 2022, GASB 87 was implemented which impacted the amount reported for leases.
- (3) Effective for FY 2023, GASB 96 was implemented which impacted the amount reported for IT Subscription Agreements.
- (4) See Schedule 15 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

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

Fiscal Year	General Obligation Bonds	Percentage of Personal Income (1)	Percentage of Actual Taxable Value of Property (2)	Per Capita (1)
2015	\$ -	0.00%	0.00%	-
2016	-	0.00%	0.00%	-
2017	2,285,000	0.16%	0.05%	58
2018	2,132,667	0.14%	0.05%	54
2019	1,980,334	0.13%	0.04%	50
2020	1,828,001	0.11%	0.04%	45
2021	1,675,668	0.09%	0.04%	43
2022	1,523,335	0.09%	0.03%	39
2023	1,371,002	N/A*	0.03%	35
2024	1,218,669	N/A*	0.02%	30

* Information not yet available

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

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

(2) See Schedule 7 for property value data.

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

(Page 1 of 2)

	Fiscal Year			
	2015	2016	2017	2018
Assessed Value of Property	\$ 4,371,591	\$ 4,435,444	\$ 4,551,628	\$ 4,576,778
Debt Limit, 8% of Assessed Value (Statutory Limitation)	349,727	354,836	364,130	366,142
Amount of Debt Applicable to Limit	-	-	2,285	2,133
Legal Debt Margin	<u>\$ 349,727</u>	<u>\$ 354,836</u>	<u>\$ 361,845</u>	<u>\$ 364,010</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.63%	0.58%

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
\$ 4,640,852	\$ 4,604,464	\$ 4,751,201	\$ 5,308,915	\$ 5,456,128	\$ 5,601,493
371,268	368,357	380,096	424,713	436,490	448,119
<u>1,980</u>	<u>1,828</u>	<u>1,676</u>	<u>11,502</u>	<u>9,055</u>	<u>21,397</u>
<u>\$ 369,288</u>	<u>\$ 366,529</u>	<u>\$ 378,420</u>	<u>\$ 413,211</u>	<u>\$ 427,435</u>	<u>\$ 426,722</u>
0.53%	0.50%	0.44%	2.71%	2.07%	4.77%

Legal Debt Margin Calculation:

Assessed value subject to taxation	<u>\$ 5,601,493</u>
Debt limitation (8% of assessed value subject to taxation)	448,119
Debt applicable to the limit	
General Obligation bonds	<u>21,397</u>
Legal debt margin	<u>\$ 426,722</u>

Person County, North Carolina
Schedule 14
Direct and Overlapping Governmental Activities Debt
As of June 30, 2024

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
City of Roxboro	\$ -	na	\$ -
Other debt			
City of Roxboro			
Capitalized leases	1,878,204	14.07%	264,194
Installment purchase obligations	1,873,301	14.07%	263,504
Subtotal, overlapping debt			<u>527,698</u>
Person County direct debt			<u>21,396,520</u>
Total direct and overlapping debt			<u><u>\$ 21,924,218</u></u>

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

Notes:

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

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

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

Year	Population (1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Public & Charter Schools Enrollment	Unemployment Rate (3)	Number of Building Inspections Performed (4)
2015	39,117	1,356,681	34,557	5,611	7.20%	6,630
2016	39,191	1,389,038	35,359	5,671	5.50%	6,422
2017	39,283	1,445,743	36,722	5,590	4.30%	6,569
2018	39,370	1,509,255	38,202	4,370	4.40%	7,232
2019	39,507	1,544,791	39,119	5,494	5.00%	8,116
2020	40,450	1,660,111	41,581	5,469	7.70%	8,461
2021	39,097	1,834,238	46,879	5,251	4.90%	7,367
2022	39,127	1,784,355	45,304	5,450	3.90%	8,242
2023	39,386	N/A*	N/A*	5,471	3.70%	10,657
2024	40,134	N/A*	N/A*	5,492	4.20%	12,437

* Information not yet available.

Notes:

- (1) <https://www.census.gov/quickfacts/fact/table/personcountynorthcarolina/PST045221>. Certified population estimates are as of beginning of fiscal year.
- (2) Bureau of Economic Analysis, U. S. Department of Commerce. Figures are for the prior calendar year.
- (3) NC Department of Commerce, Annual Average for ending fiscal year.
- (4) Total number of inspections performed by Person County Inspections Department. Does not include inspections by municipalities.

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

Employer	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Person County Board of Education	644	1	3.31%	584	1	3.38%
Polywood	570	2	2.93%			
Person County Government	418	3	2.15%	401	3	2.32%
Duke Energy Progress	225	4	1.16%	396	4	2.29%
Spuntech	208	5	1.07%	122	9	0.71%
Louisiana-Pacific	155	6	0.80%	151	7	0.87%
Person Memorial Hospital	150	7	0.77%	225	6	1.30%
City of Roxboro	133	8	0.68%	126	8	0.73%
Piedmont Community College	131	9	0.67%	151	7	0.87%
GKN Automotive Components	127	10	0.65%	572	2	3.31%
Eaton Corporation	N/A*			328	5	1.90%
Wal-Mart Associates, Inc.	N/A*			107	10	0.62%

Source: Person County Economic Development

* Information not available

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

Function/Program	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General government	53	54	57	59	60	64	57	64	72	62
Public safety	141	149	174	181	195	165	176	151	137	198
Transportation	10	11	14	14	15	15	18	19	18	18
Human services										
Social Services	97	99	95	101	101	101	104	100	100	114
Public Health	48	47	43	36	33	21	26	27	31	29
Other	25	23	28	25	27	26	22	22	59	26
Environmental protection	2	2	2	2	2	2	2	2	8	11
Economic and physical										
development	5	5	7	9	6	6	7	8	4	9
Cultural and recreation	25	28	33	29	28	29	29	55	34	32
Total	<u>406</u>	<u>418</u>	<u>453</u>	<u>456</u>	<u>467</u>	<u>429</u>	<u>441</u>	<u>448</u>	<u>463</u>	<u>499</u>

Source: County Finance Department

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

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

(Page 1 of 2)

Function	Fiscal Year			
	2015	2016	2017	2018
Public Safety/Sheriff's Department & Jail				
Incident Reports	3,442	1,403	1,467	1,404
Calls for Service	19,054	16,177	18,598	14,931
Criminal Papers	6,790	4,851	3,093	2,622
Arrest Reports	2,097	1,858	2,444	3,426
Civil Papers	3,119	4,031	3,719	3,936
Gun Permits	693	742	677	642
Jail bookings	2,162	1,795	2,005	1,892
Average daily population	127	95	106	102
Public Safety/Communications				
Number of calls dispatched (includes Sheriff, Roxboro Police, Fire, EMS & Rescue calls)	54,367	47,967	48,070	46,307
Public Safety/Code Enforcement				
Number of Building Permits Issued	334	325	382	423
Number of Mobile Home Permits Issued	36	39	47	53
Number of Other Permits Issued (Includes Electrical, Plumbing & Mechanical)	601	628	555	550
Community Services/Library				
Items Added to Collection	4,700	5,585	5,621	5,417
Circulation	213,539	188,564	191,170	154,924
Internet Use	18,421	23,139	24,159	12,944
Program Attendance	8,227	12,606	11,913	7,630
Human Services/Social Services				
Average # Adult Medicaid Eligible Cases	4,288	3,806	3,757	3,916
Average # Family & Child Medicaid Cases	4,492	3,435	3,408	3,647
Average # Households Receiving Food Stamps	3,969	3,906	3,511	3,295
Average \$ Fraud Collections per Month	6,064	4,675	3,739	4,823
Education				
Public Schools enrollment	4,562	4,550	4,470	4,350
Charter Schools enrollment	1,049	1,121	1,120	1,108
Culture and Recreation				
Total park acreage	187	222	222	222
Number of parks	11	12	12	12

Sources:

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

2019	2020	2021	2022	2023	2024
2,588	1,887	2,055	1924	2295	1094
14,310	12,353	14,630	13946	13169	16871
2,903	1,264	1,710	1749	1222	1019
1,762	712	1,079	982	931	1106
4,170	2,103	3,172	2999	3138	2619
537	1,587	1,586	736	504	904
2,093	1,180	1,300	1301	1566	1525
104	70	61	71	81	116
43,529	43,219	41,310	43,208	41999	49074
406	424	576	360	663	560
45	46	44	52	80	67
590	565	868	578	567	665
5,118	3,502	6,036	4926	4237	4112
140,751	136,474	114,013	114367	99403	124640
12,014	8,436	2,136	5068	7624	5877
7,864	3,410	2,722	3695	8796	8837
3,873	4,441	4,200	4148	4300	4254
3,755	5,028	5,463	6115	6900	8388
3,158	3,106	3,532	3796	3746	3462
5,018	3,868	1,487	1,786	3712	7800
4,370	4,326	4,260	4,350	4322	4324
1,124	1,143	991	1,100	1149	1168
222	222	222	222	222	504
12	12	12	12	12	14

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

Function	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Sheriff/Police (Stations)	3	3	3	3	3	3	3	3	3	2
Correction facility capacities	136	136	136	136	136	136	136	136	136	136
Fire stations	15	15	15	15	15	14	14	14	14	14
Highways and streets										
Paved	676*	676	677	677	677	677	677	677	677	639
Unpaved	34*	34	34	34	34	34	34	34	34	32
Culture and recreation										
Parks	11	12	12	12	12	12	12	12	12	14
Libraries	1	1	1	1	1	1	1	1	1	1
Education										
Schools	10	10	10	10	10	10	12	12	12	12

Sources:

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

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

COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Person County, North Carolina, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprises Person County's basic financial statements, and have issued our report thereon dated October 30, 2024. Our report includes a reference to other auditors who audited the financial statements of the County ABC Board as described in our report on Person County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors. The financial statements of the Person County ABC Board were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Person County's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Person County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

Our consideration of the internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies as item [2024-001] that we consider to be material weaknesses.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Person County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters⁶ that are required to be reported under *Government Auditing Standards*.

Person County's Response to Findings

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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 30, 2024



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

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Person County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Person County's major federal programs for the year ended June 30, 2024. Person County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Person County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

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

Responsibilities of Management for Compliance

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

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA's Private Companies Practice Section

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items [2024-002, 2024-003, 2024-004, 2024-005, and 2024-006] to be significant deficiencies.

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 30, 2024



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

Independent Auditors' Report

To the Board of County Commissioners
Person County, North Carolina

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the Person County, North Carolina, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Person County's major State programs for the year ended June 30, 2024. Person County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Person County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major State programs for the year ended June 30, 2024.

Basis for Opinion on Each Major State Program

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

Responsibilities of Management for Compliance

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

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Auditor's Responsibilities for the Audit of Compliance

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

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

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

Report on Internal Control Over Compliance

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

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
October 30, 2024

**Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section I. Summary of Auditors' Results

Financial Statements

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

Internal control over financial reporting:

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

Noncompliance material to financial statements noted yes X no

Federal Awards

Internal control over major federal programs:

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

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

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

Identification of major federal programs:

<u>AL #</u>	<u>Program Name</u>
10.561	Supplemental Nutrition Assistance Program
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? X yes no

State Awards

Internal control over major State programs:

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

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

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

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

Section I. Summary of Auditors' Results (continued)

Identification of major State programs:

Program Name

Medical Assistance Program
State Aid to Airports Program
Golden LEAF Grant

Dollar threshold used to determine

State major program

\$ 500,000

Auditee qualified as low-risk auditee?

 X yes

 no

Section II. Financial Statement Findings

Finding: 2024-001

Prior Period Adjustments

MATERIAL WEAKNESS

Criteria:

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

Condition:

Prior Period Adjustments were made to the General Fund and Person Industries (Special Revenue Fund) that decreased fund balance by \$806,514 and \$38,536 respectively, to record salaries payable that was not recorded at June 30, 2023. Adjustments were made to the Stormwater Fund to move project expenses to Construction in Process for expenses related to the County Farm Project, which increased net position by \$212,809. Additionally, project expenses associated with the Governmental Activities were adjusted to remove projects that were determined should be expensed and to correct beginning construction in process balances for projects that should have been capitalized, the net of which decreased beginning net position by \$539,433. Additionally, the County recorded an adjustment to beginning balances associated with Lessor Agreements in the Information Technology Fund (which is consolidated as part of the General Fund) that should have been recorded as a GASB 87 lease receivable in prior years, which resulted in an increase in lease receivable of \$167,773, an increase in deferred inflows for leases receivable of \$174,425, and a decrease in fund balance of \$6,652 to establish the beginning balances as of July 1, 2023.

Effect:

The County's management and other users of the financial statements do not have accurate information for decisions-making and monitoring of the County's financial position and adherence to laws, regulations, and other requirements. Errors in financial reporting could occur and not be detected.

Cause:

Primarily an oversight of accrual entries needed for payroll, continued implementation issues of new GASB Standards, and improper determination as to whether projects were for assets the County would own versus contributions for projects owned by other entities.

Recommendation:

The County should review the ledger and subsidiary reports regularly to ensure that necessary adjustments are made timely and correctly during the year.

**Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

Section III. Federal Award Findings and Questioned Costs

Views of responsible officials and planned corrective actions: The County agrees with this finding. Please refer to the corrective action plan for details.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

Finding: 2024-002

Inaccurate Information Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were 5 errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 454,445 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2023-001.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

Finding: 2024-003

Inaccurate Resources Entry

SIGNIFICANT DEFICENCY

Eligibility

Criteria:	In accordance with Medicaid Manual MA-2230, Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or noncountable resources and explained within the documentation.
Condition:	There were 2 errors discovered during our procedures where resources were incorrectly calculated or were not properly documented in the case file.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 cases from of a total of 454,445 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2023-002.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

**Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

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

Views of responsible
officials and planned
corrective actions:

The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

Finding: 2024-004

Untimely Review of SSI Termination

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:

In accordance with the Medicaid Manual MA-3120, the State sends notification to the County when a participant is no longer eligible under Supplemental Security Income (SSI) determination, the County is required to initiate the ex parte review within 5 workdays of the date the termination appears on the SSI Termination Report, and complete the redetermination within 4 months of the month the case appears on the SSI Termination Report and notify the recipient about applicant's ongoing eligibility for Medicaid.

Condition:

There were 2 applicants/beneficiaries not reviewed timely and determined to be eligible for Medicaid when their SSI benefits were terminated. Of these 2 errors, one was determined to be an eligibility error with potential questioned costs.

Questioned Costs:

As a result of the lack of a proper eligibility determination, federal funds were distributed to ineligible recipients. Due to the nature of these types of eligibility determinations and the lack of a proper review by the department, the auditor is unable to determine the known or likely questioned costs.

Context:

We examined 60 cases from of a total of 454,445 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect:

The County did not initiate ex parte review timely, therefore, no eligibility review was completed in the required time period. The lack of follow up and certification lead to applicants receiving Medicaid benefits for which they were not eligible.

Identification of a repeat
finding:

This is a repeat finding from the immediate previous audit, 2023-003.

Cause:

Ineffective communication between departments within the Department of Social Services. One area within DSS received State communications that applicants would no longer be eligible for SSI benefits and the County needed to conduct an application process. This information was not shared with other departments in DSS from which the recipient was also receiving benefits.

**Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

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

Recommendation: Any State communications related to applicants' benefits received by any DSS department should be shared with all areas from which the participant receives benefits. State files should be reviewed internally to ensure all actions have been properly closed and the corrective action has been taken. Workers should be retrained on what process needs to be followed when State communications are received.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

Finding: 2024-005 Inadequate Request for Information
SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific standards, and documentation must be maintained to support eligibility determinations. Electronic matches are required at applications and redeterminations.

Condition: There were 2 errors discovered during our procedures where required information needed for eligibility determinations were not requested or not requested timely at applications or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 454,445 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2023-004.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

**Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024**

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

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. See Corrective Action Plan in the following section.

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services

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

AL #: 93.778

Finding: 2024-006 Untimely IV-D referrals
SIGNIFICANT DEFICENCY

Eligibility

Criteria: In accordance with the Medicaid Manual MA-3365, all Medicaid cases should be evaluated and referred to the Child Support Enforcement Agency (IV-D). The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determining Medicaid eligibility.

Condition: There was 1 error discovered during our procedures that inadequate information was requested at applications and/or redeterminations.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 cases from of a total of 454,445 Medicaid claims from the Medicaid beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and applicants could have been approved for benefits for which they were not eligible.

Cause: Human error in reading the Automated Collection and Tracking System (ACTS) report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determining eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Person County, North Carolina
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2024

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

Views of responsible
officials and planned
corrective actions:

The County agrees with the finding. See Corrective Action Plan in the following section.

Section IV. State Award Findings and Questioned Costs

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

AL #: 93.778

SIGNIFICANT DEFICIENCY: Finding 2024-002, 2024-003, 2024-004, 2024-005, and 2024-006 also apply to State requirements and State Awards.



PERSON COUNTY

BOARD OF COUNTY COMMISSIONERS

Person County Office Building, Room 212
304 South Morgan Street
Roxboro, North Carolina 27573-5245
(336) 597-1720
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Corrective Action Plan
For the Year Ended June 30, 2024

Section II - Financial Statement Findings

Finding: 2024-001

Name of contact person: Tracy Clayton, Interim Chief Financial Officer

Corrective Action: The prior period adjustment (PPA) errors were primarily due to oversight and misclassification in the application of accounting standards. Specifically, the following factors contributed to these adjustments:

Unrecorded Liabilities: The omission of salaries payable in the General Fund and Person Industries was due to a reconciliation error of accrued expenses at year-end, which led to unrecorded liabilities as of June 30, 2023. Misclassification of Capital Project Expenses: In the Stormwater Fund and Governmental Activities, some project-related expenses were misclassified as expenses instead of being capitalized as Construction in Process. This misclassification occurred due to an unclear review of project expenditures and the criteria for capitalization, which led to discrepancies in how capital assets were presented. Lessor Agreement Adjustments: The failure to initially record certain lease receivables and deferred inflows under GASB 87 in prior years was due to a misunderstanding in implementing new accounting standards.

To prevent future occurrences, we will strengthen internal controls, revise reporting procedures, and enhance staff training.

Proposed Completion Date: Imminently.

Finding: 2024-002

Name of contact person: Brittany Majors (Medicaid Manager) and Diane Oakley (Medicaid Supervisor)

Corrective Action: We have been conducting regular income training since March 2023. We have had a great deal of turn over within our staff. Therefore we have conducted regular income trainings ever since. We now have a Staff Development team in place for one on one trainings, and group trainings as well. We also on 09/01/2024 implemented new documentation outlines, coversheets, and checklist to assist our staff with ensuring they verify and address all things needed to properly evaluate a case. We have increased the number of second party case reviews that we do each month to try and catch error trends so that they maybe addressed quickly.

Proposed Completion Date: Staff development positions began for F & C Unit in May 2024, and for Adult Medicaid in June 2024. SSI case reassignments were restructured May 2024. Staff trainings for Second Party errors are now completed on a monthly basis. If one person seems to be struggling one on one trainings are scheduled as well. All new forms and outlines began 09/01/2024.



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Corrective Action Plan
For the Year Ended June 30, 2024

Section III. Federal Award Findings and Questioned Costs

Finding: 2024-003

Name of contact person: Brittany Majors (Medicaid Manager) and Diane Oakley (Medicaid Supervisor)

Corrective Action: We have had a lot of turnover with in our Medicaid Unit. We have since implemented a Staff development Team for conducting one on trainings and group trainings to try and reduce the number of errors that we encounter. August 28, 2024 a refresher training was conducted on how resources are to be verified and counted, how to determine if an item is to be counted as a resource or as income. We have implemented new coversheets, checklists, and documentation outlines to be used as a tool to aid in reducing error trends.

Proposed Completion Date: Resource training was completed 08/28/2024 as a Unit. Forms were being updated through out the year, but a universal form selection was implemented 09/01/2024 to ty and improve accuracy ratings.

Finding: 2024-004

Name of contact person: Brittany Majors (Medicaid Manager) and Diane Oakley (Medicaid Supervisor)

Corrective Action: As of May 2024 we implemented a new system on how to process SSI Exparte cases. Rather than having them all assigned under Person SDX User in NCFast, we divided them out equally by our caseworkers, in order to have a better tracking system for them.

Proposed Completion Date: May 23, 2024 Cases were reassigned form Person SDX User to actual caseworkers.

Finding: 2024-005

Name of contact person: Brittany Majors (Medicaid Manager) and Diane Oakley (Medicaid Supervisor)

Corrective Action: Through out our monthly meetings we have stressed the importance of reviewing all employment sources listed in ESC, We have been updating Coversheets, Checklist, and Documentation outlines through out the year. We have encouraged everyone to search all electronic sources to verify living arrangements are listed correctly on case. This checklist and other forms provided as a tool remind our caseworkers to verify all vehicles in DMV.

Proposed Completion Date: New forms implemented 09/01/2024



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Corrective Action Plan
For the Year Ended June 30, 2024

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

Finding: 2024-006

Name of contact person:	Brittany Majors (Medicaid Manager) and Diane Oakley (Medicaid Supervisor)
Corrective Action:	Due to Admin Letter 13-23 IVD Referrals are currently being waived. So we have not implemented any new training on that process. Once we are out of the CCU and the state puts IVD process back in place we will have those trainings.
Proposed Completion Date:	Admin Letter put into effect August 18, 2023

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2024-002, 2024-003, 2024-004, 2024-005, and 2024-006 also apply to the State findings.

Person County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2024

Finding: 2023-001
Status: Repeat finding at 2024-002

Finding: 2023-002
Status: Repeat finding at 2024-003

Finding: 2023-003
Status: Repeat finding at 2024-004

Finding: 2023-004
Status: Repeat finding at 2024-005

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>
Federal Awards:					
<u>U. S. Department of Agriculture</u>					
Passed-through N.C. Dept. of Health and Human Services:					
Division of Social Services:					
Administration:					
Supplemental Nutrition Assistance Program Cluster State					
Administrative Matching Grants	10.561		\$ 16,572	\$ -	\$ -
FNS - ARPA	10.561		800,087	-	-
Total Supplemental Nutrition Assistance Program			816,659	-	-
Passed-through N.C. Dept. of Health and Human Services					
Division of Public Health:					
Administration:					
Special Supplemental Nutrition Program for Women, Infants					
and Children	10.557		218,810	-	-
Total U. S. Department of Agriculture			1,035,469	-	-
<u>U.S. Dept. of Justice</u>					
Passed through N.C. Dept. of Public Safety					
Edward Byrne Memorial Justice Assistance Grant Program	16.738	RMDS 1170	23,519	-	-
Bulletproof Vest Partnership Grant	16.607		25,503	-	-
Equitable Sharing Program	16.922		147,247	-	-
Total U.S. Dept. of Justice			196,269	-	-
<u>U.S. Dept. of Transportation</u>					
Passed through the N.C. Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program					
		DOT-11			
23-CT-083 PERSON COUNTY, ADMINISTRATON	20.509	36233.81.22.1	39,019	2,439	-
		DOT-11			
24-CT-083 PERSON COUNTY, ADMINISTRATON	20.509	36233.81.24.1	118,497	7,406	-
22-AP-083 PERSON COUNTY, OPERATING	20.509	50371.27.1.2	67,472	-	-
Total Public Transportation for Nonurbanized Areas			224,988	9,845	-
Total U.S. Dept. of Transportation			224,988	9,845	-
<u>U.S. Department of Treasury</u>					
Passed-through N.C. Dept. of Health and Human Services					
Division of Public Health					
Coronavirus State and Local Fiscal Recovery Fund	21.027		3,509	-	-
Total U.S. Department of Treasury			3,509	-	-
<u>U.S. Dept. of Health and Human Services</u>					
Passed-through N.C. Dept. of Health and Human Services					
Division of Public Health:					
Public Health Emergency Preparedness	93.069		31,668	-	-
Project Grants and Cooperative Agreements for Tuberculosis					
Control Programs	93.116		50	-	-
Family Planning Services	93.217		46,450	-	-
Immunization Cooperation Agreements	93.268		15,424	-	-
COVID-19 Immunization Cooperation Agreements	93.268		82,117	-	-
Total Immunization Cooperation Agreements			97,541	-	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>
HIV Care Formula Grants - Ryan White Care Act	93.917		594	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977		100	-	-
Preventive Health and Health Services Block Grant	93.991		30,431	-	-
Maternal and Child Health Services Block Grant	93.994		2,562	1,260	-
Division of Social Services:					
Temporary Assistance Needy Families Cluster					
TANF - Work First	93.558		269,941	-	-
Division of Public Health					
TANF - Work First	93.558		5,928	-	-
Total TANF Cluster			275,869	-	-
Low Income Energy Assistance					
Weatherization Assistance and Heating and Air Repair	93.568		45,288	-	-
Total Low-Income Energy Assistance			45,288	-	-
Stephanie Tubbs Jones Child Welfare Services Program:					
Permanency Planning - Service & Admin	93.645		11,283	-	-
Family Perservation	93.556		116	-	-
Foster Care and Adoption Cluster (Note 4 and 5)					
Foster Care - Title IV-E	93.658		372,416	45,232	-
Foster Care - Title IV-E - Benefit Payments	93.658		234,029	81,583	-
Adoption Assistance	93.659		3,920	-	-
Total Foster Care and Adoption			610,365	126,815	-
Child Support Enforcement	93.563		547,524	-	-
John H. Chafee Foster Care Program for Successful Transition to Adulthood					
Administrative and Services	93.674		16,500	4,125	-
Benefit Payments	93.674		1,743	-	-
Total John H. Chafee Foster Care Program for Successful Transition to Adulthood			18,243	4,125	-
SSBG - Other Training & Services	93.667		281,618	-	-
Division of Social Services					
Social Services Block Grant					
State In Home Service Fund	93.667		10,632	-	-
State Adult Day Care	93.667		39,042	-	-
COVID-19 - State Adult Day Care	93.667		3,710	4,453	-
State Child Protective Services	93.667		38,795	-	-
Total Social Service Block Grant			373,797	4,453	-
Subsidized Child Care:					
Child Care Development Fund Cluster					
Division of Social Services:					
Child Care Development Mandatory and Match Fund- Administration	93.596		92,365	-	-
Total Subsidized Child Care			92,365	-	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>
Division of Medical Assistance					
Division of Social Services					
Administration					
Medical Assistance Program	93.778		1,813,397	74,462	-
State Children's Insurance Program-N. C. Health Choice	93.767		118,228	2,579	-
Passed-through Kerr-Tar Regional COG					
Division of Aging and Adult Services					
<u>Aging Cluster</u>					
Special Programs for the Aging - Title III B					
Grants for Supportive Services and Senior Centers	93.044		133,449	7,850	-
Special Programs for the Aging - Title III C					
Nutrition Services	93.045		86,155	5,068	-
Nutrition Services Incentive Program	93.053		11,136	-	-
Total Aging Cluster			230,740	12,918	-
Family Caregiver Services	93.052		1,050	70	-
Total U. S. Department of Health and Human Services			4,347,661	226,682	-
<u>U.S. Department of Homeland Security</u>					
Passed-through N.C. Dept. of Public Safety					
Emergency Management Performance Grant	97.042	RMDS 1500	1,376	-	-
Cybersecurity Grant (SLCGP)	97.137		77,780	-	-
Total U.S. Department of Homeland Security			79,156	-	-
Total federal awards			\$ 5,887,052	\$ 236,527	\$ -
State Awards:					
<u>N.C. Dept. of Health and Human Services</u>					
Division of Public Health:					
Food & Lodging Fees			\$ -	\$ 6,451	\$ -
DPH Aid-to-Counties			-	85,814	-
General Communicable Diseases Control			-	4,398	-
Healthy Community Activities			-	3,747	-
Child Health			-	17,019	-
HIV/STD STATE			-	5	-
School Nursing Funding Initiative			-	150,000	-
Family Planning - State			-	39,234	-
Maternal Health			-	10,433	-
TB Control			-	9,258	-
Total Division of Public Health			-	326,359	-
Division of Social Services					
Administration					
Smart Start			-	164,074	-
Direct Benefit Payments			-	159,339	-
State Foster Home			-	314,572	-
State Foster Home Fund (SFHF) Maximization			-	14,722	-
Foster Care at Risk Maximization			-	36,110	-
Total Division of Social Services			-	688,817	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>
Passed-through Kerr-Tar Regional COG Division of Aging and Adult Services					
State Appropriation - Access			-	230	-
State Appropriation - In Home Services			-	197,312	-
Senior Center General Purpose			-	11,093	-
Total Division of Aging and Adult Services			-	208,635	-
Total N.C. Dept. of Health and Human Services			-	1,223,811	-
<u>N.C. Dept. of Veterans Affairs</u>					
Veteran Grant			-	2,174	-
Total Dept. of Veterans Affairs			-	2,174	-
<u>N.C. Dept. of Transportation</u>					
State Aid to Airports Program					
		DOT-8			
State Aid to Airports Program		36244.60.9.3	-	14,165	-
		DOT-8			
State Aid to Airports Program		47174.1.1	-	383,554	-
Total State Aid to Airports Program			-	397,719	-
		DOT-11			
Rideshare		36223.84.3.2	-	106,514	-
ROAP Cluster					
		DOT-16CL			
ROAP RGP		36228.22.12.1	-	90,356	-
		DOT-16CL			
ROAP EDTAP		36220.10.12.1	-	77,821	-
		DOT-16CL			
ROAP EMPLOYMENT		36236.11.11.1	-	13,792	-
Total ROAP Cluster			-	181,969	-
Total N.C. Department of Transportation			-	686,202	-
<u>N.C. Dept. of Natural and Cultural Resources</u>					
Division of State Library					
State Aid to Libraries			-	114,225	-
Parks and Recreation Trust Fund			-	40,737	-
Total N.C. Dept. of Natural and Cultural Resources			-	154,962	-
<u>N.C. Department of Pubic Safety</u>					
Juvenile Crime Prevention		RMDS 1240	-	152,010	-
Governor's Crime Commission			-	23,519	-
Total N.C. Department of Pubic Safety			-	175,529	-
<u>N.C. Office of State Budget and Management</u>					
Volunteer Fire Department Fund			-	185,901	-
Total N.C. Department of Insurance			-	185,901	-
<u>N.C. Department of Agriculture & Consumer Services</u>					
Division of Soil & Water Conservation					
District Master Agreement			-	25,916	-
Animal Welfare Grant			-	5,278	-
Total N.C. Department of Agriculture & Consumer Services			-	31,194	-

Person County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Year Ended June 30, 2024

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal Assistance Listing No.</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Sub- recipients</u>
<u>N.C. Department of Public Instruction</u>					
Public School Building Capital Fund			-	4,100	4,100
Total N.C. Department of Public Instruction			-	4,100	4,100
<u>Golden LEAF Foundation</u>					
Golden LEAF Grant			-	348,979	-
Total Golden LEAF Foundation			-	348,979	-
Total State Awards			\$ -	\$ 2,812,852	\$ 4,100
Total Federal and State Awards			\$ 5,887,052	\$ 3,049,379	\$ 4,100

Notes to the Schedule of Federal and State Financial Awards:

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Person County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2024. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Person County, it is not intended to and does not present the financial position, change in net position or cash flows of Person County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

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

Note 4: Cluster of Programs

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

Note 5: Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>AL No.</u>	<u>Federal</u>	<u>State</u>
Food and Nutrition Services	10.551	\$ 12,242,354	\$ -
Special Supplemental Nutrition Program for Women Infant and Children	10.557	785,951	-
Temporary Assistance for Needy Families	93.558	191,441	-
AFDC Payments and Penalties	93.560	(316)	(86)
Refugee Assistance Payment	93.566	(4)	-
Adoption Assistance	93.659	412,585	104,101
Children's Health Insurance Program	93.767	668	172
Medical Assistance Program	93.778	71,649,995	29,043,758
Child Welfare Services Adoption	N/A		28,794
State / County Special Assistance program	N/A		255,525

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