

RICHMOND COUNTY, NORTH CAROLINA  
FINANCIAL STATEMENTS  
June 30, 2019

RICHMOND COUNTY, NORTH CAROLINA  
June 30, 2019

BOARD OF COUNTY COMMISSIONERS

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|-------------------------------|-----------------|
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COUNTY OFFICIALS

|  |                                       |
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| William R. Webb Jr.<br>County Attorney | Dena R. Cook<br>Clerk to Board        |

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## FINANCIAL SECTION



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

## **INDEPENDENT AUDITORS' REPORT**

To the Board of County Commissioners  
Richmond County  
Rockingham, North Carolina

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Richmond County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise Richmond County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## ***Opinions***

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information Richmond County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Asset and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, 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, and the Other Postemployment Benefits Schedules of Changes in the Total OPEB Liability and Related Ratios on pages 4 through 12 and 59 through 65, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Richmond's basic financial statements. The combining and individual fund statements, budgetary schedules, 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.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America 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 Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2019 on our consideration of Richmond County 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 Richmond 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

November 20, 2019



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

As management of Richmond County, we offer readers of Richmond County's financial statements this narrative overview and analysis of the financial activities of Richmond County for the fiscal year ended June 30, 2019. We encourage readers 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.

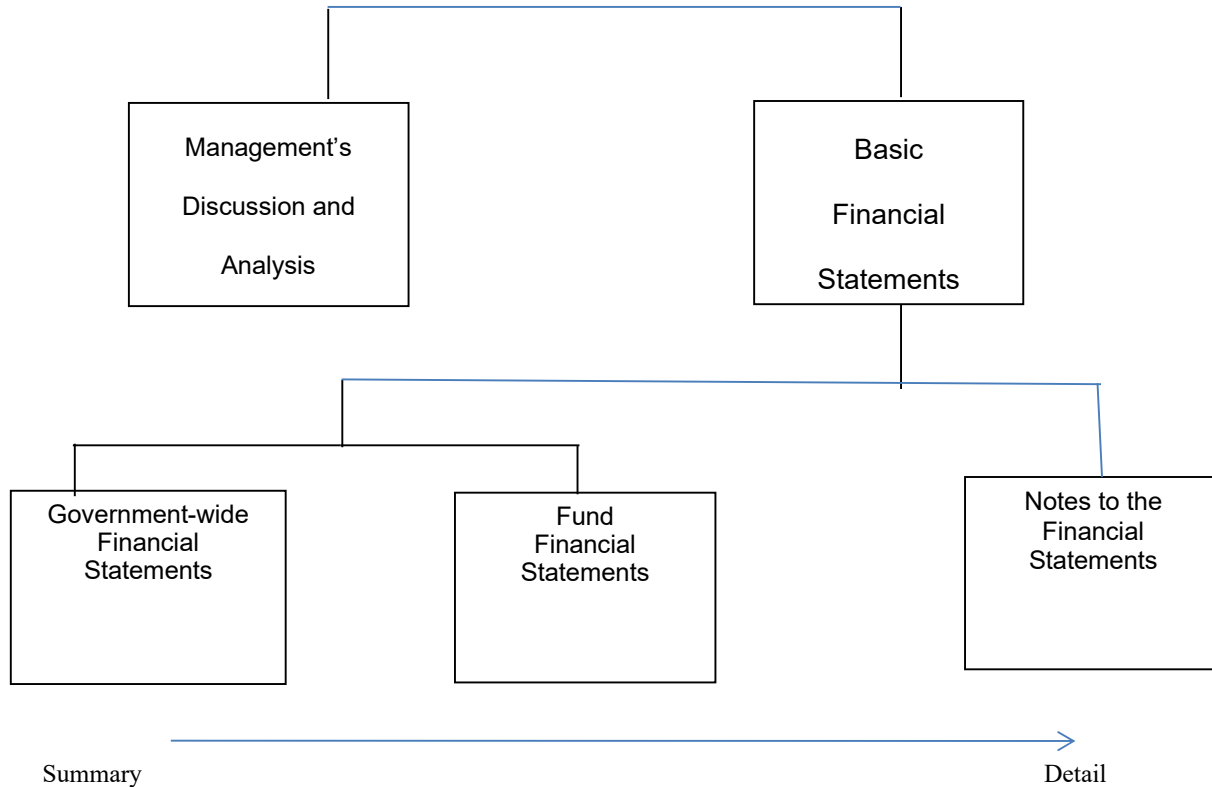
### **Financial Highlights**

- The assets and deferred outflows of resources of Richmond County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$60,781,246 (net position).
- The government's total net position increased by \$3,239,742, primarily due to increased net position in the governmental activities.
- As of the close of the current fiscal year, Richmond County's governmental funds reported combined ending fund balances of \$16,220,849, an increase of \$1,350,630 in comparison with the prior year. Approximately 66.11 percent of this total amount, or \$10,724,082 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,575,608, or 11.00 percent of total general fund expenditures for the fiscal year. Available fund balance was \$8,144,289 or 16.07 percent of total general fund expenditures.
- Richmond County's total debt decreased \$1,512,431 (4.71%) during the current fiscal year. The key factors in this decrease were the scheduled principal repayments on existing general obligation bonds of \$1,518,000 and \$377,000, in the governmental activities and business-type activities, respectively. These repayments were coupled with ongoing installment purchase activities. In addition, the County issued additional debt totaling \$2,184,000.
- Richmond County maintained its Aa3 rating from Moody's Investors and maintained its A+ rating from Standard and Poor's rating services bond rating.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to Richmond 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 Richmond County.

**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 statement.

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.

## 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 gage the County's financial condition.

The government-wide statements are divided into two categories: 1) governmental activities; and 2) business-type activities. 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 water and sewer and landfill services offered by Richmond 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. Richmond 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 Richmond County can be 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.

Richmond 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** – Richmond County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Richmond County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

**Fiduciary Funds** – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Richmond County has eight fiduciary funds, all of which are agency funds.

**Notes to the Financial Statements** – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start after Exhibit 9.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Richmond County’s progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning at Exhibit A-1, directly after the notes.

### Government-Wide Financial Analysis

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 \$60,781,246 as of June 30, 2019. The County’s net position increased by \$3,239,742 for the fiscal year ended June 30, 2019. One of the largest portions, \$54,085,477, reflects the County’s net investment in capital assets (e.g. land, buildings, machinery, and equipment). Richmond County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Richmond 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 Richmond County’s net position, \$10,724,082, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of (\$4,028,313) is unrestricted; this balance may be used to meet the government’s ongoing obligations to citizens and creditors. This deficit is a result of the situation described in the following paragraph.

Under North Carolina law, the County is responsible for providing capital funding for the schools. The County has chosen to meet its obligation to provide the schools capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County, however, are owned and utilized by the schools. Since the County, as the issuing government, acquires no capital assets, the County incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$12,417,000 million of the outstanding debt on the County’s financial statements was related to assets included in the public schools financial statements. However, since the majority of this school related debt is general obligation debt, it is collateralized by the full faith, credit, and taxing power of the County. Accordingly, the County is authorized and required by State law to levy ad valorem taxes, without limit as to rate and amount, as may be necessary to pay the debt service on its general obligation bonds.

### Richmond County’s Net Position

Figure 2

|   | Governmental<br>Activities |               | Business-type<br>Activities |               | Total         |               |
|---|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
|   | 2019                       | 2018          | 2019                        | 2018          | 2019          | 2018          |
| Current and other assets                | \$ 19,984,555              | \$ 19,206,245 | \$ 13,774,739               | \$ 11,731,821 | \$ 33,759,294 | \$ 30,938,066 |
| Capital assets                          | 38,264,843                 | 39,246,609    | 42,541,389                  | 43,906,361    | 80,806,232    | 83,152,970    |
| Total assets                            | 58,249,398                 | 58,452,854    | 56,316,128                  | 55,638,182    | 114,565,526   | 114,091,036   |
| Total deferred outflows of<br>resources | 1,908,830                  | 548,562       | 177,277                     | 43,995        | 2,086,107     | 592,557       |
| Long-term liabilities                   |                            |               |                             |               |               |               |
| outstanding                             | 34,235,391                 | 39,179,848    | 12,515,529                  | 11,408,555    | 46,750,920    | 50,588,403    |
| Other liabilities                       | 9,314,144                  | 8,117,772     | 1,049,183                   | 930,088       | 10,363,327    | 9,047,860     |
| Total liabilities                       | 43,549,535                 | 47,297,620    | 13,564,712                  | 12,338,643    | 57,114,247    | 59,636,263    |
| Total deferred inflows of<br>resources  | 1,908,830                  | 548,562       | 177,277                     | 43,995        | 2,086,107     | 592,557       |
| Net position:                           |                            |               |                             |               |               |               |
| Net investment in capital<br>assets     | 22,365,472                 | 23,362,028    | 31,720,005                  | 33,270,225    | 54,085,477    | 56,632,253    |
| Restricted                              | 10,724,082                 | 12,033,443    | -                           | -             | 10,724,082    | 12,033,443    |
| Unrestricted                            | (15,370,147)               | (21,422,871)  | 11,341,834                  | 10,298,679    | (4,028,313)   | (11,124,192)  |
| Total net position                      | \$ 17,719,407              | \$ 13,972,600 | \$ 43,061,839               | \$ 43,568,904 | \$ 60,781,246 | \$ 57,541,504 |

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

- The property tax collection percentage increased from 96.87% to 96.91%. This rate is lower than the statewide average of 99.04%. The County also increased the tax rate .04 during the year.
- Continued low cost of debt due to the County's high bond rating.

**Richmond County Changes in Net Position**  
**Figure 3**

|  | <b>Governmental<br/>Activities</b> |               | <b>Business-type<br/>Activities</b> |               | <b>Total</b>  |               |
|--|------------------------------------|---------------|-------------------------------------|---------------|---------------|---------------|
|  | <b>2019</b>                        | <b>2018</b>   | <b>2019</b>                         | <b>2018</b>   | <b>2019</b>   | <b>2018</b>   |
| Revenues:  |                                    |               |                                     |               |               |               |
| Program revenues:  |                                    |               |                                     |               |               |               |
| Charges for services   | \$ 1,704,943                       | \$ 1,775,389  | \$ 9,895,312                        | \$ 9,624,012  | \$ 11,600,255 | \$ 11,399,401 |
| Operating grants and contributions                           | 11,490,425                         | 13,467,661    | 425,425                             | 1,084,475     | 11,915,850    | 14,552,136    |
| Capital grants and contributions                             | 2,150,601                          | 4,738,578     | -                                   | -             | 2,150,601     | 4,738,578     |
| General revenues:  |                                    |               |                                     |               |               |               |
| Property taxes   | 28,587,948                         | 27,115,895    | -                                   | -             | 28,587,948    | 27,115,895    |
| Other taxes  | 8,609,621                          | 8,136,076     | -                                   | -             | 8,609,621     | 8,136,076     |
| Grants and contributions not restricted to specific programs | 231,589                            | 238,514       | -                                   | -             | 231,589       | 238,514       |
| Other  | 535,820                            | 194,358       | 100,496                             | 70,219        | 636,316       | 264,577       |
| Total revenues   | 53,310,947                         | 55,666,471    | 10,421,233                          | 10,778,706    | 63,732,180    | 66,445,177    |
| Expenses:  |                                    |               |                                     |               |               |               |
| General government   | 6,366,416                          | 6,565,783     | -                                   | -             | 6,366,416     | 6,565,783     |
| Public safety  | 12,981,723                         | 12,097,877    | -                                   | -             | 12,981,723    | 12,097,877    |
| Transportation   | 786,143                            | 513,753       | -                                   | -             | 786,143       | 513,753       |
| Economic and physical development                            | 2,185,100                          | 2,663,270     | -                                   | -             | 2,185,100     | 2,663,270     |
| Human services   | 14,984,726                         | 15,136,009    | -                                   | -             | 14,984,726    | 15,136,009    |
| Cultural and recreation                                      | 728,252                            | 757,618       | -                                   | -             | 728,252       | 757,618       |
| Education  | 12,170,468                         | 12,246,162    | -                                   | -             | 12,170,468    | 12,246,162    |
| Interest on long-term debt                                   | 892,272                            | 966,842       | -                                   | -             | 892,272       | 966,842       |
| Landfill   | -                                  | -             | 2,551,307                           | 2,535,858     | 2,551,307     | 2,535,858     |
| Water and sewer  | -                                  | -             | 6,846,031                           | 7,068,166     | 6,846,031     | 7,068,166     |
| Total expenses   | 51,095,100                         | 50,947,314    | 9,397,338                           | 9,604,024     | 60,492,438    | 60,551,338    |
| Increase (decrease) in net position before transfers         | 2,215,847                          | 4,719,157     | 1,023,895                           | 1,174,682     | 3,239,742     | 5,893,839     |
| Transfers  | 1,530,960                          | 1,544,694     | (1,530,960)                         | (1,544,694)   | -             | -             |
| Increase (decrease) in net position                          | 3,746,807                          | 6,263,851     | (507,065)                           | (370,012)     | 3,239,742     | 5,893,839     |
| Net position, beginning                                      | 13,972,600                         | 11,983,173    | 43,568,904                          | 44,290,632    | 57,541,504    | 56,273,805    |
| Net position, restated                                       | 13,972,600                         | 7,708,749     | 43,568,904                          | 43,938,916    | 57,541,504    | 51,647,665    |
| Net position, ending   | \$ 17,719,407                      | \$ 13,972,600 | \$ 43,061,839                       | \$ 43,568,904 | \$ 60,781,246 | \$ 57,541,504 |

**Governmental activities.** Governmental activities increased the County's net position by \$3,746,807. Key elements of this increase are as follows:

- Significant increase in capital grants from the E911 Project and property tax revenues.
- Significant decrease in expenditures related to Economic and Physical Development and General Government.

**Business-type activities.** Business-type activities decreased the County's net position by \$507,065. Key elements of this decrease are as follows:

- A significant transfer to the General Fund from the Solid Waste Fund.
- A significant decrease in grants for capital project funding.

### **Financial Analysis of the County's Funds**

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

**Governmental Funds.** The focus of Richmond County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Richmond 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 Richmond County. At the end of the current fiscal year, Richmond County's fund balance available in the General Fund was \$8,144,289 while total fund balance reached \$11,336,685. As a measure of the general fund's liquidity, it may be useful to compare both available fund balance and total fund balance to total fund expenditures. Available fund balance represents 16.07 percent of total General Fund expenditures, while total fund balance represents 22.36 percent of that same amount.

At June 30, 2019, the governmental funds of Richmond County reported a combined fund balance of \$16,220,849 a 9.08 percent increase over last year. The primary reason for this increase was an increase in the Capital Projects Funds for the year, which included receiving funds for project expenses for which expenditures were recorded in previous years.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several 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 \$1,442,741.

**Proprietary Funds.** Richmond 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 Solid Waste Fund at the end of the fiscal year amounted to \$2,788,140, and those for the Water and Sewer Fund equaled \$8,523,751. The total change in net position for both funds was (\$10,009) and (\$497,056), respectively. Other factors concerning the finances of these two funds have already been addressed in the discussion of Richmond County's business-type activities.

## Capital Asset and Debt Administration

**Capital assets.** Richmond County's capital assets for its governmental and business – type activities as of June 30, 2019, totals \$80,806,232 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles.

### Richmond County's Capital Assets (net of depreciation)

Figure 4

|                                      | Governmental<br>Activities |               | Business-type<br>Activities |               | Total         |               |
|--------------------------------------|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
|                                      | 2019                       | 2018          | 2019                        | 2018          | 2019          | 2018          |
| Land                                 | \$ 2,590,845               | \$ 2,586,262  | \$ 570,654                  | \$ 570,654    | \$ 3,161,499  | \$ 3,156,916  |
| Construction in process              | 3,338,636                  | 9,239,461     | 1,526,409                   | 329,000       | 4,865,045     | 9,568,461     |
| Buildings and sites                  | 26,478,323                 | 24,128,221    | 1,410,269                   | 1,450,816     | 27,888,592    | 25,579,037    |
| Furniture, fixtures<br>and equipment | 4,847,950                  | 2,241,013     | 869,910                     | 987,912       | 5,717,860     | 3,228,925     |
| Water and Sewer systems              | 1,009,089                  | 1,051,652     | 24,991,360                  | 26,200,696    | 26,000,449    | 27,252,348    |
| Water treatment plant                | -                          | -             | 13,044,531                  | 14,205,730    | 13,044,531    | 14,205,730    |
| Other improvements                   | -                          | -             | 128,256                     | 161,552       | 128,256       | 161,552       |
| Total                                | \$ 38,264,843              | \$ 39,246,609 | \$ 42,541,389               | \$ 43,906,360 | \$ 80,806,232 | \$ 83,152,969 |

Major capital asset transactions during the year include:

- Purchase of new equipment, vehicles, and improvements throughout the County.
- Completion of the E911 Center
- Addition of construction in progress on Water and Sewer facilities.

**Long-term Debt.** As of June 30, 2019, Richmond County had total bonded debt outstanding of \$13,267,000, all of which is debt backed by the full faith and credit of the County and installment obligations of \$14,822,437.

### Richmond County's Outstanding Debt

Figure 5

|                          | Governmental<br>Activities |               | Business-type<br>Activities |               | Total         |               |
|--------------------------|----------------------------|---------------|-----------------------------|---------------|---------------|---------------|
|                          | 2019                       | 2018          | 2019                        | 2018          | 2019          | 2018          |
| General obligation bonds | \$ 12,907,000              | \$ 14,425,000 | \$ 360,000                  | \$ 737,000    | \$ 13,267,000 | \$ 15,162,000 |
| Unamortized premium      | 397,104                    | 442,487       | -                           | -             | 397,104       | 442,487       |
| Installment purchases    | 13,788,616                 | 15,710,867    | 1,033,821                   | 1,266,363     | 14,822,437    | 16,977,230    |
| Revenue Bonds            | 1,005,621                  | 1,082,740     | 8,300,738                   | 8,632,773     | 9,306,359     | 9,715,513     |
| Bond Anticipation Note   | -                          | -             | 2,184,000                   | -             | 2,184,000     | -             |
| Compensated absences     | 1,353,848                  | 1,319,702     | 150,487                     | 141,932       | 1,504,335     | 1,461,634     |
| Total pension liability  | 1,903,955                  | 1,834,240     | 591,760                     | 371,919       | 2,495,715     | 2,206,159     |
| Net pension liability    | 5,479,063                  | 3,443,569     | -                           | -             | 5,479,063     | 3,443,569     |
| Net OPEB Liability       | 4,783,202                  | 6,199,052     | 486,484                     | 630,486       | 5,269,686     | 6,829,538     |
|                          | \$ 41,618,409              | \$ 44,457,657 | \$ 13,107,290               | \$ 11,780,473 | \$ 54,725,699 | \$ 56,238,130 |

Richmond County's total liabilities decreased by \$1,512,431 (2.69 percent) during the past fiscal year, primarily due to the scheduled principal repayments on existing general obligation bonds of \$1,518,000 and \$377,000, in the governmental activities and business-type activities, respectively. These repayments were coupled with ongoing installment purchase activities.

As mentioned in the financial highlights section of this document, Richmond County maintained its Aa3 bond rating from Moody's Investor Service and maintained its A+ rating from Standard and Poor's Corporation and maintained a 81 rating from the North Carolina Municipal Council, which is equivalent to an A Rating. This bond rating is a clear indication of the sound financial condition of Richmond County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Richmond County is \$234,770,840.

Additional information regarding Richmond County's long-term debt can be found in notes to the financial statements under Section B.

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

The County's unemployment rate is around 5.9%, as compared to the state-wide average of 4.4%. The textile industry, which is Richmond County's economic base has suffered due to the North American Free Trade Act. However, despite the current recession, the economic outlook for Richmond County is currently looking better.

Sales tax revenue has shown modest but sustained growth recently. In fact, the increase has matched expectations, and we can definitely see a positive trend.

The Rockingham Dragway has approximately 75 drag races per year. The dragway adds a significant boost to the County's economy as well as that of surrounding counties. The Rockingham Speedway remains dormant currently and the local economy still feels the effects of the loss of NASCAR. Additionally the County remains cautiously optimistic concerning the plans of CSX Railroad.

Recently, the Rockingham Speedway has been purchased and will be used as the site for music concerts and events. The first event is the Epicenter Festival was in May of 2019. The economic impact to Richmond County was estimated to be \$40 million.

Investment by the State, County and the municipalities within the County has allowed the County to compete with other counties and states for new and expanded industries. This investment primarily in infrastructure such as roads, water, sewer, and industrial parks has really aided the County's marketability. Enviva, RSI and Direct Pack are at the point of opening operations. The County's effort to put our citizens back to work isn't without a cost however. A tremendous amount of incentives are required to stay competitive for new industries. Additionally, there are several viable economic development projects indicating 2019-20 has the potential to be an excellent year for the County.

### **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities:** The property tax rate was maintained at 83 cents per one hundred (\$100) valuation.

Budgeted expenditures in the General Fund have increased to \$54,039,154, which represents a 3.3% increase from the original 18-19 budget.

**Business-type Activities:** Commercial water rates will increase by 4.0% for 2019-2020, while residential customers will see no increase in their rates. Solid waste rates will not increase in 2019-2020.



**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 Director of Finance, Richmond County, Post Office Box 504, Rockingham, North Carolina 28380. You can also call (910)-997-8200, visit our website [www.richmondnc.com](http://www.richmondnc.com) or send an email to [mac.steagall@richmondnc.com](mailto:mac.steagall@richmondnc.com) for more information.

BASIC  
FINANCIAL STATEMENTS

**Richmond County, North Carolina**  
**Statement of Net Position**  
**June 30, 2019**

|   | Primary Government         |                             |               |
|---|----------------------------|-----------------------------|---------------|
|   | Governmental<br>Activities | Business-type<br>Activities | Total         |
| <b>ASSETS</b>                                       |                            |                             |               |
| Cash and cash equivalents                           | \$ 14,791,553              | \$ 10,354,995               | \$ 25,146,548 |
| Receivables, net                                    | 1,668,316                  | 2,027,189                   | 3,695,505     |
| Notes receivable, net                               | 336,896                    | -                           | 336,896       |
| Due from other governments                          | 3,007,624                  | 47,263                      | 3,054,887     |
| Inventories   | -                          | 140,275                     | 140,275       |
| Assets held from foreclosure                        | 69,440                     | -                           | 69,440        |
| Restricted cash and cash equivalents                | 60,144                     | 1,205,017                   | 1,265,161     |
| Net pension asset                                   | 50,582                     | -                           | 50,582        |
| Capital assets:                                     |                            |                             |               |
| Land, improvements, and<br>construction in progress | 5,929,481                  | 2,097,063                   | 8,026,544     |
| Other capital assets, net of depreciation           | 32,335,362                 | 40,444,326                  | 72,779,688    |
| Total capital assets                                | 38,264,843                 | 42,541,389                  | 80,806,232    |
| Total assets  | 58,249,398                 | 56,316,128                  | 114,565,526   |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>               |                            |                             |               |
| Bond Issuance Cost                                  | 247,912                    | -                           | 247,912       |
| Pension related deferrals                           | 4,492,441                  | 462,548                     | 4,954,989     |
| OPEB related deferrals                              | 188,021                    | 25,152                      | 213,173       |
| Total Deferred Outflows of Resources                | 4,928,374                  | 487,700                     | 5,416,074     |
| <b>LIABILITIES</b>                                  |                            |                             |               |
| Accounts payable and accrued expenses               | 1,705,520                  | 233,577                     | 1,939,097     |
| Customer deposits                                   | -                          | 117,900                     | 117,900       |
| Accrued interest payable                            | 225,606                    | 105,946                     | 331,552       |
| Long-term liabilities:                              |                            |                             |               |
| Net Pension Liability - LGERS                       | 5,479,063                  | 591,760                     | 6,070,823     |
| Total Pension Liability - LEOSSA                    | 1,903,955                  | -                           | 1,903,955     |
| Due within one year                                 | 3,445,734                  | 941,517                     | 4,387,251     |
| Due in more than one year                           | 30,789,657                 | 11,574,012                  | 42,363,669    |
| Total long-term liabilities                         | 41,618,409                 | 13,107,289                  | 54,725,698    |
| Total liabilities                                   | 43,549,535                 | 13,564,712                  | 57,114,247    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                            |                             |               |
| Prepaid Taxes                                       | 69,867                     | -                           | 69,867        |
| Pension related deferrals                           | 126,065                    | 3,063                       | 129,128       |
| OPEB related deferrals                              | 1,712,898                  | 174,214                     | 1,887,112     |
| Total Deferred Inflows of Resources                 | 1,908,830                  | 177,277                     | 2,086,107     |
| <b>NET POSITION</b>                                 |                            |                             |               |
| Net investment in capital assets                    | 22,365,472                 | 31,720,005                  | 54,085,477    |
| Restricted for:                                     |                            |                             |               |
| Stabilization by State Statute                      | 3,192,396                  | -                           | 3,192,396     |
| General Government                                  | 100,038                    | -                           | 100,038       |
| Public Safety                                       | 513,667                    | -                           | 513,667       |
| Economic and Physical Development                   | 2,509,479                  | -                           | 2,509,479     |
| Human Services                                      | 1,307,574                  | -                           | 1,307,574     |
| Cultural and Recreational                           | 10,537                     | -                           | 10,537        |
| Education   | 3,090,391                  | -                           | 3,090,391     |
| Unrestricted (deficit)                              | (15,370,147)               | 11,341,834                  | (4,028,313)   |
| Total net position                                  | \$ 17,719,407              | \$ 43,061,839               | \$ 60,781,246 |

**Richmond County**  
**Statement of Activities**  
**June 30, 2019**

| Functions/Programs   | Program Revenues     |                      |                                    |                                  | Net (Expense) Revenue and Changes in Net Position |                          |                      |
|--|----------------------|----------------------|------------------------------------|----------------------------------|---|--------------------------|----------------------|
|  | Expenses             | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Primary Government                                |                          | Total                |
|  |                      |                      |                                    |                                  | Governmental Activities                           | Business-type Activities |                      |
| <b>Primary government:</b>                                   |                      |                      |                                    |                                  |   |                          |                      |
| Governmental Activities:                                     |                      |                      |                                    |                                  |   |                          |                      |
| General government   | \$ 6,366,416         | \$ 310,400           | \$ 414,111                         | \$ -                             | \$ (5,641,905)                                    | \$ -                     | \$ (5,641,905)       |
| Public safety  | 12,981,723           | 628,694              | 138,415                            | 1,639,493                        | (10,575,121)                                      | -                        | (10,575,121)         |
| Transportation   | 786,143              | 191,064              | 382,138                            | -                                | (212,941)   | -                        | (212,941)            |
| Economic and physical development                            | 2,185,100            | 5,344                | 488,583                            | -                                | (1,691,173)                                       | -                        | (1,691,173)          |
| Human services   | 14,984,726           | 446,360              | 10,067,178                         | -                                | (4,471,188)                                       | -                        | (4,471,188)          |
| Cultural and recreation                                      | 728,252              | 120,971              | -                                  | -                                | (607,281)   | -                        | (607,281)            |
| Education  | 12,170,468           | 2,110                | -                                  | 511,108                          | (11,657,250)                                      | -                        | (11,657,250)         |
| Interest/Fees on long-term debt                              | 892,272              | -                    | -                                  | -                                | (892,272)   | -                        | (892,272)            |
| Total governmental activities                                | 51,095,100           | 1,704,943            | 11,490,425                         | 2,150,601                        | (35,749,131)                                      | -                        | (35,749,131)         |
| Business-type activities:                                    |                      |                      |                                    |                                  |   |                          |                      |
| Solid Waste  | 2,551,307            | 3,943,340            | 84,170                             | -                                | -   | 1,476,203                | 1,476,203            |
| Water and Sewer  | 6,846,031            | 5,951,972            | 341,255                            | -                                | -   | (552,804)                | (552,804)            |
| Total business-type activities                               | 9,397,338            | 9,895,312            | 425,425                            | -                                | -   | 923,399                  | 923,399              |
|  | <u>\$ 60,492,438</u> | <u>\$ 11,600,255</u> | <u>\$ 11,915,850</u>               | <u>\$ 2,150,601</u>              | <u>(35,749,131)</u>                               | <u>923,399</u>           | <u>(34,825,732)</u>  |
| General revenues:  |                      |                      |                                    |                                  |   |                          |                      |
| Taxes:   |                      |                      |                                    |                                  |   |                          |                      |
| Property taxes, levied for general purpose                   |                      |                      |                                    |                                  | 28,587,948  | -                        | 28,587,948           |
| Local option sales tax                                       |                      |                      |                                    |                                  | 7,350,714   | -                        | 7,350,714            |
| Other taxes and licenses                                     |                      |                      |                                    |                                  | 1,258,907   | -                        | 1,258,907            |
| Grants and contributions not restricted to specific programs |                      |                      |                                    |                                  | 231,589   | -                        | 231,589              |
| Investment earnings, unrestricted                            |                      |                      |                                    |                                  | 196,423   | 34,854                   | 231,277              |
| Miscellaneous, unrestricted                                  |                      |                      |                                    |                                  | 333,229   | 65,642                   | 398,871              |
| Gain/(loss) on disposal of assets                            |                      |                      |                                    |                                  | 6,168   | -                        | 6,168                |
| Transfers  |                      |                      |                                    |                                  | 1,530,960   | (1,530,960)              | -                    |
| Total general revenues                                       |                      |                      |                                    |                                  | <u>39,495,938</u>                                 | <u>(1,430,464)</u>       | <u>38,065,474</u>    |
| Change in net position                                       |                      |                      |                                    |                                  | 3,746,807   | (507,065)                | 3,239,742            |
| Net position, beginning                                      |                      |                      |                                    |                                  | 13,972,600  | 43,568,904               | 57,541,504           |
| Net position, ending   |                      |                      |                                    |                                  | <u>\$ 17,719,407</u>                              | <u>\$ 43,061,839</u>     | <u>\$ 60,781,246</u> |

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

**Richmond County  
Balance Sheet  
Governmental Funds  
June 30, 2019**

|  | <u>Major</u>         | <u>Nonmajor</u>     |                      |
|--|----------------------|---------------------|----------------------|
|  | <u>General</u>       | <u>Governmental</u> | <u>Total</u>         |
|  |                      | <u>Funds</u>        |                      |
| <b>ASSETS</b>  |                      |                     |                      |
| Cash and cash equivalents  | \$ 10,216,133        | \$ 4,575,420        | \$ 14,791,553        |
| Restricted cash and cash equivalents                                   | 60,144               | -                   | 60,144               |
| Receivables, net   | 1,448,829            | 150,084             | 1,598,913            |
| Returned checks  | -                    | 2,833               | 2,833                |
| Notes receivable, net  | -                    | 336,896             | 336,896              |
| Due from other governments   | 2,985,578            | 22,046              | 3,007,624            |
| Assets held from foreclosure   | -                    | 69,440              | 69,440               |
| Due from other funds   | 77,182               | 38,992              | 116,174              |
| Total assets   | <u>\$ 14,787,866</u> | <u>\$ 5,195,711</u> | <u>\$ 19,983,577</u> |
| <b>LIABILITIES AND FUND BALANCES</b>                                   |                      |                     |                      |
| Liabilities:   |                      |                     |                      |
| Accounts payable and accrued liabilities                               | \$ 1,621,239         | \$ 84,281           | \$ 1,705,520         |
| Due to other funds   | 38,992               | 77,182              | 116,174              |
| Total liabilities  | <u>1,660,231</u>     | <u>161,463</u>      | <u>1,821,694</u>     |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                      |                     |                      |
| Property Taxes Receivable  | 1,319,193            | 150,084             | 1,469,277            |
| Prepaid Taxes  | 69,867               | -                   | 69,867               |
| Unearned grant proceeds  | 401,890              | -                   | 401,890              |
| Total Deferred Inflows of Resources                                    | <u>1,790,950</u>     | <u>150,084</u>      | <u>1,941,034</u>     |
| Fund balances:   |                      |                     |                      |
| Restricted:  |                      |                     |                      |
| Stabilization by State Statute   | 3,192,396            | -                   | 3,192,396            |
| Register of Deeds  | 100,038              | -                   | 100,038              |
| Public safety  | -                    | 470,314             | 470,314              |
| Fire protection  | -                    | 39,726              | 39,726               |
| Economic and physical development                                      | -                    | 2,476,231           | 2,476,231            |
| Cooperative extension  | 33,248               | -                   | 33,248               |
| Aging services   | 17,371               | -                   | 17,371               |
| Health services  | 1,290,203            | -                   | 1,290,203            |
| Library services   | 10,537               | -                   | 10,537               |
| Education  | 1,054,516            | 2,035,875           | 3,090,391            |
| Committed:   |                      |                     |                      |
| Tax revaluation  | 59,141               | -                   | 59,141               |
| Law enforcement  | -                    | -                   | -                    |
| Assigned:  |                      |                     |                      |
| Subsequent year's expenditures   | -                    | -                   | -                    |
| Unassigned   | 5,575,608            | (137,982)           | 5,437,626            |
| Total fund balances  | <u>11,336,685</u>    | <u>4,884,164</u>    | <u>16,220,849</u>    |
| Total liabilities, deferred inflows of resources,<br>and fund balances | <u>\$ 14,787,866</u> | <u>\$ 5,195,711</u> | <u>\$ 19,983,577</u> |

**Richmond County  
Balance Sheet  
Governmental Funds  
June 30, 2019**

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

|  |                     |                      |
|--|---------------------|----------------------|
| Total Fund Balance - Governmental Funds  |                     | \$ 16,220,849        |
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.  | 67,179,048          |                      |
| Less accumulated depreciation  | <u>(28,914,205)</u> |                      |
| Net capital assets   |                     | 38,264,843           |
| Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund                         |                     | 66,570               |
| Charges related to advance refunding bond issue.   |                     | 247,912              |
| Net Pension Asset (Liability)  |                     |                      |
| LGERS  |                     | (5,479,063)          |
| ROD  |                     | 50,582               |
| Deferred outflows of resources related to pensions, OPEB   |                     |                      |
| LGERS  |                     | 3,097,598            |
| ROD  |                     | 12,215               |
| LEOSSA   |                     | 154,127              |
| OPEB   |                     | 26,333               |
| Benefit payments and pension administration costs for LEOSSA   |                     | 38,302               |
| Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position  |                     | 1,190,199            |
| Contributions to OPEB plan in the current fiscal year  |                     | 161,688              |
| Deferred inflows of resources for taxes and special assessments receivable   |                     | 1,469,277            |
| Deferred inflows of resources for unearned grant revenue   |                     | 401,890              |
| Pension related deferrals  |                     |                      |
| LGERS  |                     | (28,364)             |
| ROD  |                     | (6,348)              |
| LEOSSA   |                     | (91,353)             |
| OPEB related deferrals   |                     | (1,712,898)          |
| Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements: |                     |                      |
| Bonds, leases, and installment financing payable   | (27,701,237)        |                      |
| Unamortized bond premium   | (397,104)           |                      |
| Compensated absences   | (1,353,848)         |                      |
| Total pension liability (LEOSSA)   | (1,903,955)         |                      |
| Net OPEB Liability   | (4,783,202)         |                      |
| Accrued interest payable   | <u>(225,606)</u>    |                      |
|  |                     | <u>(36,364,952)</u>  |
| Net position of governmental activities  |                     | <u>\$ 17,719,407</u> |

**Richmond County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

|  | <u>Major</u>                | <u>Nonmajor</u>            |                             |
|--|-----------------------------|----------------------------|-----------------------------|
|  | <u>General</u>              | <u>Governmental</u>        | <u>Total</u>                |
|  |                             | <u>Funds</u>               |                             |
| <b>REVENUES</b>                                      |                             |                            |                             |
| Ad valorem taxes                                     | \$ 27,646,226               | \$ 1,016,329               | \$ 28,662,555               |
| Local option sales taxes                             | 7,350,714                   | -                          | 7,350,714                   |
| Other taxes and licenses                             | 536,219                     | 260,090                    | 796,309                     |
| Special assessments                                  | -                           | 342,601                    | 342,601                     |
| Unrestricted intergovernmental                       | 240,599                     | -                          | 240,599                     |
| Restricted intergovernmental                         | 11,404,710                  | 2,251,789                  | 13,656,499                  |
| Permits and fees                                     | 374,995                     | -                          | 374,995                     |
| Sales and services                                   | 1,300,669                   | -                          | 1,300,669                   |
| Investment earnings                                  | 114,947                     | 81,476                     | 196,423                     |
| Miscellaneous  | 62,300                      | -                          | 62,300                      |
| Total revenues                                       | <u>49,031,379</u>           | <u>3,952,285</u>           | <u>52,983,664</u>           |
| <b>EXPENDITURES</b>                                  |                             |                            |                             |
| Current:   |                             |                            |                             |
| General government                                   | 5,537,619                   | -                          | 5,537,619                   |
| Public safety  | 11,113,499                  | 1,802,898                  | 12,916,397                  |
| Transportation                                       | 546,145                     | -                          | 546,145                     |
| Economic and physical development                    | 1,677,357                   | 468,530                    | 2,145,887                   |
| Human services                                       | 14,681,934                  | -                          | 14,681,934                  |
| Cultural and recreational                            | 715,428                     | -                          | 715,428                     |
| Education  | 12,074,859                  | 95,609                     | 12,170,468                  |
| Debt service:  |                             |                            |                             |
| Principal  | 3,440,251                   | 77,119                     | 3,517,370                   |
| Interest and other charges                           | 902,321                     | 30,425                     | 932,746                     |
| Total expenditures                                   | <u>50,689,413</u>           | <u>2,474,581</u>           | <u>53,163,994</u>           |
| Excess (deficiency) of<br>revenues over expenditures | <u>(1,658,034)</u>          | <u>1,477,704</u>           | <u>(180,330)</u>            |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                             |                            |                             |
| Transfers from other funds                           | 1,597,109                   | -                          | 1,597,109                   |
| Transfers to other funds                             | -                           | (66,149)                   | (66,149)                    |
| Total other financing sources (uses)                 | <u>1,597,109</u>            | <u>(66,149)</u>            | <u>1,530,960</u>            |
| Net change in fund balance                           | <u>(60,925)</u>             | <u>1,411,555</u>           | <u>1,350,630</u>            |
| Fund balances, beginning as<br>previously reported   | <u>11,397,610</u>           | <u>3,472,609</u>           | <u>14,870,219</u>           |
| Fund balances, ending                                | <u><u>\$ 11,336,685</u></u> | <u><u>\$ 4,884,164</u></u> | <u><u>\$ 16,220,849</u></u> |

**Richmond County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

Amounts reported for governmental activities in the statement of activities (Exhibit 2) are different because:

|   |                     |
|---|---------------------|
| Net change in fund balances - total governmental funds  | \$ 1,350,630        |
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities  | 966,259             |
| Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.   | (1,948,025)         |
| Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.   | 1,190,199           |
| Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position  | 38,302              |
| Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position   | 161,688             |
| 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 | -                   |
| 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.                              | 3,517,370           |
| 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)   | 28,578              |
| Compensated absences  | (34,146)            |
| OPEB expense  | (184,319)           |
| Deferred refunding cost - amortization  | (33,487)            |
| County's portion of collective pension expense  | (1,678,908)         |
| Revenues reported in the statement of activities that do not provide current financial resources are not recorded as revenues in the fund statements.   |                     |
| Unearned grant revenues   | 401,890             |
| Amortization of debt premium  | 45,383              |
| Increase (decrease) in deferred inflows of resources - taxes receivable - at end of year  | (64,339)            |
| Increase (decrease) in accrued taxes receivable at end of year  | (10,268)            |
| Total changes in net position of governmental activities  | <u>\$ 3,746,807</u> |



**Richmond County**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**June 30, 2019**

|                                      | Original<br>Budget | Final<br>Budget    | Actual               | Variance with<br>Final Budget<br>Positive<br>(Negative) |
|--------------------------------------|--------------------|--------------------|----------------------|---|
| Revenues:                            |                    |                    |                      |   |
| Ad valorem taxes                     | \$ 28,478,922      | \$ 28,478,922      | \$ 27,646,226        | \$ (832,696)  |
| Local option sales tax               | 6,668,006          | 6,668,006          | 7,350,714            | 682,708   |
| Other taxes and licenses             | 386,600            | 511,600            | 536,219              | 24,619  |
| Unrestricted intergovernmental       | 252,150            | 252,150            | 240,599              | (11,551)  |
| Restricted intergovernmental         | 12,031,363         | 13,209,217         | 11,404,710           | (1,804,507)   |
| Permits and fees                     | 349,260            | 351,594            | 374,995              | 23,401  |
| Sales and services                   | 1,203,632          | 1,321,344          | 1,300,669            | (20,675)  |
| Investment earnings                  | 41,000             | 41,000             | 115,766              | 74,766  |
| Miscellaneous                        | 78,981             | 47,882             | 62,300               | 14,418  |
| Total revenues                       | <u>49,489,914</u>  | <u>50,881,715</u>  | <u>49,032,198</u>    | <u>(1,849,517)</u>                                      |
| Expenditures:                        |                    |                    |                      |   |
| Current:                             |                    |                    |                      |   |
| General government                   | 5,958,264          | 5,998,948          | 5,417,264            | 581,684   |
| Public safety                        | 11,398,026         | 11,885,657         | 11,113,499           | 772,158   |
| Transportation                       | 1,645,936          | 1,645,936          | 546,145              | 1,099,791   |
| Economic and physical development    | 1,625,987          | 1,769,774          | 1,677,357            | 92,417  |
| Human services                       | 14,922,831         | 15,689,483         | 14,681,934           | 1,007,549   |
| Cultural and recreational            | 755,289            | 759,276            | 715,428              | 43,848  |
| Intergovernmental:                   |                    |                    |                      |   |
| Education                            | 12,100,343         | 12,100,343         | 12,074,859           | 25,484  |
| Debt service:                        |                    |                    |                      |   |
| Principal retirement                 | 3,489,550          | 3,489,550          | 3,440,251            | 49,299  |
| Interest and other charges           | 917,296            | 917,296            | 902,321              | 14,975  |
| Total expenditures                   | <u>52,813,522</u>  | <u>54,256,263</u>  | <u>50,569,058</u>    | <u>3,687,205</u>  |
| Revenues over (under) expenditures   | <u>(3,323,608)</u> | <u>(3,374,548)</u> | <u>(1,536,860)</u>   | <u>1,837,688</u>  |
| Other financing sources (uses):      |                    |                    |                      |   |
| Transfers from other funds           | 1,697,647          | 1,733,647          | 1,597,109            | (136,538)   |
| Transfers to other funds             | (143,819)          | (143,819)          | -                    | 143,819   |
| Loan proceeds                        | 880,000            | 880,000            | -                    | (880,000)   |
| Appropriated fund balance            | 889,780            | 904,720            | -                    | (904,720)   |
| Total other financing sources (uses) | <u>3,323,608</u>   | <u>3,374,548</u>   | <u>1,597,109</u>     | <u>(1,777,439)</u>                                      |
| Net change in fund balance           | <u>\$ -</u>        | <u>\$ -</u>        | 60,249               | <u>\$ 60,249</u>  |
| Fund balance, beginning of year      |                    |                    | <u>11,217,295</u>    |   |
| Fund balance, end of year            |                    |                    | <u>\$ 11,277,544</u> |   |

**Richmond County, North Carolina**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances -**  
**Budget and Actual - General Fund**  
**For the Fiscal Year Ended June 30, 2019**

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|  |                             |
|--|-----------------------------|
| General Fund - fund balance, end of year   | \$ 11,277,544               |
| A legally budgeted Tax Revaluation Fund is consolidated<br>into the General Fund for reporting purposes: |                             |
| Investment earnings  | (819)                       |
| Transfer from General Fund   | -                           |
| Expenditures   | (120,355)                   |
| Fund balance, beginning of year  | <u>180,315</u>              |
| Fund balance, ending (Exhibit 4)   | <u><u>\$ 11,336,685</u></u> |

**Richmond County, North Carolina**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2019**

|   | <b>Major</b>        |                      |                      |
|---|---------------------|----------------------|----------------------|
|   | <b>Solid Waste</b>  | <b>Water and</b>     |                      |
|   | <b>Fund</b>         | <b>Sewer Fund</b>    | <b>Total</b>         |
| <b>ASSETS</b>                             |                     |                      |                      |
| Current assets:                           |                     |                      |                      |
| Cash and cash equivalents                 | \$ 2,026,999        | \$ 8,327,996         | \$ 10,354,995        |
| Accounts receivable, net                  | 1,145,739           | 881,450              | 2,027,189            |
| Due from other funds                      | -                   | -                    | -                    |
| Due from other governments                | 10,844              | 36,419               | 47,263               |
| Inventories                               | -                   | 140,275              | 140,275              |
| Prepaid items                             | -                   | -                    | -                    |
| Total current assets                      | <u>3,183,582</u>    | <u>9,386,140</u>     | <u>12,569,722</u>    |
| Noncurrent assets:                        |                     |                      |                      |
| Restricted Cash and cash equivalents      | -                   | 1,205,017            | 1,205,017            |
| Capital assets:                           |                     |                      |                      |
| Land and construction in progress         | 279,955             | 1,817,108            | 2,097,063            |
| Other capital assets, net of depreciation | 1,514,918           | 38,929,408           | 40,444,326           |
| Total capital assets                      | <u>1,794,873</u>    | <u>40,746,516</u>    | <u>42,541,389</u>    |
| Total assets                              | <u>4,978,455</u>    | <u>51,337,673</u>    | <u>56,316,128</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>     | <u>158,620</u>      | <u>329,080</u>       | <u>487,700</u>       |
| <b>LIABILITIES</b>                        |                     |                      |                      |
| Current liabilities:                      |                     |                      |                      |
| Accounts payable and accrued liabilities  | 59,735              | 173,842              | 233,577              |
| Customer deposits                         | -                   | 117,900              | 117,900              |
| Accrued interest payable                  | 3,403               | 102,543              | 105,946              |
| Due to other funds                        | -                   | -                    | -                    |
| Bonds and notes payable                   | 139,443             | 802,074              | 941,517              |
| Total current liabilities                 | <u>202,581</u>      | <u>1,196,359</u>     | <u>1,398,940</u>     |
| Noncurrent liabilities:                   |                     |                      |                      |
| Compensated absences                      | 59,100              | 91,387               | 150,487              |
| Net OPEB liability                        | 168,644             | 317,840              | 486,484              |
| Net pension liability                     | 201,743             | 390,017              | 591,760              |
| Bonds and notes payable                   | 421,842             | 10,515,199           | 10,937,041           |
| Total noncurrent liabilities              | <u>851,329</u>      | <u>11,314,443</u>    | <u>12,165,772</u>    |
| Total liabilities                         | <u>1,053,910</u>    | <u>12,510,802</u>    | <u>13,564,712</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>      | <u>61,437</u>       | <u>115,840</u>       | <u>177,277</u>       |
| <b>NET POSITION</b>                       |                     |                      |                      |
| Net investment in capital assets          | 1,233,588           | 30,486,417           | 31,720,005           |
| Restricted                                | -                   | 29,943               | 29,943               |
| Unrestricted                              | 2,788,140           | 8,523,751            | 11,311,891           |
| Total net position                        | <u>\$ 4,021,728</u> | <u>\$ 39,040,111</u> | <u>\$ 43,061,839</u> |

**Richmond County, North Carolina**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**June 30, 2019**

|  | <b>Major</b>                |                                 |               |
|--|-----------------------------|---------------------------------|---------------|
|  | <b>Solid Waste<br/>Fund</b> | <b>Water and<br/>Sewer Fund</b> | <b>Total</b>  |
| <b>OPERATING REVENUES</b>                        |                             |                                 |               |
| Charges for services                             | \$ 3,916,687                | \$ 5,854,514                    | \$ 9,771,201  |
| Water and sewer taps                             | -                           | 66,100                          | 66,100        |
| Other operating revenues                         | 26,653                      | 31,358                          | 58,011        |
| Total operating revenues                         | 3,943,340                   | 5,951,972                       | 9,895,312     |
| <b>OPERATING EXPENSES</b>                        |                             |                                 |               |
| Administration                                   | -                           | 1,010,327                       | 1,010,327     |
| Water system maintenance                         | -                           | 889,437                         | 889,437       |
| Water treatment plant                            | -                           | 1,080,914                       | 1,080,914     |
| Settled water treatment plant                    | -                           | 801,528                         | 801,528       |
| Solid waste collection                           | 649,352                     | -                               | 649,352       |
| Landfill operations                              | 1,574,015                   | -                               | 1,574,015     |
| Solid waste enforcement officer                  | 87,169                      | -                               | 87,169        |
| Depreciation and amortization                    | 225,927                     | 2,838,045                       | 3,063,972     |
| Total operating expenses                         | 2,536,463                   | 6,620,251                       | 9,156,714     |
| Operating income (loss)                          | 1,406,877                   | (668,279)                       | 738,598       |
| <b>NONOPERATING REVENUES (EXPENSES)</b>          |                             |                                 |               |
| Interest and investment revenue                  | 23,667                      | 11,187                          | 34,854        |
| Sale of Assets                                   | -                           | -                               | -             |
| Interest on long-term debt                       | (14,844)                    | (225,780)                       | (240,624)     |
| White goods disposal tax                         | 18,539                      | -                               | 18,539        |
| Scrap tire disposal tax                          | 62,812                      | -                               | 62,812        |
| Electronic disposal                              | 2,819                       | -                               | 2,819         |
| Reimbursements                                   | -                           | 341,255                         | 341,255       |
| Miscellaneous revenue                            | 9,282                       | 56,360                          | 65,642        |
| Total nonoperating revenues (expenses)           | 102,275                     | 183,022                         | 285,297       |
| Income (loss) before contributions and transfers | 1,509,152                   | (485,257)                       | 1,023,895     |
| Other financing sources (uses)                   |                             |                                 |               |
| Transfers  | (1,519,161)                 | (11,799)                        | (1,530,960)   |
| Capital contributions                            | -                           | -                               | -             |
| Total other financing sources (uses)             | (1,519,161)                 | (11,799)                        | (1,530,960)   |
| Change in net position                           | (10,009)                    | (497,056)                       | (507,065)     |
| Total net position, beginning                    | 4,031,737                   | 39,537,167                      | 43,568,904    |
| Total net position, ending                       | \$ 4,021,728                | \$ 39,040,111                   | \$ 43,061,839 |

**Richmond County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2019**

|   | <b>Major</b>                |                                 |                      |
|---|-----------------------------|---------------------------------|----------------------|
|   | <b>Solid Waste<br/>Fund</b> | <b>Water and<br/>Sewer Fund</b> | <b>Total</b>         |
| Cash flows from operating activities:                       |                             |                                 |                      |
| Cash received from customers                                | \$ 3,912,826                | \$ 6,140,990                    | \$ 10,053,816        |
| Cash paid for goods and services                            | (1,267,198)                 | (2,419,629)                     | (3,686,827)          |
| Cash paid to employees for services                         | (1,029,455)                 | (1,471,525)                     | (2,500,980)          |
| Net cash provided by operating activities                   | <u>1,616,173</u>            | <u>2,249,836</u>                | <u>3,866,009</u>     |
| Cash flows from noncapital financing activities:            |                             |                                 |                      |
| Transfers-in (out)  | (1,519,161)                 | (11,799)                        | (1,530,960)          |
| Due to (from) other funds                                   | (47,321)                    | (58,274)                        | (105,595)            |
| Other nonoperating revenues                                 | 93,452                      | 397,615                         | 491,067              |
| Net cash provided (used) by noncapital financing activities | <u>(1,473,030)</u>          | <u>327,542</u>                  | <u>(1,145,488)</u>   |
| Cash flows from capital and related financing activities:   |                             |                                 |                      |
| Acquisition and construction of capital assets              | (146,567)                   | (1,552,435)                     | (1,699,002)          |
| Disposal of capital assets                                  | -                           | -                               | -                    |
| Principal paid on debt                                      | (139,492)                   | (802,086)                       | (941,578)            |
| Loan proceeds   | -                           | 2,184,000                       | 2,184,000            |
| Interest paid on debt                                       | (15,721)                    | (247,962)                       | (263,683)            |
| Capital contributions                                       | -                           | -                               | -                    |
| Net cash used by capital and related financing activities   | <u>(301,780)</u>            | <u>(418,483)</u>                | <u>(720,263)</u>     |
| Cash flows from investing activities:                       |                             |                                 |                      |
| Interest on investments                                     | <u>23,667</u>               | <u>11,187</u>                   | <u>34,854</u>        |
| Net increase (decrease) in cash and cash equivalents        | (134,970)                   | 2,170,082                       | 2,035,112            |
| Cash and cash equivalents, beginning                        | <u>2,161,969</u>            | <u>7,362,931</u>                | <u>9,524,900</u>     |
| Cash and cash equivalents, ending                           | <u>\$ 2,026,999</u>         | <u>\$ 9,533,013</u>             | <u>\$ 11,560,012</u> |

**Richmond County**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**June 30, 2019**

|   | <b>Major</b>                |                                 |              |
|---|-----------------------------|---------------------------------|--------------|
|   | <b>Solid Waste<br/>Fund</b> | <b>Water and<br/>Sewer Fund</b> | <b>Total</b> |
| Reconciliation of operating income to net cash provided by operating activities:        |                             |                                 |              |
| Operating income (loss)   | \$ 1,406,877                | \$ (668,279)                    | \$ 738,598   |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                             |                                 |              |
| Depreciation and amortization   | 225,927                     | 2,838,045                       | 3,063,972    |
| Changes in assets and liabilities:  |                             |                                 |              |
| (Increase) decrease in:   |                             |                                 |              |
| Accounts receivable   | (33,230)                    | (66,366)                        | (99,596)     |
| Due from other governments  | 2,716                       | 288,384                         | 291,100      |
| Inventories   | -                           | (95,651)                        | (95,651)     |
| Prepaid items   | 728                         | 1,209                           | 1,937        |
| Deferred outflows of resources for pensions   | (58,987)                    | (114,036)                       | (173,023)    |
| Deferred outflows of resources for OPEB   | 7,335                       | (8,652)                         | (1,317)      |
| Increase (decrease) in:   |                             |                                 |              |
| Accounts payable and accrued liabilities  | (8,278)                     | (36,409)                        | (44,687)     |
| Customer deposits   | -                           | (33,000)                        | (33,000)     |
| Compensated absences  | 1,806                       | 6,749                           | 8,555        |
| Net Pension Liability   | 74,948                      | 144,893                         | 219,841      |
| Deferred inflows of resources for pensions  | (2,833)                     | (5,477)                         | (8,310)      |
| Deferred outflows of resources for OPEB   | 49,084                      | 92,508                          | 141,592      |
| Net OPEB Liability  | (49,920)                    | (94,082)                        | (144,002)    |
| Total adjustments   | 209,296                     | 2,918,115                       | 3,127,411    |
| Net cash provided by (used in) operating activities                                     | \$ 1,616,173                | \$ 2,249,836                    | \$ 3,866,009 |

**Richmond County**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

|                              | <u>Agency<br/>Funds</u> |
|------------------------------|-------------------------|
| Assets                       |                         |
| Cash and cash equivalents    | <u>\$ 158,195</u>       |
| Total assets                 | <u>158,195</u>          |
| Liabilities and Net Position |                         |
| Liabilities:                 |                         |
| Miscellaneous liabilities    | 70,513                  |
| Intergovernmental payable    | <u>87,682</u>           |
| Total liabilities            | <u>158,195</u>          |
| Net position:                |                         |
| Assets held in trust         | <u><u>\$ -</u></u>      |

**Richmond County**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2019**

**NOTE 1: Summary Of Significant Accounting Policies**

The accounting policies of Richmond County, North Carolina (the County) 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 seven-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 unit, a legally separate entity for which the County is financially accountable. The component unit of the County, Richmond County Industrial Facilities and Pollution Control, has no financial transactions or account balances; therefore, it does not appear in the combined financial statements.

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation, Measurement Focus – Basis of Accounting**

*Government-wide Statements:* The statement of net position and the statement of activities display information about the primary government net position (the County). 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. 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. Business-type activities are financed in whole or in part by fees charged to external parties.

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

*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 and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise 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; however, for statement presentation in accordance with GASB Statement No. 54 it is consolidated in the General Fund.

The County reports the following major enterprise funds:

*Solid Waste Fund.* This fund accounts for the operation of the landfill, compaction sites and tire disposal, white goods and yard debris.

*Water and Sewer Fund.* This fund accounts for the operation of the County treatment and transmission.



The County reports the following fund types:

*Agency Funds.* Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures received from the Court System until such time as they are turned over to the Richmond County Board of Education; the Truancy Trust Fund; the Leath Book Endowment Fund; the Workers Compensation Fund, which accounts for monies held to pay claims; the 3% DMV Tax Fund which accounts for the three percent fee owed to the State, and a Sheriff's Department Fund which accounts for special funds collected for the Sheriff Department.

*Non-major Funds.* The County maintains 28 legally budgeted funds. The East Rockingham Fire District, Cordova Fire District, Northside Fire District, Mt Creek Fire District, Hamlet Fire District, Ellerbe Fire District, Rockingham Fire District, Hoffman Fire District, Revolving Loan Fund, Emergency Telephone System, 2010 Single Family Rehab, 2003 CDBG / P&P, Ritz Craft CDBG, East Rockingham Initiative, 2013 Single Family Rehab, and Ledbetter Dam Project are all reported as nonmajor special revenue funds. The Judicial Center, Hwy 74 Industrial Project, RCC Roofing Project, School Bond Fund, School Capital Reserve, Economic Development Capital Reserve, E-911 Construction, Ledbetter Dam Project, and Cordova School Improvement Funds are all reported as nonmajor capital project funds.

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

*Government-wide, Proprietary, and Fiduciary Fund Financial Statements.* The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund, 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 nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases 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 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, such as the beer and wine tax, 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 are both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**C. Budgetary Data**

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, the Special Revenue (excluding the Grant Project Funds), the School Capital Reserve, the Economic Development Capital Reserve, and the Enterprise Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all other capital projects funds (excluding the School and Economic Development Capital Reserve Funds), and the grant project funds, which are special revenue fund types.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the general fund, the special revenue and enterprise fund. The County Manager is authorized to transfer appropriations within a fund up to \$1,000; however, any revisions that alter total expenditures of any fund or exceed \$1,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

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

**1. Deposits and Investments**

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

State Law [G.S. 159-30(c)] authorizes the County 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 North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Government Portfolio is reported at fair value.

**2. Cash and Cash Equivalents**

The County pools money 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.

**3. Restricted Assets**

Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The unexpended loan proceeds of the Project Fund are classified as restricted because their use is completely restricted to the purpose for which the loan was originally issued. The amount of customer deposits and USDA reserve are shown as restricted cash in the proprietary fund. The following table illustrates the breakdown of Richmond County restricted cash.

Richmond County Restricted Cash

|  |                     |
|--|---------------------|
| Governmental Activities                                  |                     |
| General Fund   | \$ 60,144           |
| Total Governmental Activities                            | <u>\$ 60,144</u>    |
| Business-Type Activities                                 |                     |
| Water and Sewer Fund                                     |                     |
| Customer Deposit   | \$ 117,900          |
| USDA Reserve   | 29,943              |
| Unspent Loan Proceeds - Old Cheraw Hwy Waterline Project | 1,057,174           |
| Total Business-Type Activities                           | <u>\$ 1,205,017</u> |
| Total Restricted Cash                                    | <u>\$ 1,265,161</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. The 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, 2018.

**5. 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.

**6. Inventories and Prepaid Items**

The inventories of the County are valued at cost (first in, first out), which approximates market. The inventory of the County's Enterprise Fund is recorded as an expense as it is consumed.

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

**7. Assets held from foreclosure**

The County acquired an asset during the year as a result of a revolving loan entering into foreclosure. This asset was recorded as an asset held from foreclosure to reflect the write-off of the remaining balance of the loan that was outstanding. As of the report date, the County has sold this property, so it will be adjusted in the subsequent year to reflect a gain or loss on the sale.

**8. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost in the Governmental Funds. Donated capital assets are recorded at their estimated fair value at the date of donation. 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. Minimum capitalization costs are \$5,000 for land, buildings, improvements, substations, lines, and other plant and distribution systems, infrastructure, furniture and equipment, and vehicles.

The County holds title to certain Richmond County Board of Education properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and the Board of Education give the Board of Education full use of the facilities, full responsibility for maintenance of the facilities, and provide that the County will convey title to the property back to the Board of Education, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of the Richmond County Board of Education.

Capital assets in the proprietary funds of the County are recorded at original cost at the time of acquisition. Capital assets donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation.

Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed.

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

|                         | <u>Years</u> |
|-------------------------|--------------|
| Buildings               | 50           |
| Improvements            | 25           |
| Furniture and Equipment | 10           |
| Vehicles                | 5            |
| Computer Equipment      | 3            |

**9. Deferred outflows/inflows of resources**

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

**10. Long-term Obligations**

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

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

**11. Compensated Absences**

The vacation policy of the County provides for the accumulation of up to thirty (30) days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policy of the County provides for an unlimited accumulation of earned 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 accumulated sick leave until it is actually taken, no accrual for sick leave has been

**12. Net Position/Fund Balances**

**Net Position**

Net position in government-wide and proprietary fund financial statements are classified as net investment in capital assets, restricted; and unrestricted. Restricted net position represent 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.

Prepaid items - portion of fund balance that is not an available resource because it represents the year-end balance of prepaid expenses, which is not spendable resources.

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

## **Fund Balances (continued)**

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

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

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for certain emergency telephone system expenditures.

Restricted for Fire Protection - portion of fund balance that is restricted by revenue source for fire protection expenditures.

Restricted for Economic and Physical Development - portion of fund balance that is restricted by revenue source for economic and physical development improvements and expenditures.

Restricted for Cooperative Extensions - portion of fund balance that is restricted by revenue source for extension purposes.

Restricted for Aging Services - portion of fund balance that is restricted by revenue source for aging services.

Restricted for Health Services - portion of fund balance that is restricted by revenue source for health services.

Restricted for Library Services - portion of fund balance that is restricted by revenue source for library services.

Restricted for Education- portion of fund balance that is restricted by revenue source for future school capital outlay expenditures.

Committed Fund Balance - portion of fund balance that can only be used for specific purpose imposed by majority vote of Richmond County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by governing body.

Committed for Tax Revaluation - portion of fund balance that can only be used for Tax Revaluation.

Committed for LEO Pension Obligation - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation obligations.

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

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorized the manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

Richmond 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-city funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balances 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's in the best interest of the County.

**13. Defined Benefit Pension 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) and 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"). 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**

**A. Deficit Fund Balance or Net Position of Individual Funds**

The County reported deficit fund balances in the following accounts:

Nonmajor funds:

|                                      |    |        |
|--------------------------------------|----|--------|
| 2010 Single Family Rehab Grant       | \$ | 4,218  |
| 2016 Essen Single Family Rehab Grant | \$ | 13,800 |
| 2017 Disaster Recovery Grant         | \$ | 94,190 |

Expenditures will be closely monitored and appropriate budgetary amendments will be made as circumstances occur, with proper consideration given to necessary year-end accruals. For the project funds, outside funding is anticipated, but the General Fund (central depository) covers the expenses until the funding is received, so a transfer is not recorded in those situations.

**B. Transfers from the Solid Waste Fund to the General Fund**

Pursuant to NC G.S. 153A-292, the Board may impose a fee for the use of a disposal facility provided by the County. The fee for use may not exceed the cost of operating the facility. For the year ended June 30, 2019, the County transferred \$1,500,000 from the Solid Waste Fund to the General Fund to provide resources for the General Fund.

**NOTE III: Detail Notes On All Funds**

**A. Assets**

**1. Deposits**

All of the County'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 agent in the County's name. 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, these deposits are considered to be held by the County's agent in the County's name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County under the Pooling Method, the potential exists for the 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 State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies 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 County does not have a policy regarding custodial credit risk for deposits.

At June 30, 2019 the County's deposits had a carrying amount of \$19,295,571 and a bank balance of \$18,005,455. Of the carrying amount \$3,818 was cash on hand. Of the bank balance, \$1,260,484 was covered by federal depository insurance; the remaining \$16,74,971 was covered by collateral and held under the Pooling Method.

**2. Investments**

As of June 30, 2019, the County's investments consisted of \$7,274,333 in the North Carolina Capital Management Trust's cash Portfolio, which carried a credit rating of AAAm by Standard and Poor's.

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

In accordance with the general statutes, agriculture, horticulture, and forest land 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        |
|-------------|-----|-----------|----------|---------|--------------|
| 2015        | \$  | 520,933   | \$       | 170,647 | \$ 691,580   |
| 2016        |     | 817,092   |          | 194,147 | 1,011,239    |
| 2017        |     | 873,830   |          | 128,890 | 1,002,720    |
| 2018        |     | 926,748   |          | 53,288  | 980,036      |
|             | \$  | 3,138,603 | \$       | 546,972 | \$ 3,685,575 |

#### 4. Receivables

Receivables at the government-wide level at June 30, 2019, were as follows:

|                                | Accounts     | Taxes and<br>Related Accrued<br>Interest | Due From Other<br>Governments | Other      | Total        |
|--------------------------------|--------------|--|-------------------------------|------------|--------------|
| Governmental activities:       |              |  |                               |            |              |
| General                        | \$ 129,636   | \$ 2,814,170                             | \$ 2,985,578                  | \$ -       | \$ 5,929,384 |
| Other Governmental             | 2,833        | 255,824                                  | 22,046                        | 336,896    | 617,599      |
| Total receivables              | 132,469      | 3,069,994                                | 3,007,624                     | 336,896    | 6,546,983    |
| Allow. for doubtful accounts   | -            | (1,534,147)                              | -                             | -          | (1,534,147)  |
| Total governmental activities  | \$ 132,469   | \$ 1,535,847                             | \$ 3,007,624                  | \$ 336,896 | \$ 5,012,836 |
| Business-type activities:      |              |  |                               |            |              |
| Solid Waste                    | \$ 1,488,197 | \$ -                                     | \$ 10,844                     | \$ -       | \$ 1,499,041 |
| Water & Sewer                  | 973,377      | -  | 36,419                        | -          | 1,009,796    |
| Total receivables              | 2,461,574    | -  | 47,263                        | -          | 2,508,837    |
| Allow. for doubtful accounts   | (434,385)    | -  | -                             | -          | (434,385)    |
| Total business-type activities | \$ 2,027,189 | \$ -                                     | \$ 47,263                     | \$ -       | \$ 2,074,452 |

Due from other governments that is owed to the County consists of the following:

|                        |                     |
|------------------------|---------------------|
| Local Option Sales Tax | \$ 2,059,142        |
| Sales Tax Refund       | 256,426             |
| State - Motor Vehicle  | 249,220             |
| Other Grants (DHHS)    | 490,099             |
| Total                  | <u>\$ 3,054,887</u> |

#### Notes Receivable

Notes receivable from various private entities have been established by the County through the Revolving Loan Fund. The purpose of these notes is to provide a source of financing to these entities. The remaining balance of these notes as of June 30, 2019 is \$336,896.



## 5. Capital Assets

Capital asset activity for the year ended June 30, 2019, was as follows:

|   | Beginning<br>Balance | Increases    | Decreases      | Ending<br>Balance |
|---|----------------------|--------------|----------------|-------------------|
| Governmental activities:                    |                      |              |                |                   |
| Capital assets not being depreciated:       |                      |              |                |                   |
| Land  | \$ 2,586,262         | \$ 4,583     | \$ -           | \$ 2,590,845      |
| Construction in Progress                    | 9,239,461            | 429,622      | (6,330,447)    | 3,338,636         |
| Total capital assets not depreciated        | 11,825,723           | 434,205      | (6,330,447)    | 5,929,481         |
| Capital assets being depreciated:           |                      |              |                |                   |
| Water & Sewer lines Industrial Park         | 1,702,491            | -            | -              | 1,702,491         |
| Buildings and sites                         | 40,305,748           | 3,452,317    | -              | 43,758,065        |
| Furniture, fixtures, and equipment          | 12,453,077           | 3,410,184    | (74,250)       | 15,789,011        |
| Total capital assets being depreciated      | 54,461,316           | 6,862,501    | (74,250)       | 61,249,567        |
| Less accumulated depreciation for:          |                      |              |                |                   |
| Water & Sewer lines Industrial Park         | 650,839              | 42,563       | -              | 693,402           |
| Buildings and sites                         | 16,177,527           | 1,102,215    | -              | 17,279,742        |
| Furniture, fixtures, and equipment          | 10,212,064           | 803,247      | (74,250)       | 10,941,061        |
| Total accumulated depreciation              | 27,040,430           | 1,948,025    | (74,250)       | 28,914,205        |
| Total capital assets being depreciated, net | 27,420,886           | 4,914,476    | -              | 32,335,362        |
| Governmental activities capital assets, net | \$ 39,246,609        | \$ 5,348,681 | \$ (6,330,447) | \$ 38,264,843     |

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

|                                   |                     |
|-----------------------------------|---------------------|
| Governmental Activities:          |                     |
| General government                | \$ 987,355          |
| Public safety                     | 378,607             |
| Transportation                    | 243,477             |
| Economic and physical development | 151,210             |
| Human services                    | 180,110             |
| Cultural and recreation/Education | 7,266               |
| Total depreciation expense        | <u>\$ 1,948,025</u> |

|  | Beginning<br>Balance | Increases      | Decreases    | Ending<br>Balance |
|--|----------------------|----------------|--------------|-------------------|
| Business-type activities:                    |                      |                |              |                   |
| Solid Waste Fund                             |                      |                |              |                   |
| Capital assets not being depreciated:        |                      |                |              |                   |
| Land   | \$ 279,955           | \$ -           | \$ -         | \$ 279,955        |
| Construction in Progress                     | -                    | -              | -            | -                 |
| Total capital assets not depreciated         | 279,955              | -              | -            | 279,955           |
| Capital assets being depreciated:            |                      |                |              |                   |
| Buildings                                    | 1,777,529            | -              | -            | 1,777,529         |
| Equipment                                    | 3,978,306            | 146,567        | -            | 4,124,873         |
| Other improvements                           | 803,978              | -              | -            | 803,978           |
| Total capital assets being depreciated       | 6,559,813            | 146,567        | -            | 6,706,380         |
| Less accumulated depreciation for:           |                      |                |              |                   |
| Buildings                                    | 921,736              | 32,449         | -            | 954,185           |
| Equipment                                    | 3,401,373            | 160,182        | -            | 3,561,555         |
| Other improvements                           | 642,426              | 33,296         | -            | 675,722           |
| Total accumulated depreciation               | 4,965,535            | 225,927        | -            | 5,191,462         |
| Total capital assets being depreciated, net  | 1,594,278            | (79,360)       | -            | 1,514,918         |
| Solid Waste capital assets, net              | \$ 1,874,233         | \$ (79,360)    | \$ -         | \$ 1,794,873      |
| Water and Sewer Fund                         |                      |                |              |                   |
| Capital assets not being depreciated:        |                      |                |              |                   |
| Land   | \$ 290,699           | \$ -           | \$ -         | \$ 290,699        |
| Construction in Progress                     | 329,000              | 1,526,409      | (329,000)    | 1,526,409         |
| Total capital assets not depreciated         | 619,699              | 1,526,409      | (329,000)    | 1,817,108         |
| Capital assets being depreciated:            |                      |                |              |                   |
| Buildings                                    | 653,587              | -              | -            | 653,587           |
| Water systems                                | 47,414,058           | 329,000        | -            | 47,743,058        |
| Sewer systems                                | 1,174,376            | -              | -            | 1,174,376         |
| Water treatment plant                        | 24,920,892           | -              | -            | 24,920,892        |
| Equipment                                    | 2,374,421            | 26,026         | -            | 2,400,447         |
| Total capital assets being depreciated       | 76,537,334           | 355,026        | -            | 76,892,360        |
| Less accumulated depreciation for:           |                      |                |              |                   |
| Buildings                                    | 58,564               | 8,098          | -            | 66,662            |
| Water systems                                | 21,281,880           | 1,510,917      | -            | 22,792,797        |
| Sewer systems                                | 1,105,858            | 27,419         | -            | 1,133,277         |
| Water treatment plant                        | 10,715,162           | 1,161,199      | -            | 11,876,361        |
| Equipment                                    | 1,963,442            | 130,413        | -            | 2,093,855         |
| Total accumulated depreciation               | 35,124,906           | 2,838,046      | -            | 37,962,952        |
| Water and Sewer Fund capital assets, net     | \$ 42,032,127        | \$ (956,611)   | \$ (329,000) | \$ 40,746,516     |
| Business-type activities capital assets, net | \$ 43,906,360        | \$ (1,035,971) | \$ (329,000) | \$ 42,541,389     |

### **Construction Commitments**

The government has active construction projects as of June 30, 2019. At year-end, the government's commitments with contractors are as follows:

| Project                              | Spent-to-date       | Remaining<br>Commitment |
|--------------------------------------|---------------------|-------------------------|
| Old Cheraw Highway Waterline Project | \$ 1,095,510        | \$ 905,477              |
| Airport Fencing Replacement          | 164,817             | 316,596                 |
| Airport Lighting Rehab               | 8,014               | 421,465                 |
| Airport ALP Update                   | 85,784              | 383,538                 |
| Total                                | <u>\$ 1,354,125</u> | <u>\$ 2,027,076</u>     |

### **B. Liabilities**

#### **1. Payables**

Payables at the government-wide level at June 30, 2019, were as follows:

|                                | Vendors             | Salaries and<br>Benefits | Accrued Interest  | Other       | Total               |
|--------------------------------|---------------------|--------------------------|-------------------|-------------|---------------------|
| Governmental activities:       |                     |                          |                   |             |                     |
| General                        | \$ 1,006,637        | \$ 614,602               | \$ 225,606        | \$ -        | \$ 1,846,845        |
| Other Governmental             | 84,281              | -                        | -                 | -           | 84,281              |
| Total governmental activities  | <u>\$ 1,090,918</u> | <u>\$ 614,602</u>        | <u>\$ 225,606</u> | <u>\$ -</u> | <u>\$ 1,931,126</u> |
| Business-type activities:      |                     |                          |                   |             |                     |
| Solid Waste                    | \$ 38,119           | \$ 21,616                | \$ 3,403          | \$ -        | \$ 63,138           |
| Water & Sewer                  | 131,843             | 41,999                   | 102,543           | -           | 276,385             |
| Total business-type activities | <u>\$ 169,962</u>   | <u>\$ 63,615</u>         | <u>\$ 105,946</u> | <u>\$ -</u> | <u>\$ 339,523</u>   |

#### **2. Pension Plan Obligations and Other Postemployment Obligations**

##### **a. Local Governmental Employees' Retirement System**

*Plan Description.* The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic postretirement 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, 2019, was 8.50% of compensation for law enforcement officers and 7.83% 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 \$1,313,090 for the year ended June 30, 2019.

**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, 2019, the County reported a liability of \$6,070,823 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 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, 2018 the County's proportion was 0.2559%, which was a decrease of 0.00615% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2018, the County recognized pension expense of \$1,708,147. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 936,584                           | \$ 31,427                        |
| Changes of assumptions  | 1,610,962                            | -                                |
| Net difference between projected and actual earnings on pension plan investments                            | 833,344                              | -                                |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 51,260                               | -                                |
| County contributions subsequent to the measurement date   | 1,313,090                            |                                  |
| Total   | <u>\$ 4,745,240</u>                  | <u>\$ 31,427</u>                 |

\$1,313,090 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

|            |              |
|------------|--------------|
| 2020       | \$ 1,636,100 |
| 2021       | 1,069,159    |
| 2022       | 202,130      |
| 2023       | 493,334      |
| 2024       | -            |
| Thereafter | -            |

Actuarial Assumptions. The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3.0 Percent   |
| Salary Increases          | 3.50 Percent  |
| Investment Rate of Return | 7.00 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2018 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. 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 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

|   | 1%<br>Decrease<br>(6.00%) | Discount<br>Rate<br>(7.00%) | 1%<br>Increase<br>(8.00%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 14,582,643             | \$ 6,070,823                | \$ (1,041,787)            |

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

**b. Law Enforcement Officers' Special Separation Allowance**

Plan Description

Richmond County administers a public employee retirement system (the *Separation Allowance*), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers. The Separation Allowance is equal to .85 percent 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 G.S. 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, 2017 the Separation Allowance membership consisted of:

|  |           |
|--|-----------|
| Retirees receiving benefits  | 6         |
| Terminated plan members entitled to but not yet receiving benefits |           |
| Active plan members  | <u>60</u> |
| Total  | <u>66</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.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                  |  |
|------------------|--|
| Inflation        | 2.5 percent  |
| Salary increases | 3.50 to 7.35 percent including inflation and productivity factor |
| Discount rate    | 3.64 percent   |

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017.

Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. 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 \$72,990 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, 2019 the County reported a total pension liability of \$1,903,955. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$126,682.

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 75,671                            | \$ -                             |
| Changes of assumptions  | 78,456                               | 91,353                           |
| County benefit payments and plan administrative expense made subsequent to the measurement date | 38,302                               | -                                |
| Total   | <u>\$ 192,429</u>                    | <u>\$ 91,353</u>                 |

\$38,302 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year ended June 30:**

|            |        |
|------------|--------|
| 2020       | 14,767 |
| 2021       | 14,767 |
| 2022       | 14,767 |
| 2023       | 18,622 |
| 2024       | (113)  |
| Thereafter | (36)   |

\$38,302 paid as benefits came due and \$0 of administrative expenses subsequent to the measurement date are reported as deferred outflows of resources.

*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 3.64%, 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 (2.64%) or 1-percentage-point higher (4.64%) than the current rate:

|                         | 1% Decrease<br>(2.64%) | Discount Rate<br>(3.64%) | 1% Increase<br>(4.64%) |
|-------------------------|------------------------|--------------------------|------------------------|
| Total pension liability | \$ 2,079,542           | \$ 1,903,955             | \$ 1,743,996           |

**Schedule of Changes in Total Pension Liability  
Law Enforcement Officers' Special Separation Allowance**

|  | 2019                |
|--|---------------------|
| Beginning balance  | \$ 1,834,240        |
| Service Cost   | 93,408              |
| Interest on the total pension liability  | 56,809              |
| Changes of benefit terms   | -                   |
| Differences between expected and actual experience in the measurement of the total pension liability | 74,765              |
| Changes in assumptions or other inputs   | (82,277)            |
| Benefit payments   | (72,990)            |
| Other changes  | -                   |
| Ending balance of the total pension liability  | <u>\$ 1,903,955</u> |

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, 2016 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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 the 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

*Funding Policy.* Article 12E of 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 currently contributes five percent on behalf of all law enforcement employees. Also, the law enforcement officers may make voluntary contributions to the plan. The County has extended this benefit to all its full time employees and contributes seven percent on behalf of all non-law enforcement employees.

Contributions for the year ended June 30, 2019 were \$334,705, which consisted of \$137,478 from the County and \$197,227 from the employees.

d. **Deferred Compensation Plan**

The County offers its employees participation in a Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. The plan, which is available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts which had been deferred by the plan participants were required to be reported as assets of the County. In accordance with GASB Statement 32, "Accounting and Financial Reporting for the Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is not reported within the County's Agency Funds. Supplemental employee contributions to the Plan for the fiscal year ended June 30, 2019 totaled \$62,328.

e. **Register of Deeds' Supplemental Pension Fund**

*Plan Description.* also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 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 Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at [www.osc.nc.gov](http://www.osc.nc.gov).

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

*Contributions.* Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$5,104 for the year ended June 30, 2019.



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

At June 30, 2019, the County reported an asset of \$50,582 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset 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 RODSPF employers, actuarially determined. At June 30, 2019, the County's proportion was 0.3054%, which was a decrease of 0.0511% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2018, the County recognized pension expense of \$10,583. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience  | \$ 446                               | \$ 2,309                         |
| Changes of assumptions  | 2,379                                | -                                |
| Net difference between projected and actual earnings on pension plan investments                            | 8,062                                | -                                |
| Changes in proportion and differences between County Contributions and proportionate share of contributions | 1,328                                | 4,039                            |
| County contributions subsequent to the measurement date   | 5,104                                | -                                |
| Total   | <u>\$ 17,319</u>                     | <u>\$ 6,348</u>                  |

\$5,104 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

**Year Ended June 30:**

|            |          |
|------------|----------|
| 2020       | \$ 3,568 |
| 2021       | (1,329)  |
| 2022       | 2,376    |
| 2023       | 1,252    |
| 2024       | -        |
| Thereafter | -        |

*Actuarial Assumptions.* The total pension liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                           |   |
|---------------------------|---|
| Inflation                 | 3.0 Percent   |
| Salary Increases          | 3.5 to 7.75 percent, including inflation and productivity factor          |
| Investment Rate of Return | 3.75 percent, net of pension plan investment expense, including inflation |

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 3.75%. 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 3.75 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 (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

|   | 1%<br>Decrease<br>(2.75%) | Discount<br>Rate<br>(3.75%) | 1%<br>Increase<br>(4.75%) |
|---|---------------------------|-----------------------------|---------------------------|
| County's proportionate share of the net pension liability (asset) | (39,881)                  | (50,582)                    | (59,606)                  |

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

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

The net pension liability for LGERS and ROD was measured as of December 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. 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:

|  | LGERS        | ROD         | LEOSSA       | Total        |
|--|--------------|-------------|--------------|--------------|
| Proportionate Share of Net Pension Liability (Asset) | \$ 6,070,823 | \$ (50,582) | \$ -         | \$ 6,020,241 |
| Proportionate of the Net Pension Liability (Asset)   | 0.2559%      | 0.3054%     | n/a          |              |
| Total Pension Liability                              | \$ -         | \$ -        | \$ 1,903,955 | \$ 1,903,955 |
| Pension Expense                                      | \$ 1,708,147 | \$ 10,583   | \$ 126,682   | \$ 137,265   |

At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <b>LGERS</b> | <b>ROD</b> | <b>LEOSSA</b> | <b>Total</b> |
|---|--------------|------------|---------------|--------------|
| <b><u>Deferred Outflows of Resources</u></b>  |              |            |               |              |
| Differences between expected and actual experience  | \$ 936,584   | \$ 446     | \$ 75,671     | \$ 1,012,701 |
| Changes of assumptions  | 1,610,962    | 2,379      | 78,456        | 1,691,797    |
| Net difference between projected and actual earnings on pension plan investment   | 833,344      | 8,062      | -             | 841,406      |
| Changes in proportion and differences between County contributions and proportionate share of contributions             | 51,260       | 1,328      | -             | 52,588       |
| County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date | 1,313,090    | 5,104      | 38,302        | 1,356,496    |
| <b><u>Deferred Inflows of Resources</u></b>   |              |            |               |              |
| Differences between expected and actual experience  | \$ 31,427    | \$ 2,309   | \$ -          | \$ 33,736    |
| Changes of assumptions  | -            | -          | 91,353        | 91,353       |
| Changes in proportion and differences between County contributions and proportionate share of contributions             | -            | 4,039      | -             | 4,039        |

g. **Other Post-Employment Benefits**

*Plan Description.* According to a County resolution, the County provides health care benefits through the Healthcare Benefits Plan (HCB Plan). This plan provides postemployment healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). The County Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

*Benefits Provided.* Employees that retire with 30 years or more of creditable service and law enforcement officers with at least 15 years of service and age 55 will receive health insurance coverage until the age of 65. Health care and prescription drugs are provided by the County until the retiree is eligible for Medicare. The County pays the full cost of coverage for these benefits. Also, retirees can purchase coverage for their dependents at the County's group rates. The Board of Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Membership of the HCB Plan consisted of the following at June 30, 2017, the date of the latest actuarial valuation:

|   | <b>General</b>   |                        |
|---|------------------|------------------------|
|   | <b>Employees</b> | <b>Law Enforcement</b> |
| Retirees receiving benefits                               | 21               | 6                      |
| Terminated plan members entitled to but not yet receiving | -                | -                      |
| Active Plan members                                       | 314              | 60                     |
| Total   | 335              | 66                     |

**Total OPEB Liability**

The County's total OPEB liability of \$5,269,686 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*Actuarial assumptions and other inputs* . The total OPEB liability in the June 30, 2018 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 percent   |
| Real wage growth                           | 1.00 percent   |
| Wage inflation                             | 3.50 percent   |
| Salary increases, including wage inflation |  |
| General Employees                          | 3.50 to 7.75 percent   |
| Law Enforcement Officers                   | 3.50 to 7.35 percent   |
| Municipal Bond Index Rate                  |  |
| Prior Measurement Date                     | 3.56 percent   |
| Measurement Date                           | 3.89 percent   |
| Healthcare cost trend rates                |  |
| Pre-Medicare                               | 7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028 |

#### Changes in the Total OPEB Liability

|   |                       |
|---|-----------------------|
| Total OPEB Liability as of June 30, 2017          | \$ 6,829,538          |
| Changes for the year:                             |                       |
| Service Cost at the end of the year*              | 320,135               |
| Interest on TOL and Cash Flows                    | 238,044               |
| Change in benefit terms                           | -                     |
| Difference between expected and actual experience | (870,110)             |
| Changes of assumptions or other inputs            | (959,599)             |
| Benefit payments                                  | (288,322)             |
| Other   | -                     |
| Net Changes                                       | <u>\$ (1,559,852)</u> |
| Total OPEB Liability as of June 30, 2018          | <u>\$ 5,269,686</u>   |

\*The service cost includes interest for the year.

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Mortality rates were based on the RP-2014 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

The remaining actuarial assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 valuation.

#### *Sensitivity of the net OPEB liability to changes in the discount rate.*

The following presents the net OPEB liability of the County as of June 30, 2018 as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate:

|                            | 1% Decrease<br>(2.89 percent) | Discount Rate<br>(3.89 Percent) | 1% Increase<br>(4.89 percent) |
|----------------------------|-------------------------------|---------------------------------|-------------------------------|
| Net OPEB liability (asset) | \$ 5,807,899                  | \$ 5,269,686                    | \$ 4,788,838                  |

*Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.*

The following presents the net OPEB liability of the County at June 30, 2019, as well as what the County's net OPEB liability would be if it were to calculate healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

|                            | 1% Decrease  | Current      | 1% Increase  |
|----------------------------|--------------|--------------|--------------|
| Net OPEB liability (asset) | \$ 4,698,565 | \$ 5,269,686 | \$ 5,942,620 |

*OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.* At June 30, 2019, the County recognized OPEB expense of \$203,066. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2019, the components of the net OPEB liability of the County, measured as of June 30, 2018, were as follows:

|   | Deferred<br>Outflows of<br>Resources | Deferred Inflows<br>of Resources |
|---|--------------------------------------|----------------------------------|
| Differences between expected and actual experience                                | \$ 29,012                            | \$ 754,711                       |
| Changes of assumptions  | -                                    | 1,132,401                        |
| Benefit payments and administrative costs made subsequent to the measurement date | 184,162                              | -                                |
| Total   | <u>\$ 213,174</u>                    | <u>\$ 1,887,112</u>              |

\$184,162 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30 |              |
|--------------------|--------------|
| 2020               | \$ (290,813) |
| 2021               | (290,813)    |
| 2022               | (290,813)    |
| 2023               | (290,813)    |
| 2024               | (290,813)    |
| Thereafter         | (404,035)    |

**h. Other Employment Benefits**

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (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 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 death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. All death benefit payments are made from the Death Benefit Plan. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. The County considers these contributions to be immaterial.

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

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Charge on refunding of debt  | \$ 247,912                           | \$ -                                |
| (Pensions, OPEB)- difference between expected and<br>actual experience:  |                                      |                                     |
| LGERS  | 936,584                              | 31,427                              |
| Register of Deeds  | 446                                  | 2,309                               |
| LEOSSA   | 75,671                               | -                                   |
| OPEB   | 29,012                               | 754,711                             |
| Changes of assumptions   |                                      |                                     |
| LGERS  | 1,610,962                            | -                                   |
| Register of Deeds  | 2,379                                | -                                   |
| LEOSSA   | 78,456                               | 91,353                              |
| OPEB   | -                                    | 1,132,401                           |
| Pensions - difference between projected and<br>actual investment earnings  |                                      |                                     |
| LGERS  | 833,344                              | -                                   |
| Register of Deeds  | 8,062                                | -                                   |
| Pensions - change in proportion and difference<br>between employer contributions and<br>proportionate share of contributions |                                      |                                     |
| LGERS  | 51,260                               | -                                   |
| Register of Deeds  | 1,328                                | 4,039                               |
| Contributions to pension plan  |                                      |                                     |
| LGERS  | 1,313,090                            | -                                   |
| Register of Deeds  | 5,104                                | -                                   |
| LEOSSA   | 38,302                               | -                                   |
| Benefit payments for the OPEB plan paid subsequent to<br>measurement date  | 184,162                              |                                     |
| Unearned Grant Revenue (General)   |                                      | 401,890                             |
| Prepaid taxes not yet earned (General)   | -                                    | 69,867                              |
| Taxes receivable, net (General)  | -                                    | 1,319,193                           |
| Taxes receivable, net (Special Revenue)  | -                                    | 150,084                             |
| Total  | <u>\$ 5,416,074</u>                  | <u>\$ 3,957,274</u>                 |

4. **Commitments**

The County entered into an agreement on April 15, 2018 with FirstHealth of the Carolinas, Inc. to operate Richmond County's Emergency Medical Services. The initial term of the agreement is for a period of three years, ending July 31, 2021; the term will be automatically extended for an additional three years subject to the mutual consent of both parties. The County was in year one of the agreement at June 30, 2019. Throughout the term of this agreement, the County agrees to compensate FirstHealth \$1,041,096 the first year, \$1,072,329 for the second year, and \$1,104,499 for year three. The County compensated FirstHealth \$1,038,569 for the fiscal year ending June 30, 2019.

## 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 a self-funded risk financing pool administered by the North Carolina Association of County Commissioners. Through this pool, the County obtains property coverage equal to replacement cost values of owned property subject to a limit of \$99 million for any one occurrence and general, auto, and professional liability coverage of up to \$2 million per occurrence. The pool is reinsured through CRL and other commercial companies for single occurrence losses in excess of \$500,000 up to a \$2 million limit for general liability coverage and \$200,000,000 of aggregate annual losses in excess of \$250,000 per occurrence for property coverage.

The County carried commercial excess liability coverage for worker's compensation claims for over \$300,000.

The County carries flood insurance through the North Carolina Association of County Commissioners, with a deductible of \$25,000 per occurrence. However, the County does not carry a separate flood insurance policy, as they are not located in a high risk area.

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 a commercial surety bond. The Director of Finance, County Manager, and Tax Collector are each individually bonded for \$100,000 each. The Register of Deeds is bonded for \$50,000, the County Attorney is bonded for \$20,000, and the Sheriff is bonded for \$20,000.

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.

## 6. **Contingent Liabilities**

At June 30, 2019, the County has been threatened for litigation, but no lawsuit has yet been filed. The County is working with its attorneys, but at this time, the ultimate effect of this matters in not determined.

As of the report date, the County had one outstanding revolving loan balance that entered into default. The property that was collateral for the loan was acquired by the County in April 2019, and the remaining balance of the loan not paid was recorded as a bad debt

## 7. **Long-Term Obligations**

### a. **Direct Placement and Direct Borrowing Installment Purchases**

As authorized by State law (G.S. 160A-20 and 153A-158.1), the County has financed various property acquisitions for use by Richmond County Board of Education by installment purchase. The installment purchase was issued pursuant to a deed of trust which requires that legal title remain with the County as long as the debt is outstanding. The County has entered into a lease with Richmond County Board of Education which transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for nominal annual lease payments and also contains a bargain purchase option. Due to the economic substance of the transaction, the fixed assets associated with the installment purchase obligation are recorded by the Board of Education. The following obligations were outstanding as of June 30, 2019:

Serviced by the General Fund:

The County entered into a Direct Borrowing agreement to finance equipment for \$674,000. The loan is due in semi \$ 411,448  
annual installments of \$70,897 through April, 2022; interest at 1.92%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible.

The County entered into a Direct Borrowing agreement to acquire an office building for \$1,700,000. The loan is due in 1,473,333  
semi annual installments of \$56,667 through April 2032; interest at 2.24%. The building is pledged as collateral for the loan. In the event of default, the lender may: (a) declare unpaid principal and accrued interest due immediately, (b) proceed by appropriate court action to enforce performance under the contract, (c) take possession of the mortgaged property and net proceeds, or (d) avail itself of any remedies available under the deed of trust.

**Installment Purchases (continued)**

The County entered into a Direct Placement agreement by issuing \$16,770,000 in Limited Obligation Bonds (Series 2012 Courthouse and Community College Improvement Bonds) to finance the construction and improvement projects at the Courthouse and the College. The payments are due in semi annual installments of \$955,000 to \$1,355,000 through April 1, 2028; interest from 2.00 percent to 4.00 percent. The Judicial Center Complex stands as collateral for the loan. In the event of default, the bond trustee or majority bondholders may exercise any of the following options: (a) declare unpaid principal and accrued interest due immediately, or (b) proceed with court action. 9,010,000

The County entered into a Direct Borrowing agreement to finance construction of a gymnasium for Cordova School for \$2,000,000. The payments are due in annual installments of \$200,000 through October 2027; interest at 2.13%. The Cordova School property is pledged as collateral for the loan. In the event of default, the lender may: (a) Declare unpaid principal and accrued interest due immediately, (b) proceed by appropriate court action to enforce performance under the contract, or (c) avail itself of any remedies available under the deed of trust. 1,800,000

The County entered into a Direct Borrowing agreement to finance construction of a maintenance building. The total of the Loan was \$1,870,000, with \$623,334 being serviced by the General Fund. Payments are due in annual installments of \$41,556 through March 2030; interest at 2.64%. The Cordova School property stands is pledged as collateral for the loan. In the event of default, the lender may: (a) Declare unpaid principal and accrued interest due immediately, (b) proceed by appropriate court action to enforce performance under the contract, or (c) avail itself of any remedies available under the deed of trust. 457,111

The County entered into a Direct Borrowing agreement to purchase equipment. The total of the loan was \$889,250, with \$761,250 being serviced by the General Fund. Payments are due in annual installments of \$151,172 through March 2020; interest at 1.65%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 152,189

The County entered into a Direct Borrowing agreement to purchase equipment. The total of the loan was \$480,000, with \$250,000 being serviced by the General Fund. Payments are due in semi annual installments of \$25,969 through March 2021; interest at 1.4%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 102,106

The County entered into a Direct Borrowing agreement for \$471,770 to purchase equipment. Payments are due in semi annual installments of \$50,740 through April 2023; interest at 2.7%. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 382,429

Total serviced by General Fund \$ 13,788,616

Serviced by the Water Fund and Solid Waste Fund:

The County entered into a Direct Borrowing agreement to finance construction of a maintenance building. The total of the Loan was \$1,870,000, with \$623,333 being serviced by the Water Fund. Payments are due in annual installments of \$41,556 through March 2030; interest at 2.64%. The Cordova School property stands is pledged as collateral for the loan. In the event of default, the lender may: (a) Declare unpaid principal and accrued interest due immediately, (b) proceed by appropriate court action to enforce performance under the contract, or (c) avail itself of any remedies available under the deed of trust. 457,111



**Installment Purchases (continued)**

The County entered into a Direct Borrowing agreement to finance construction of a maintenance building. The total of the Loan was \$1,870,000, with \$623,333 being serviced by the Solid Waste Fund. Payments are due in annual installments of \$41,555 through March 2030; interest at 2.64%. The Cordova School property stands is pledged as collateral for the loan. In the event of default, the lender may: (a) Declare unpaid principal and accrued interest due immediately, (b) proceed by appropriate court action to enforce performance under the contract, or (c) avail itself of any remedies available under the deed of trust. 457,111

The County entered into a Direct Borrowing agreement to purchase equipment. The total of the loan was \$889,250, with \$77,000 being serviced by the Water Fund. Payments are due in annual installments of \$16,007 through March 2020; interest at 1.65%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 15,425

The County entered into a Direct Borrowing agreement to purchase equipment. The total of the loan was \$889,250, with \$51,000 being serviced by the Solid Waste Fund. Payments are due in annual installments of \$10,671 through March 2020; interest at 1.65%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 10,236

The County entered into a Direct Borrowing agreement to purchase equipment. The total of the loan was \$480,000, with \$230,000 being serviced by the Solid Waste Fund. Payments are due in semi annual installments of \$23,892 through March 2021; interest at 1.4%. The equipment is pledged as collateral for the loan. In the event of default, the lender may: (a) declare all installments immediately due; (b) take possession of the equipment without demand or legal process and lease or sell the equipment, or (c) release or sale any or all of the equipment at a public or private sale on such terms and notices as lessor deems reasonable and, in addition to reclaiming the total proceeds received from the lease or sale, recover damages in the amount equal to the sum of any accrued and unpaid lease payments and any other amounts deemed collectible. 93,938

Total serviced by the Water Fund and Solid Waste Fund \$ 1,033,821

Annual debt service requirements to maturity for the County's installment purchases are as follows:

| Year Ending<br>June 30 | Governmental Activities |                     | Business-type Activities |                   | Total                |
|------------------------|-------------------------|---------------------|--------------------------|-------------------|----------------------|
|                        | Principal               | Interest            | Principal                | Interest          |                      |
| 2020                   | \$ 1,819,065            | \$ 402,986          | \$ 155,400               | \$ 25,592         | \$ 2,403,043         |
| 2021                   | 1,672,710               | 345,187             | 130,422                  | 22,414            | 2,170,733            |
| 2022                   | 1,611,493               | 303,522             | 83,111                   | 19,747            | 2,017,873            |
| 2023                   | 1,464,460               | 255,080             | 83,111                   | 17,553            | 1,820,204            |
| 2024                   | 1,364,889               | 204,841             | 83,111                   | 15,359            | 1,668,200            |
| 2025-2029              | 5,361,111               | 438,722             | 415,556                  | 43,883            | 6,259,272            |
| 2030-2034              | 494,888                 | 24,269              | 83,110                   | 2,194             | 604,461              |
| Total                  | <u>\$ 13,788,616</u>    | <u>\$ 1,974,607</u> | <u>\$ 1,033,821</u>      | <u>\$ 146,742</u> | <u>\$ 16,943,786</u> |

**b. General Obligation Indebtedness**

The County's general obligation bonds financed by the governmental funds are collateralized by the full faith, credit, and taxing power of the County. The bonds recorded in the Water Fund are collateralized by the full faith, credit, and taxing power of the County but are paid from revenues generated from charges for services. Principal and interest requirements are appropriated when due. In the event of a default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under this agreement.

The County's general obligation bonds payable at June 30, 2019 are comprised of the following individual issues:

Serviced by the General Fund:

\$1,638,000 Refunding Series 2013A Economic Development serial bonds due in semi annual installments of \$155,000 \$ 490,000 to \$179,000 through May 1, 2023; interest at 2.26 percent

\$6,853,000 Refunding School Refunding Series 2015 bonds due in semi annual installments of \$709 to \$801,488 5,267,000 through June 30, 2027; interest at 2.25 percent

\$13,000,000 2009 School serial bonds due in semi annual installments of \$650,000 through April 1, 2030; interest 7,150,000 from 3.0 to 4.1 percent

Total serviced by the General Fund \$ 12,907,000

Serviced by the Water Fund:

\$2,848,000 Refunding Series 2013B bonds due in semi annual installments of \$11,000 to \$536,000 through June 1, \$ 360,000 2021; interest at 1.53 percent

Total serviced by the Water Fund \$ 360,000

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

| Year Ending<br>June 30 | Governmental Activities |                     | Business-type Activities |                 | Total                |
|------------------------|-------------------------|---------------------|--------------------------|-----------------|----------------------|
|                        | Principal               | Interest            | Principal                | Interest        |                      |
| 2020                   | \$ 1,502,000            | \$ 400,469          | \$ 306,000               | \$ 5,508        | \$ 2,213,977         |
| 2021                   | 1,485,000               | 359,185             | 54,000                   | 826             | 1,899,011            |
| 2022                   | 1,469,000               | 317,633             | -                        | -               | 1,786,633            |
| 2023                   | 1,450,000               | 275,793             | -                        | -               | 1,725,793            |
| 2024                   | 1,462,000               | 234,223             | -                        | -               | 1,696,223            |
| 2025-2029              | 4,889,000               | 580,188             | -                        | -               | 5,469,188            |
| 2030-2034              | 650,000                 | 26,650              | -                        | -               | 676,650              |
| Total                  | <u>\$ 12,907,000</u>    | <u>\$ 2,194,141</u> | <u>\$ 360,000</u>        | <u>\$ 6,334</u> | <u>\$ 15,467,475</u> |

**c. Bond Anticipation Notes**

Serviced by the Water Fund

On September 4, 2018, Richmond County issued a Water and Sewer Revenue Bond Anticipation Note (Series 2018) in \$ 2,184,000 the amount of \$2,184,000 to help finance the County's waterline extension project. The County is selling the 2018 Note to Regions Equipment Finance Corporation at a price equal to 100% of its principal amount, an annual interest rate of 2.73%, with an anticipated maturity date of September 18, 2019.

Total Bond Anticipation Notes \$ 2,184,000

d. **Revenue Bonds**

Serviced by the General Fund:

The County issued \$1,230,713 of direct placement Special Assessment Revenue Bonds, Series 2016, to provide \$ 1,005,621 funding to repair the Ledbetter dam. Annual payments \$107,544, including interest at 2.81%. The final payment is March 30, 2030. The bonds will be special obligations of the County, payable solely from the revenues and other funds pledged therefore as provided in the Bond Order. The principal of and interest on the bonds will be payable solely from the revenues, except to the extent payable from the proceeds of bonds or investment earnings on such proceeds or on the revenues. Neither the faith and credit nor the taxing power of the County are pledged for the payment of the principal of or interest on the bonds, and no owner of bonds has any right to compel the exercise of the County's taxing power in connection with any default thereon. In the event of default, the Bondholder may appoint a Trustee to serve as a fiduciary for all Bondholders. The Trustee may: (a) require the County immediately pay all amounts in the County's possession representing Revenues and Debt Service Reserve Fund; (b) require the County to endorse all checks and other negotiable instruments representing Revenues to the order of the Trustee immediately upon receipt thereof and to deliver such endorsed instruments daily to the Trustee; and (c) notify any or all account debtors of the County to pay any amounts representing Revenues, when due and owing, directly to the Trustee, as Trustee, at any address in the United States designated by the Trustee.

Total serviced by the General Fund

\$ 1,005,621

Serviced by the Water Fund:

The County issued \$4,750,000 of direct placement Special Water and Sewer Revenue Bonds (Series 2017) to fund \$ 4,216,738 water and sewer system improvements. Semiannual payments of \$191,811 are required, including interest at 2.57%. The final payment is February 14, 2032. The Bond is a special obligation of the County, payable solely from the revenues and other funds pledged thereof as provided in the Bond Order. The principal of and interest on the Bond will be payable solely from the sources of payment set forth in the Bond Order, except to the extent payable from the proceeds of this Bond or investment earnings or on the Net Revenues. Neither the County's faith and credit nor its taxing power is pledged for any payment on the Bonds, and no owner of any Bond has any right to compel the exercise of the County's taxing power in connection with any default on any Bond. The Government or the Majority Owners at their option may: (a) declare the entire unpaid principal amount of the Bonds then Outstanding and accrued interest thereon to be immediately due and payable; (b) incur and pay such reasonable expenses for the County's account as may be necessary to cure the cause of any default, or (c) proceed to protect and enforce their rights under the Bonds by suit, action, or special proceeding at law or in equity, either for the performance of any covenant or agreement or execution of any power or for the enforcement of any proper legal or equitable remedy as may be deemed most effectual to protect and enforce such rights, including, without limitation, the fixing of rates and the collection and proper application of net revenues.

The County issued \$4,206,000 of direct placement Water and Sewer Revenue Bonds (Series 2017 USDA) to fund \$ 4,084,000 water treatment plant expansions and improvements. Annual payments range from \$60,000 to \$166,000, interest at 2.625%. The final payment is June 1, 2057. The Bond is a special obligation of the County, payable solely from the revenues and other funds pledged thereof as provided in the Bond Order. The principal of and interest on the Bond will be payable solely from the sources of payment set forth in the Bond Order, except to the extent payable from the proceeds of this Bond or investment earnings or on the Net Revenues. Neither the County's faith and credit nor its taxing power is pledged for any payment on the Bonds, and no owner of any Bond has any right to compel the exercise of the County's taxing power in connection with any default on any Bond. The Government or the Majority Owners at their option may: (a) declare the entire unpaid principal amount of the Bonds then Outstanding and accrued interest thereon to be immediately due and payable; (b) incur and pay such reasonable expenses for the County's account as may be necessary to cure the cause of any default, or (c) proceed to protect and enforce their rights under the Bonds by suit, action, or special proceeding at law or in equity, either for the performance of any covenant or agreement or execution of any power or for the enforcement of any proper legal or equitable remedy as may be deemed most effectual to protect and enforce such rights, including, without limitation, the fixing of rates and the collection and proper application of net revenues.

Total serviced by the Water Fund

\$ 8,300,738

The future payments of the revenue bonds are as follows:

| Year Ending<br>June 30 | Governmental Activities |            | Business-type Activities |              | Total         |
|------------------------|-------------------------|------------|--------------------------|--------------|---------------|
|                        | Principal               | Interest   | Principal                | Interest     |               |
| 2020                   | \$ 79,286               | \$ 28,258  | \$ 341,020               | \$ 213,807   | \$ 662,371    |
| 2021                   | 81,514                  | 26,030     | 350,185                  | 204,962      | 662,691       |
| 2022                   | 83,805                  | 23,739     | 358,536                  | 195,879      | 661,959       |
| 2023                   | 86,160                  | 21,385     | 368,076                  | 186,579      | 662,200       |
| 2024                   | 88,581                  | 18,963     | 377,812                  | 177,033      | 662,389       |
| 2025-2029              | 481,670                 | 56,052     | 2,042,281                | 732,933      | 3,312,936     |
| 2030-2034              | 104,605                 | 2,939      | 1,537,828                | 468,960      | 2,114,332     |
| 2035-2039              | -                       | -          | 497,000                  | 358,523      | 855,523       |
| 2040-2044              | -                       | -          | 565,000                  | 289,800      | 854,800       |
| 2045-2049              | -                       | -          | 644,000                  | 211,628      | 855,628       |
| 2050-2054              | -                       | -          | 733,000                  | 122,483      | 855,483       |
| 2055-2059              | -                       | -          | 486,000                  | 25,725       | 511,725       |
| Total                  | \$ 1,005,621            | \$ 177,366 | \$ 8,300,738             | \$ 3,188,312 | \$ 12,672,037 |

The County is in compliance with the covenants as to rates, fees, rentals and charges in Section 704 of the Bond Order, authorizing the issuance of the Special Assessment Revenue Bonds, Series 2016 and the Water and Sewer Revenue Bonds, Series 2017. Section 704(a) on the Bond Order requires the debt service coverage ratio to be no less than 125%. The debt service coverage ratio calculation for the year ended June 30, 2019, is as follows:

#### Governmental Activities

|   |            |
|---|------------|
| Operating Revenues                        | \$ 342,601 |
| Operating Expenses*                       | -          |
| Operating Income                          | 342,601    |
| Nonoperating revenues (expenses)**        | 4,306      |
| Income available for debt service         | 346,907    |
| Debt Service, principal and interest paid | \$ 107,544 |
| Debt service coverage ratio               | 323%       |

\*Per rate covenants, this does not include the depreciation expense of \$0.

\*\*Per rate covenants, this does not include revenue bond interest of \$30,425.

#### Business-Type Activities

|  |              |
|--|--------------|
| Operating Revenues   | \$ 5,951,972 |
| Operating Expenses*  | 3,782,206    |
| Operating Income   | 2,169,766    |
| Nonoperating revenues (expenses)**                               | 405,441      |
| Income available for debt service                                | 2,575,207    |
| Debt Service, principal and interest paid<br>(revenue bond only) | \$ 554,454   |
| Debt service coverage ratio                                      | 464%         |

\*Per rate covenants, this does not include the depreciation expense of \$2,838,045.

\*\*Per rate covenants, this does not include revenue bond interest of \$222,419.

**e Advance Refundings**

On August 9, 2012, the County issued \$16,770,000 of Limited Obligation Refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$16,800,000. This debt was issued at a premium of \$711,003, which is included in the net debt service and is being amortized over the term of the debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$681,003. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,471,270 and resulted in an economic gain of \$1,040,097.

On January 16, 2013, the County issued \$1,638,000 of general obligation economic development refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$1,600,000 of general obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$38,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$333,769 and resulted in an economic gain of \$295,769.

On January 16, 2013, the County issued \$2,848,000 of general obligation refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$2,750,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$98,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$113,446 and resulted in an economic gain of \$15,446.

On December 17, 2015, the County issued \$6,853,000 of general obligation refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$6,450,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the business-type activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$403,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 9 years by \$453,564 and resulted in an economic gain of \$401,438.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, only \$14,278,616 relates to assets the County holds title. There was no unspent restricted cash related to this debt amount.

At June 30, 2019, Richmond County had a legal debt margin of approximately \$234,770,840.

**f. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

|  | Beginning<br>Balance | Increases    | Decreases    | Ending<br>Balance | Amount<br>Due Within<br>One Year |
|--|----------------------|--------------|--------------|-------------------|----------------------------------|
| Governmental activities:                                       |                      |              |              |                   |                                  |
| General obligation   | \$ 14,425,000        | \$ -         | \$ 1,518,000 | \$ 12,907,000     | \$ 1,502,000                     |
| Direct Placement and Direct<br>Borrowing Installment purchases | 15,710,867           | -            | 1,922,251    | 13,788,616        | 1,819,065                        |
| Revenue Bonds  | 1,082,740            | -            | 77,119       | 1,005,621         | 79,286                           |
| Compensated absences   | 1,319,702            | 34,146       | -            | 1,353,848         | -                                |
| Unamortized premium  | 442,487              | -            | 45,383       | 397,104           | 45,383                           |
| Total pension liability (LEOSSA)                               | 1,834,240            | 69,715       | -            | 1,903,955         | -                                |
| Net pension liability (LGRS)                                   | 3,443,569            | 2,035,494    | -            | 5,479,063         | -                                |
| Net OPEB Liability   | 6,199,052            | -            | 1,415,850    | 4,783,202         | -                                |
| Total  | \$ 44,457,657        | \$ 2,139,355 | \$ 4,978,603 | \$ 41,618,409     | \$ 3,445,734                     |
| Business-type activities:                                      |                      |              |              |                   |                                  |
| General obligation   | \$ 737,000           | \$ -         | \$ 377,000   | \$ 360,000        | \$ 306,000                       |
| Direct Placement and Direct<br>Borrowing Installment purchases | 1,266,363            | -            | 232,542      | 1,033,821         | 155,400                          |
| Revenue Bonds  | 8,632,773            | -            | 332,035      | 8,300,738         | 341,020                          |
| Bond Anticipation Note   | -                    | 2,184,000    | -            | 2,184,000         | 2,184,000                        |
| Compensated absences   | 141,932              | 8,555        | -            | 150,487           | -                                |
| Net OPEB Liability   | 630,486              | -            | 144,002      | 486,484           | -                                |
| Net pension liability (LGRS)                                   | 371,919              | 219,841      | -            | 591,760           | -                                |
| Total  | \$ 11,780,473        | \$ 2,412,396 | \$ 1,085,579 | \$ 13,107,290     | \$ 2,986,420                     |

Net pension liability, total pension liability, and net other postemployment liability for governmental activities are all typically liquidated in the general fund. Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that employees are taking leave time as it is earned.

**C. Interfund Balances and Activity**

Balances due to/from other funds at June 30, 2019, consist of the following:

|  |                   |
|--|-------------------|
| From the General Fund to the Emergency Telephone Fund for advanced funding           | \$ 38,992         |
| From the Single Family Rehab Fund to the General Fund to cover deficit cash balances | 4,218             |
| From the 2016 Essen Family Fund to the General Fund to cover deficit cash balances   | 72,964            |
| Total  | <u>\$ 116,174</u> |

Transfers to/from other funds at June 30, 2019, consist of the following:

|  |                     |
|--|---------------------|
| From the Solid Waste Fund to the General Fund to avoid raising the ad valorem tax                                      | \$ 1,500,000        |
| From the Maintenance Building Capital Project Fund to the General Fund to close out the project                        | 19,161              |
| From the East Rockingham Initiative Fund to the General Fund to close out the project                                  | 15,513              |
| From the Judicial Center Project Fund to the General Fund to close out the project                                     | 10,751              |
| From the RCC Roofing and Renovation Fund to the General Fund to close out the project                                  | 15,156              |
| From the School Bond Fund to the General Fund to close out the project   | 889                 |
| From the Economic Development Capital Reserve Fund to the General Fund to provide resources for expenditures           | 23,840              |
| From the Water Fund to the General Fund to provide resources for expenditures  | 11,799              |
| From the Water Fund to the Old Cheraw Highway Waterline Expansion Project Fund to provide funding for project expenses | 53,600              |
| Total  | <u>\$ 1,650,709</u> |

**D. Net Investment in Capital Assets**

|                                  | Governmental  | Business-type |
|----------------------------------|---------------|---------------|
| Capital Assets                   | \$ 38,264,843 | \$ 42,541,389 |
| less: long-term debt             | 15,899,371    | 11,878,558    |
| add: unexpended debt proceeds    | -             | 1,057,174     |
| Net investment in capital assets | \$ 22,365,472 | \$ 31,720,005 |

**E Fund Balance**

Richmond County has a revenue spending policy that provides for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposes of fund balance classification expenditures are to 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.

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         | \$ 11,336,685 |
| Less:                                     |               |
| Prepaid items                             | -             |
| Stabilization by State Statute            | 3,192,396     |
| Appropriated fund balance in 2020 budget  | -             |
| Other Restrictions                        | 2,509,540     |
| Commitments - Tax Reval & Law Enforcement | 59,141        |
| Remaining fund balance                    | \$ 5,575,608  |

Outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. Outstanding encumbrances were \$0 at June 30, 2019.

**NOTE IV: Joint Ventures**

**First Health-Richmond Memorial Hospital and Sandhills Regional Medical Center**

The governing boards of the Hospitals are not appointed by the County, nor does the County maintain a significant continuing relationship with the Hospital boards. The County does not have the authority to designate the management of the Hospitals, nor does the County have the authority to review or approve the budgets of the Hospitals. The contracting authority rests with the Hospital boards and not with the County, nor does the County own the assets of the Hospitals. The County is not entitled to surpluses and does not control the collections or disbursement of Hospital funds. The County is not responsible for the Hospital's bonded debt. Although the Hospitals are located within the County and are for the benefit of the citizens of the County, the services of the Hospitals are available to persons residing outside its geographical boundaries.

**Richmond County Community College**

The County, in conjunction with the State of North Carolina, the Richmond County Board of Education, and the Scotland County Board of Commissioners appoint four members of the fourteen-member board of trustees of the community college. Two members are appointed by Scotland County Board of Commissioners, and the president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. 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 the facilities, the County periodically issues general obligation bonds to provide financing for new restructured facilities. Of the last general obligation bond issue for this purpose \$-0- in debt is still outstanding. The County has an ongoing responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$265,000 and \$1,642,895 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. 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, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at Post Office Box 1189, Hamlet, North Carolina 28345.

### **Richmond County Public Library System**

The Richmond County Public Library System discontinued operations as a public authority and became a department of the County as of July 1, 2001. The Library Board of Trustees continues to operate in an advisory capacity. The County appoints four members, with the cities of Rockingham, Hamlet, and Ellerbe appointing three, two, and one respectively. The library buildings are the property of the municipalities and are not listed in the Capital Assets of the County. The cities continue to provide a portion of the operational cost of the libraries. For the year ended June 30, 2019, Rockingham, Hamlet, and Ellerbe contributed \$50,000, \$31,000, and \$10,500, respectively.

### **Sandhills Center for Mental Health**

The County, in conjunction with four other county governments (Anson, Hoke, Montgomery, and Moore) participates in a joint venture to operate the Sandhills Center for Mental Health, Developmental Disabilities and Substance Abuse Services (the Center). The Center operates units in each of the counties to provide services to residents who are in need of assistance for mental health, developmental disabilities, or alcohol or drug related problems. Each participating government appoints members to the Center's governing board, with Richmond County appointing five. The County has an ongoing financial responsibility for the joint venture because the Center's continued existence depends on the participating governments continued funding. None of the participating governments have any equity interest in the Center, so no equity interest has been reflected in the financial statements at June 30, 2019. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$132,525 in local funds. Complete statements for the Center can be obtained from the Center's offices at Post Office Box 9, West End, North Carolina 27376.

### **NOTE V: Jointly Governed Organization**

The County, in conjunction with three other counties established the Pee Dee Council of Governments (the Council). The Pee Dee Council of Governments dissolved as of June 30, 2001 and is no longer an active organization. The County has contracted with the Lumber River Council of Governments to handle coordination of various funding received from federal and state agencies that Pee Dee Council of Governments had handled previously. The County paid the Lumber River Council of Governments \$9,220 in dues and \$16,345 in special assessments for the year ended June 30, 2019.

### **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 monies to grantor agencies. Management believes that any required refunds will be immaterial. No provision has been made in the accompanying financial statements for the refund of grant monies.

### **NOTE VII: Subsequent Events**

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 20, 2019, the date the financial statements were available to be issued.



## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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Schedule of County's Proportionate Share of Net Pension Asset (LGERS)

Schedule of County Contributions (LGERS)

Schedule of County's Proportionate Share of Net Pension Asset (ROD)

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEO)

Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll (LEO)

Schedule of Changes in the Total OPEB Liability and Related Ratios

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

|  | <b>Local Government Employees' Retirement System</b> |               |              |              |                |               |
|--|--|---------------|--------------|--------------|----------------|---------------|
|  | <b>2019</b>  | <b>2018</b>   | <b>2017</b>  | <b>2016</b>  | <b>2015</b>    | <b>2014</b>   |
| County's proportion of the net pension liability (asset) (%)   | 0.25590%   | 0.24975%      | 0.25081%     | 0.24425%     | 0.24356%       | 0.24720%      |
| County's proportion of the net pension liability (asset) (\$)  | \$ 6,070,823   | \$ 3,815,488  | \$ 5,323,028 | \$ 1,096,179 | \$ (1,436,385) | \$ 2,979,709  |
| County's covered payroll   | \$16,318,323   | \$ 15,674,629 | \$14,992,842 | \$14,148,263 | \$ 13,454,944  | \$ 13,456,386 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 37.20%   | 24.34%        | 35.50%       | 7.75%        | -10.68%        | 22.14%        |
| Plan fiduciary net position as a percentage of the total pension liability**                             | 92.00%   | 94.18%        | 91.47%       | 98.09%       | 102.64%        | 94.35%        |

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

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

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

|  | <b>Local Government Employees' Retirement System</b> |               |               |               |               |               |
|--|--|---------------|---------------|---------------|---------------|---------------|
|  | <b>2019</b>  | <b>2018</b>   | <b>2017</b>   | <b>2016</b>   | <b>2015</b>   | <b>2014</b>   |
| Contractually required contribution                                  | \$ 1,313,090   | \$ 1,256,370  | \$ 1,170,553  | \$ 1,025,250  | \$ 1,015,108  | \$ 961,609    |
| Contributions in relation to the contractually required contribution | 1,313,090  | 1,256,370     | 1,170,553     | 1,025,250     | 1,015,108     | 961,609       |
| Contribution deficiency (excess)                                     | \$ -   | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Richmond County; covered payroll                                     | \$ 16,523,944  | \$ 16,318,323 | \$ 15,674,629 | \$ 14,992,842 | \$ 14,148,263 | \$ 13,454,944 |
| Contributions as a percentage of covered payroll                     | 7.95%  | 7.70%         | 7.47%         | 6.84%         | 7.17%         | 7.15%         |

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

| <b>Local Government Employees' Retirement System</b>   |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
| County's proportionate share of the net pension liability (%)  | 0.3054%     | 0.2543%     | 0.2955%     | 0.2893%     | 0.2799%     | 0.261%      |
| County's proportionate share of the net pension liability (\$)   | \$(50,582)  | \$ (47,544) | \$ (55,249) | \$ (67,035) | \$ (63,440) | \$ (55,762) |
| County's covered payroll   | \$ 63,959   | \$ 61,143   | \$ 56,970   | \$ 58,583   | \$ 76,735   | \$ 51,051   |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -79.09%     | -77.76%     | -96.98%     | -114.43%    | -82.67%     | -109.23%    |
| Plan fiduciary net position as a percentage of the total pension liability                               | 153.31%     | 153.77%     | 160.17%     | 197.29%     | 193.88%     | 190.50%     |

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

**Richmond County, North Carolina**  
**Schedule of County Contributions**  
**Register of Deeds' Supplemental Pension Fund**  
**Last Six Fiscal Years\***

| <b>Local Government Employees' Retirement System</b>             |             |             |             |             |             |             |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
|  | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
| County's required contribution                                   | \$ 5,104    | \$ 4,848    | \$ 4,494    | \$ 3,857    | \$ 4,142    | \$ 5,425    |
| Contributions in relation to contractually required contribution | 5,104       | 4,848       | 4,494       | 3,857       | 4,142       | 5,425       |
| Contribution deficiency (excess)                                 | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        | \$ -        |
| County's covered payroll   | \$ 65,187   | \$ 63,959   | \$ 61,143   | \$ 56,970   | \$ 58,583   | 76,735      |
| Contributions as a percentage of covered payroll                 | 7.83%       | 7.58%       | 7.35%       | 6.77%       | 7.07%       | 7.07%       |

**Richmond County, North Carolina**  
**Schedule of Changes in Total Pension Liability**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2019**

|   | <u>2019</u>         | <u>2018</u>         | <u>2017</u>         |
|---|---------------------|---------------------|---------------------|
| Beginning balance                         | \$ 1,834,240        | \$ 1,623,109        | \$ 1,594,083        |
| Service cost                              | 93,408              | 75,814              | 84,080              |
| Interest on the                           | 56,809              | 61,432              | 55,693              |
| Change in benefit terms                   | -                   | -                   | -                   |
| Difference                                | 74,765              | 19,875              | -                   |
| Changes of assumptions and other inputs   | (82,277)            | 117,200             | (42,653)            |
| Benefit payments                          | (72,990)            | (63,190)            | (68,094)            |
| Other changes                             | -                   | -                   | -                   |
| Ending balance of total pension liability | <u>\$ 1,903,955</u> | <u>\$ 1,834,240</u> | <u>\$ 1,623,109</u> |

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Richmond County, North Carolina**  
**Schedule of Total Pension Liability as a Percentage of Covered Payroll**  
**Law Enforcement Officers' Special Separation Allowance**  
**For the Year Ended June 30, 2019**

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|  | <u>2019</u>  | <u>2018</u>  | <u>2017</u>  |
|--|--------------|--------------|--------------|
| Total pension liability                                    | \$ 1,903,955 | \$ 1,834,240 | \$ 1,623,109 |
| Covered payroll  | \$ 3,046,110 | \$ 2,764,608 | \$ 2,836,779 |
| Total pension liability as a percentage of covered payroll | 62.50%       | 66.35%       | 57.22%       |

**Notes to the schedules:**

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

**Richmond County, North Carolina**  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Required Supplementary Information**  
**June 30, 2019**

|  | <u>2019</u>                | <u>2018</u>                |
|--|----------------------------|----------------------------|
| <b>Total OPEB Liability</b>  |                            |                            |
| Service cost   | \$ 320,135                 | \$ 347,420                 |
| Interest   | 238,044                    | 203,960                    |
| Changes of benefit terms   | -                          | -                          |
| Differences between expected and actual experience                 | (870,110)                  | 39,318                     |
| Changes of assumptions   | (959,599)                  | (406,668)                  |
| Benefit payments   | (288,322)                  | (259,222)                  |
| <b>Net change in total OPEB liability</b>                          | <u>(1,559,852)</u>         | <u>(75,192)</u>            |
| <b>Total OPEB liability - beginning</b>                            | <u>6,829,538</u>           | <u>6,904,730</u>           |
| <b>Total OPEB liability - ending</b>                               | <u><u>\$ 5,269,686</u></u> | <u><u>\$ 6,829,538</u></u> |
| <br><b>Covered payroll</b>   | <br>\$ 15,176,376          | <br>\$ 16,452,504          |
| <br><b>Total OPEB liability as a percentage of covered payroll</b> | <br>34.72%                 | <br>41.51%                 |

**Notes to Schedule**

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

| <u>Fiscal Year</u> | <u>Rate</u> |
|--------------------|-------------|
| 2019               | 3.89%       |
| 2018               | 3.56%       |



## GENERAL FUND

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The General Fund accounts for resources traditionally associated with government that are not required legally or by sound financial management to be accounted for in other funds.

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**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                      | Budget            | Actual            | Variance<br>Positive<br>(Negative) |
|--------------------------------------|-------------------|-------------------|------------------------------------|
| Revenues:                            |                   |                   |                                    |
| Ad valorem taxes:                    |                   |                   |                                    |
| Taxes                                | \$ 28,162,732     | \$ 27,344,794     | \$ (817,938)                       |
| Penalties and interest               | 316,190           | 301,432           | (14,758)                           |
| Total                                | <u>28,478,922</u> | <u>27,646,226</u> | <u>(832,696)</u>                   |
| Local option sales tax:              |                   |                   |                                    |
| Article 39 and 44                    | 2,506,728         | 2,837,197         | 330,469                            |
| Article 40 one - half of one percent | 2,549,963         | 2,716,409         | 166,446                            |
| Article 42 one - half of one percent | 1,611,315         | 1,797,108         | 185,793                            |
| Total                                | <u>6,668,006</u>  | <u>7,350,714</u>  | <u>682,708</u>                     |
| Other taxes & licenses:              |                   |                   |                                    |
| Lease/Rental car tax                 | 27,000            | 33,899            | 6,899                              |
| Admin Fee - Conveyance Tax           | 10,200            | 10,422            | 222                                |
| Room occupancy tax                   | 460,300           | 477,555           | 17,255                             |
| 3% Additional room tax               | 14,100            | 14,343            | 243                                |
| Total                                | <u>511,600</u>    | <u>536,219</u>    | <u>24,619</u>                      |
| Unrestricted intergovernmental:      |                   |                   |                                    |
| Payments in lieu of taxes            | 5,300             | 4,950             | (350)                              |
| Beer and wine tax                    | 87,000            | 75,869            | (11,131)                           |
| Franchise fees                       | 158,350           | 157,670           | (680)                              |
| Safe Roads Act distribution          | 1,500             | 2,110             | 610                                |
| Total                                | <u>252,150</u>    | <u>240,599</u>    | <u>(11,551)</u>                    |
| Restricted intergovernmental:        |                   |                   |                                    |
| State and Federal grants             | 11,812,891        | 10,216,517        | (1,596,374)                        |
| City contributions - Libraries       | 108,700           | 103,464           | (5,236)                            |
| Lottery School Proceeds              | 511,128           | 511,108           | (20)                               |
| Court facilities fees                | 63,000            | 73,765            | 10,765                             |
| ABC bottles taxes                    | -                 | 4,240             | 4,240                              |
| Medicaid Escrow                      | 661,492           | 443,610           | (217,882)                          |
| Police and EMS Grants                | 52,006            | 52,006            | -                                  |
| Total                                | <u>13,209,217</u> | <u>11,404,710</u> | <u>(1,804,507)</u>                 |
| Permits and fees:                    |                   |                   |                                    |
| Building permits and inspection fees | 115,700           | 113,642           | (2,058)                            |
| Register of deeds                    | 231,060           | 258,854           | 27,794                             |
| Election filing fees                 | 4,834             | 2,499             | (2,335)                            |
| Total                                | <u>351,594</u>    | <u>374,995</u>    | <u>23,401</u>                      |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                    | Budget               | Actual               | Variance<br>Positive<br>(Negative) |
|------------------------------------|----------------------|----------------------|------------------------------------|
| Sales and services:                |                      |                      |                                    |
| Sheriff's fees                     | 362,583              | 370,992              | 8,409                              |
| Animal control fees                | 71,850               | 79,210               | 7,360                              |
| Jail fees                          | 44,379               | 54,774               | 10,395                             |
| Recreation fees                    | 14,000               | 17,507               | 3,507                              |
| Aging services                     | 502,443              | 457,959              | (44,484)                           |
| GIS fees                           | 8,229                | 3,340                | (4,889)                            |
| Airport revenue                    | 180,000              | 191,064              | 11,064                             |
| Emergency services                 | 63,625               | 56,101               | (7,524)                            |
| Rental income                      | -                    | 21,950               | 21,950                             |
| Other                              | 74,235               | 47,772               | (26,463)                           |
| Total                              | <u>1,321,344</u>     | <u>1,300,669</u>     | <u>(20,675)</u>                    |
| Investment earnings:               |                      |                      |                                    |
| Investment earnings                | 41,000               | 111,616              | 70,616                             |
| Investment earnings - Debt Service | -                    | 4,150                | 4,150                              |
| Total                              | <u>41,000</u>        | <u>115,766</u>       | <u>74,766</u>                      |
| Miscellaneous:                     |                      |                      |                                    |
| Sale of fixed assets               | 30,000               | 6,168                | (23,832)                           |
| Other                              | 17,882               | 56,132               | 38,250                             |
| Total                              | <u>47,882</u>        | <u>62,300</u>        | <u>14,418</u>                      |
| Total revenues                     | <u>\$ 50,881,715</u> | <u>\$ 49,032,198</u> | <u>\$ (1,849,517)</u>              |
| Expenditures:                      |                      |                      |                                    |
| General Government:                |                      |                      |                                    |
| Governing Body:                    |                      |                      |                                    |
| Salaries and employee benefits     | \$ 127,144           | \$ 126,419           | \$ 725                             |
| Other operating expenditures       | 37,000               | 33,654               | 3,346                              |
| Total                              | <u>164,144</u>       | <u>160,073</u>       | <u>4,071</u>                       |
| Administration:                    |                      |                      |                                    |
| Salaries and employee benefits     | 344,448              | 365,920              | (21,472)                           |
| Other operating expenditures       | 32,250               | 45,381               | (13,131)                           |
| Capital outlay                     | 98,125               | -                    | 98,125                             |
| Total                              | <u>474,823</u>       | <u>411,301</u>       | <u>63,522</u>                      |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                | Budget  | Actual  | Variance<br>Positive<br>(Negative) |
|--------------------------------|---------|---------|------------------------------------|
| Elections:                     |         |         |                                    |
| Salaries and employee benefits | 188,402 | 194,543 | (6,141)                            |
| Other operating expenditures   | 62,534  | 64,476  | (1,942)                            |
| Capital Outlay                 | 231,770 | 137,546 | 94,224                             |
| Total                          | 482,706 | 396,565 | 86,141                             |
| Human Resources:               |         |         |                                    |
| Salaries and employee benefits | 115,950 | 111,502 | 4,448                              |
| Other operating expenditures   | 14,150  | 6,489   | 7,661                              |
| Total                          | 130,100 | 117,991 | 12,109                             |
| Finance:                       |         |         |                                    |
| Salaries and employee benefits | 316,187 | 320,378 | (4,191)                            |
| Other operating expenditures   | 16,400  | 15,133  | 1,267                              |
| Total                          | 332,587 | 335,511 | (2,924)                            |
| Information Technology:        |         |         |                                    |
| Salaries and employee benefits | 205,891 | 198,267 | 7,624                              |
| Other operating expenditures   | 164,550 | 196,402 | (31,852)                           |
| Capital outlay                 | 115,000 | 49,726  | 65,274                             |
| Total                          | 485,441 | 444,395 | 41,046                             |
| Taxes:                         |         |         |                                    |
| Salaries and employee benefits | 561,776 | 508,066 | 53,710                             |
| Other operating expenditures   | 314,800 | 241,918 | 72,882                             |
| Capital outlay                 | 75,000  | -       | 75,000                             |
| Total                          | 951,576 | 749,984 | 201,592                            |
| Register of Deeds:             |         |         |                                    |
| Salaries and employee benefits | 217,177 | 214,335 | 2,842                              |
| Automation fund expenditures   | 15,000  | 10,961  | 4,039                              |
| Other operating expenditures   | 47,600  | 52,893  | (5,293)                            |
| Total                          | 279,777 | 278,189 | 1,588                              |
| Public Buildings:              |         |         |                                    |
| Salaries and employee benefits | 343,302 | 341,374 | 1,928                              |
| Other operating expenditures   | 491,500 | 465,492 | 26,008                             |
| Capital outlay                 | 8,000   | -       | 8,000                              |
| Total                          | 842,802 | 806,866 | 35,936                             |
| Court Facilities:              |         |         |                                    |
| Other operating expenditures   | 37,450  | 38,095  | (645)                              |
| Total                          | 37,450  | 38,095  | (645)                              |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                | Budget              | Actual              | Variance<br>Positive<br>(Negative) |
|--------------------------------|---------------------|---------------------|------------------------------------|
| General and Administrative:    |                     |                     |                                    |
| Professional services          | 100,000             | 99,949              | 51                                 |
| Other operating expenditures   | 410,352             | 326,617             | 83,735                             |
| Capital outlay                 | -                   | 4,583               | (4,583)                            |
| Total                          | <u>510,352</u>      | <u>431,149</u>      | <u>79,203</u>                      |
| Central Garage:                |                     |                     |                                    |
| Salaries and employee benefits | 107,680             | 113,870             | (6,190)                            |
| Other operating expenditures   | 19,000              | 7,522               | 11,478                             |
| Total                          | <u>126,680</u>      | <u>121,392</u>      | <u>5,288</u>                       |
| Contributions:                 |                     |                     |                                    |
| Contributions other agencies   | <u>705,510</u>      | <u>713,026</u>      | <u>(7,516)</u>                     |
| Nondepartmental:               |                     |                     |                                    |
| Other operating expenditures   | <u>475,000</u>      | <u>412,727</u>      | <u>62,273</u>                      |
| Total General Government       | <u>\$ 5,998,948</u> | <u>\$ 5,417,264</u> | <u>\$ 581,684</u>                  |
| Public Safety:                 |                     |                     |                                    |
| Sheriff and Communications:    |                     |                     |                                    |
| Salaries and employee benefits | \$ 4,584,518        | \$ 4,449,166        | \$ 135,352                         |
| Other operating expenditures   | 614,098             | 630,544             | (16,446)                           |
| Capital outlay                 | 114,408             | 120,060             | (5,652)                            |
| Total                          | <u>5,313,024</u>    | <u>5,199,770</u>    | <u>113,254</u>                     |
| Jail:                          |                     |                     |                                    |
| Salaries and employee benefits | 1,355,527           | 1,294,938           | 60,589                             |
| Other operating expenditures   | 425,900             | 389,104             | 36,796                             |
| Professional services          | 175,000             | 170,036             | 4,964                              |
| Capital outlay                 | -                   | -                   | -                                  |
| Total                          | <u>1,956,427</u>    | <u>1,854,078</u>    | <u>102,349</u>                     |
| Fire:                          |                     |                     |                                    |
| Other operating expenditures   | <u>169,755</u>      | <u>166,034</u>      | <u>3,721</u>                       |
| Emergency Services:            |                     |                     |                                    |
| Salaries and employee benefits | 1,502,760           | 1,287,664           | 215,096                            |
| Other operating expenditures   | 969,250             | 729,836             | 239,414                            |
| Total                          | <u>2,472,010</u>    | <u>2,017,500</u>    | <u>454,510</u>                     |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                    | Budget               | Actual               | Variance<br>Positive<br>(Negative) |
|------------------------------------|----------------------|----------------------|------------------------------------|
| Inspections:                       |                      |                      |                                    |
| Salaries and employee benefits     | 396,381              | 334,661              | 61,720                             |
| Other operating expenditures       | 23,550               | 20,770               | 2,780                              |
| Capital outlay                     | 23,000               | 22,282               | 718                                |
| Total                              | <u>442,931</u>       | <u>377,713</u>       | <u>65,218</u>                      |
| Rescue Units:                      |                      |                      |                                    |
| Other operating expenditures       | 1,056,258            | 1,038,569            | 17,689                             |
| Assistance to local rescue units   | 60,000               | 60,000               | -                                  |
| Total                              | <u>1,116,258</u>     | <u>1,098,569</u>     | <u>17,689</u>                      |
| Animal Control/Shelter:            |                      |                      |                                    |
| Salaries and employee benefits     | 269,052              | 253,287              | 15,765                             |
| Other operating expenditures       | 86,200               | 109,348              | (23,148)                           |
| Total                              | <u>355,252</u>       | <u>362,635</u>       | <u>(7,383)</u>                     |
| Medical Examiner:                  |                      |                      |                                    |
| Other operating expenditures       | 60,000               | 37,200               | 22,800                             |
| Total Public Safety                | <u>\$ 11,885,657</u> | <u>\$ 11,113,499</u> | <u>\$ 772,158</u>                  |
| Transportation:                    |                      |                      |                                    |
| Airport:                           |                      |                      |                                    |
| Salaries and employee benefits     | \$ 92,488            | \$ 110,270           | \$ (17,782)                        |
| Other operating expenditures       | 166,450              | 177,162              | (10,712)                           |
| Capital outlay                     | 1,331,000            | 204,514              | 1,126,486                          |
| Total                              | <u>1,589,938</u>     | <u>491,946</u>       | <u>1,097,992</u>                   |
| Interagency Transportation:        |                      |                      |                                    |
| Salaries and employee benefits     | 55,998               | 54,199               | 1,799                              |
| Total                              | <u>55,998</u>        | <u>54,199</u>        | <u>1,799</u>                       |
| Total Transportation               | <u>\$ 1,645,936</u>  | <u>\$ 546,145</u>    | <u>\$ 1,099,791</u>                |
| Economic and Physical Development: |                      |                      |                                    |
| Mapping:                           |                      |                      |                                    |
| Salaries and employee benefits     | \$ 90,876            | \$ 95,362            | \$ (4,486)                         |
| Other operating expenditures       | 88,460               | 59,130               | 29,330                             |
| Professional services              | 10,000               | 6,000                | 4,000                              |
| Total                              | <u>189,336</u>       | <u>160,492</u>       | <u>28,844</u>                      |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|  | Budget              | Actual              | Variance<br>Positive<br>(Negative) |
|--|---------------------|---------------------|------------------------------------|
| Economic Development:                      |                     |                     |                                    |
| Other operating expenditures               | 331,100             | 212,451             | 118,649                            |
| Professional services                      | 20,000              | 42,211              | (22,211)                           |
| Industrial loans & Grants                  | 197,715             | 329,420             | (131,705)                          |
| Total                                      | <u>548,815</u>      | <u>584,082</u>      | <u>(35,267)</u>                    |
| Tourism Development:                       |                     |                     |                                    |
| Other operating expenditures               | <u>473,000</u>      | <u>478,097</u>      | <u>(5,097)</u>                     |
| Agricultural Extension:                    |                     |                     |                                    |
| Salaries and employee benefits             | 272,201             | 210,152             | 62,049                             |
| Other operating expenditures               | 144,591             | 121,902             | 22,689                             |
| Capital outlay                             | 42,850              | 26,080              | 16,770                             |
| Total                                      | <u>459,642</u>      | <u>358,134</u>      | <u>101,508</u>                     |
| Soil and Water Conservation:               |                     |                     |                                    |
| Salaries and employee benefits             | 87,801              | 88,667              | (866)                              |
| Other operating expenditures               | 11,180              | 7,885               | 3,295                              |
| Total                                      | <u>98,981</u>       | <u>96,552</u>       | <u>2,429</u>                       |
| Total Economic and Physical<br>Development | <u>\$ 1,769,774</u> | <u>\$ 1,677,357</u> | <u>\$ 92,417</u>                   |
| Human Services:                            |                     |                     |                                    |
| Aging:                                     |                     |                     |                                    |
| Salaries and employee benefits             | \$ 572,525          | \$ 546,071          | \$ 26,454                          |
| Other operating expenditures               | <u>357,375</u>      | <u>273,336</u>      | <u>84,039</u>                      |
| Total                                      | <u>929,900</u>      | <u>819,407</u>      | <u>110,493</u>                     |
| Health:                                    |                     |                     |                                    |
| Local Health:                              |                     |                     |                                    |
| Salaries and employee benefits             | 3,668,674           | 3,596,626           | 72,048                             |
| Other operating expenditures               | 2,059,630           | 1,794,275           | 265,355                            |
| Professional services                      | 40,600              | 37,000              | 3,600                              |
| Capital outlay                             | 176,630             | 176,361             | 269                                |
| Total                                      | <u>5,945,534</u>    | <u>5,604,262</u>    | <u>341,272</u>                     |
| Total health                               | <u>\$ 5,945,534</u> | <u>\$ 5,604,262</u> | <u>\$ 341,272</u>                  |
| Social Services:                           |                     |                     |                                    |
| Administration:                            |                     |                     |                                    |
| Salaries and employee benefits             | \$ 5,220,724        | \$ 5,158,966        | \$ 61,758                          |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|   | Budget    | Actual    | Variance<br>Positive<br>(Negative) |
|---|-----------|-----------|------------------------------------|
| Other operating expenditures              | 841,271   | 823,474   | 17,797                             |
| Total                                     | 6,061,995 | 5,982,440 | 79,555                             |
| Families for Kids/Child Support Services: |           |           |                                    |
| Salaries and employee benefits            | 634,717   | 634,520   | 197                                |
| Other operating expenditures              | 213,452   | 178,332   | 35,120                             |
| Total                                     | 848,169   | 812,852   | 35,317                             |
| Division of Aging:                        |           |           |                                    |
| Other operating expenditures              | 1,057     | -         | 1,057                              |
| Medical Assistance Program:               |           |           |                                    |
| Assistance payments                       | 147,000   | 108,828   | 38,172                             |
| Special Assistance to Adults:             |           |           |                                    |
| Other operating expenditures              | 374,000   | 365,238   | 8,762                              |
| Aid to the Blind:                         |           |           |                                    |
| Other operating expenditures              | 8,000     | 6,100     | 1,900                              |
| Federal and State Day Care for Children:  |           |           |                                    |
| Operating expenditures                    | 202,000   | 358       | 201,642                            |
| Crisis Intervention Program:              |           |           |                                    |
| Operating expenditures                    | 390,466   | 385,063   | 5,403                              |
| Public Assistance:                        |           |           |                                    |
| Operating expenditures                    | 574,219   | 464,323   | 109,896                            |
| Employment Program (Work First):          |           |           |                                    |
| Operating expenditures                    | 80,445    | 39,810    | 40,635                             |
| Independent Living (Links):               |           |           |                                    |
| Operating expenditures                    | 29,304    | 11,500    | 17,804                             |
| Document Management Program:              |           |           |                                    |
| Operating expenditures                    | 25,000    | 12,011    | 12,989                             |



**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|   | Budget         | Actual         | Variance<br>Positive<br>(Negative) |
|---|----------------|----------------|------------------------------------|
| Veterans Service Officer:               |                |                |                                    |
| Salaries and employee benefits          | 65,494         | 66,327         | (833)                              |
| Other operating expenditures            | 6,900          | 3,415          | 3,485                              |
| Total                                   | 72,394         | 69,742         | 2,652                              |
| Total social services                   | \$ 8,814,049   | \$ 8,258,265   | \$ 555,784                         |
| Total Human Services                    | \$ 15,689,483  | \$ 14,681,934  | \$ 1,007,549                       |
| Cultural and Recreation:                |                |                |                                    |
| Recreation:                             |                |                |                                    |
| Salaries and employee benefits          | \$ 90,757      | \$ 87,505      | \$ 3,252                           |
| Other operating expenditures            | 199,613        | 179,363        | 20,250                             |
| Capital outlay                          | 9,500          | -              | 9,500                              |
| Total                                   | 299,870        | 266,868        | 33,002                             |
| Libraries:                              |                |                |                                    |
| Salaries and employee benefits          | 360,443        | 352,836        | 7,607                              |
| Other operating expenditures            | 98,963         | 95,724         | 3,239                              |
| Total                                   | 459,406        | 448,560        | 10,846                             |
| Total Culture and Recreation            | 759,276        | 715,428        | 43,848                             |
| Education:                              |                |                |                                    |
| Public schools - current                | 7,763,448      | 7,763,448      | -                                  |
| Public schools - capital outlay         | 423,500        | 423,500        | -                                  |
| Capital outlay - School Facilities Plan | 2,005,500      | 1,980,016      | 25,484                             |
| Community colleges - current            | 265,000        | 265,000        | -                                  |
| Community colleges - contribution       | 1,642,895      | 1,642,895      | -                                  |
| Total Education                         | 12,100,343     | 12,074,859     | 25,484                             |
| Debt service:                           |                |                |                                    |
| Principal retirement                    | 3,489,550      | 3,440,251      | \$ 49,299                          |
| Interest and fees                       | 917,296        | 902,321        | 14,975                             |
| Total debt service                      | \$ 4,406,846   | \$ 4,342,572   | \$ 64,274                          |
| Total expenditures                      | \$ 54,256,263  | \$ 50,569,058  | \$ 3,687,205                       |
| Revenue over (under) expenditures       | \$ (3,374,548) | \$ (1,536,860) | \$ 1,837,688                       |

**Richmond County, North Carolina**  
**General Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                      | <u>Budget</u>       | <u>Actual</u>        | <u>Variance<br/>Positive<br/>(Negative)</u> |
|--------------------------------------|---------------------|----------------------|---|
| Other financing sources (uses):      |                     |                      |   |
| Transfers from other funds:          |                     |                      |   |
| Transfer From Other Funds            | \$ 133,647          | \$ 97,109            | \$ (36,538)                                 |
| Transfer From Solid Waste            | <u>1,600,000</u>    | <u>1,500,000</u>     | <u>(100,000)</u>                            |
| Total                                | <u>1,733,647</u>    | <u>1,597,109</u>     | <u>(136,538)</u>                            |
| Transfers to other funds:            |                     |                      |   |
| Revaluation Fund                     | (143,819)           | -                    | 143,819                                     |
| Transfer To Cordova Project          | <u>-</u>            | <u>-</u>             | <u>-</u>                                    |
| Total                                | <u>(143,819)</u>    | <u>-</u>             | <u>143,819</u>                              |
| Total net transfers                  | 1,589,828           | 1,597,109            | 7,281                                       |
| Loan proceeds                        | 880,000             | -                    | (880,000)                                   |
| Appropriated fund balance            | <u>904,720</u>      | <u>-</u>             | <u>(904,720)</u>                            |
| Total other financing sources (uses) | <u>\$ 3,374,548</u> | <u>\$ 1,597,109</u>  | <u>\$ (1,777,439)</u>                       |
| Net change in fund balance           | <u>\$ -</u>         | 60,249               | <u>\$ 60,249</u>                            |
| Fund balance, beginning              |                     | <u>11,217,295</u>    |   |
| Fund balance, ending                 |                     | <u>\$ 11,277,544</u> |   |

**Richmond County**  
**Revaluation Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**June 30, 2019**

|   | Budget    | Actual    | Variance<br>Positive<br>(Negative) |
|---|-----------|-----------|------------------------------------|
| Revenues:                               |           |           |                                    |
| Investment earnings                     | \$ -      | \$ (819)  | \$ (819)                           |
| Expenditures:                           |           |           |                                    |
| Current:                                |           |           |                                    |
| General Government:                     |           |           |                                    |
| Tax listing                             | 143,819   | 120,355   | 23,464                             |
| Revenues over (under) expenditures      | (143,819) | (121,174) | 22,645                             |
| Other financing sources (uses):         |           |           |                                    |
| Transfer from General Fund              | 143,819   | -         | (143,819)                          |
| Total other financing<br>sources (uses) | 143,819   | -         | (143,819)                          |
| Net change in fund balance              | \$ -      | (121,174) | \$ (121,174)                       |
| Fund balance, beginning                 |           | 180,315   |                                    |
| Fund balance, ending                    |           | \$ 59,141 |                                    |

## NON-MAJOR GOVERNMENTAL FUNDS

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Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds.

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**Richmond County, North Carolina**  
**Combining Balance Sheet**  
**Non-Major Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

|   | Special<br>Revenue<br>Funds | Capital<br>Project<br>Funds | Total               |
|---|-----------------------------|-----------------------------|---------------------|
| Assets:   |                             |                             |                     |
| Cash and cash equivalents   | \$ 2,372,210                | \$ 2,203,210                | \$ 4,575,420        |
| Restricted cash and cash equivalents                                  | -                           | -                           | -                   |
| Taxes receivable, net   | 39,909                      | -                           | 39,909              |
| Returned checks   | 2,833                       | -                           | 2,833               |
| Fire fees receivable, net   | 110,175                     | -                           | 110,175             |
| Accounts receivable, net  | -                           | -                           | -                   |
| Notes receivable, net   | 336,896                     | -                           | 336,896             |
| Due from other governments  | 8,668                       | 13,378                      | 22,046              |
| Assets held from foreclosure  | 69,440                      | -                           | 69,440              |
| Due from other funds  | 38,992                      | -                           | 38,992              |
| Total assets  | <u>\$ 2,979,123</u>         | <u>\$ 2,216,588</u>         | <u>\$ 5,195,711</u> |
| Liabilities and Fund Balances:  |                             |                             |                     |
| Liabilities:  |                             |                             |                     |
| Accounts payable and accrued liabilities                              | \$ 84,281                   | \$ -                        | \$ 84,281           |
| Due to other funds  | 77,182                      | -                           | 77,182              |
| Total liabilities   | <u>161,463</u>              | <u>-</u>                    | <u>161,463</u>      |
| Deferred inflow of resources  | <u>\$ 150,084</u>           | <u>\$ -</u>                 | <u>\$ 150,084</u>   |
| Fund Balances:  |                             |                             |                     |
| Restricted:   |                             |                             |                     |
| Stabilization by State Statute  | \$ -                        | \$ -                        | \$ -                |
| Fire protection   | 39,726                      | -                           | 39,726              |
| Public safety   | 395,342                     | 74,972                      | 470,314             |
| Economic and physical development                                     | 2,370,490                   | 105,741                     | 2,476,231           |
| School capital outlay   | -                           | 2,035,875                   | 2,035,875           |
| Unassigned  | (137,982)                   | -                           | (137,982)           |
| Total fund balances   | <u>2,667,576</u>            | <u>2,216,588</u>            | <u>4,884,164</u>    |
| Total liabilities, deferred inflows of resources<br>and fund balances | <u>\$ 2,979,123</u>         | <u>\$ 2,216,588</u>         | <u>\$ 5,195,711</u> |

**Richmond County**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Non-Major Governmental Funds**  
**June 30, 2019**

|   | Special<br>Revenue<br>Funds | Capital<br>Project<br>Funds | Total               |
|---|-----------------------------|-----------------------------|---------------------|
| Revenues:   |                             |                             |                     |
| Ad valorem taxes                                  | \$ -                        | \$ -                        | \$ -                |
| Fire protection fees                              | 1,016,329                   | -                           | 1,016,329           |
| Special assessments                               | 342,601                     | -                           | 342,601             |
| Restricted intergovernmental                      | 612,296                     | 1,639,493                   | 2,251,789           |
| Investment earnings                               | 50,702                      | 30,774                      | 81,476              |
| Miscellaneous                                     | 193,720                     | 66,370                      | 260,090             |
| Total revenues                                    | <u>2,215,648</u>            | <u>1,736,637</u>            | <u>3,952,285</u>    |
| Expenditures:                                     |                             |                             |                     |
| Current:  |                             |                             |                     |
| General government                                | -                           | -                           | -                   |
| Public safety                                     | 1,468,885                   | 334,013                     | 1,802,898           |
| Economic and physical development                 | 468,530                     | -                           | 468,530             |
| Intergovernmental:                                |                             |                             |                     |
| Education   | -                           | 95,609                      | 95,609              |
| Total expenditures                                | <u>1,937,415</u>            | <u>429,622</u>              | <u>2,367,037</u>    |
| Debt Service:                                     |                             |                             |                     |
| Principal   | 77,119                      | -                           | 77,119              |
| Interest  | 30,425                      | -                           | 30,425              |
| Total debt service                                | <u>107,544</u>              | <u>-</u>                    | <u>107,544</u>      |
| Excess (deficiency) of revenues over expenditures | <u>170,689</u>              | <u>1,307,015</u>            | <u>1,477,704</u>    |
| Other financing sources (uses):                   |                             |                             |                     |
| Transfers (to) other funds                        | (15,513)                    | (50,636)                    | (66,149)            |
| Total other financing sources (uses)              | <u>(15,513)</u>             | <u>(50,636)</u>             | <u>(66,149)</u>     |
| Net change in fund balances                       | 155,176                     | 1,256,379                   | 1,411,555           |
| Fund balances, beginning                          | <u>2,512,400</u>            | <u>960,209</u>              | <u>3,472,609</u>    |
| Fund balances, ending                             | <u>\$ 2,667,576</u>         | <u>\$ 2,216,588</u>         | <u>\$ 4,884,164</u> |

**Richmond County**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2019**

|  | East<br>Rockingham<br>Fire<br>District<br>Fund | Cordova<br>Fire<br>District<br>Fund | Northside<br>Fire<br>District<br>Fund | Mt. Creek<br>Fire<br>District<br>Fund | Hamlet<br>Fire<br>District<br>Fund | Ellerbe<br>Fire<br>District<br>Fund | Rockingham<br>Fire<br>District<br>Fund | Hoffman<br>Fire<br>District<br>Fund | Revolving<br>Loan<br>Fund | Emergency<br>Telephone<br>System<br>Fund |
|--|--|-------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|-------------------------------------|--|-------------------------------------|---------------------------|--|
| <b>Assets:</b>   |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Cash and cash equivalents  | \$ 9,124                                       | \$ 6,392                            | \$ 29,841                             | \$ 3,025                              | \$ 2,317                           | \$ 5,240                            | \$ 1,131                               | \$ 2,061                            | \$ 1,073,715              | \$ 353,181                               |
| Taxes receivable, net  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Prepaid Expense  | -  | -                                   | 2,833                                 | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Fire fees receivable, net  | 23,722   | 12,154                              | 16,634                                | 6,362                                 | 33,257                             | 6,090                               | 6,839                                  | 5,117                               | -                         | -  |
| Accounts receivable, net   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | 4,412                                    |
| Notes receivable, net  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | 336,896                   | -  |
| Assets acquired from foreclosure   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | 69,440                    | -  |
| Due from other funds   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | 38,992                                   |
| <b>Total assets</b>  | <b>\$ 32,846</b>                               | <b>\$ 18,546</b>                    | <b>\$ 49,308</b>                      | <b>\$ 9,387</b>                       | <b>\$ 35,574</b>                   | <b>\$ 11,330</b>                    | <b>\$ 7,970</b>                        | <b>\$ 7,178</b>                     | <b>\$ 1,480,051</b>       | <b>\$ 396,585</b>                        |
| <b>Liabilities and Fund Balances:</b>                                      |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| <b>Liabilities:</b>  |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Accounts payable and accrued liabilities                                   | \$ 2,080                                       | \$ 4,069                            | \$ 7,706                              | \$ 1,844                              | \$ 2,317                           | \$ 1,183                            | \$ 1,131                               | \$ 1,908                            | \$ -                      | \$ 1,243                                 |
| Due to other funds   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| <b>Total liabilities</b>   | <b>2,080</b>                                   | <b>4,069</b>                        | <b>7,706</b>                          | <b>1,844</b>                          | <b>2,317</b>                       | <b>1,183</b>                        | <b>1,131</b>                           | <b>1,908</b>                        | <b>-</b>                  | <b>1,243</b>                             |
| <b>Deferred inflow of resources</b>  | <b>23,722</b>                                  | <b>12,154</b>                       | <b>16,634</b>                         | <b>6,362</b>                          | <b>33,257</b>                      | <b>6,090</b>                        | <b>6,839</b>                           | <b>5,117</b>                        | <b>-</b>                  | <b>-</b>                                 |
| <b>Fund Balances:</b>  |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| <b>Restricted:</b>   |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Fire protection  | 7,044  | 2,323                               | 24,968                                | 1,181                                 | -                                  | 4,057                               | -                                      | 153                                 | -                         | -  |
| Public safety  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | 395,342                                  |
| Economic and physical development  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | 1,480,051                 | -  |
| <b>Assigned:</b>   |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Subsequent year's expenditures   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Unassigned   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| <b>Total fund balances</b>   | <b>7,044</b>                                   | <b>2,323</b>                        | <b>24,968</b>                         | <b>1,181</b>                          | <b>-</b>                           | <b>4,057</b>                        | <b>-</b>                               | <b>153</b>                          | <b>1,480,051</b>          | <b>395,342</b>                           |
| <b>Total liabilities, deferred inflows of resources, and fund balances</b> | <b>\$ 32,846</b>                               | <b>\$ 18,546</b>                    | <b>\$ 49,308</b>                      | <b>\$ 9,387</b>                       | <b>\$ 35,574</b>                   | <b>\$ 11,330</b>                    | <b>\$ 7,970</b>                        | <b>\$ 7,178</b>                     | <b>\$ 1,480,051</b>       | <b>\$ 396,585</b>                        |

**Richmond County**  
**Combining Balance Sheet**  
**Non-Major Special Revenue Funds**  
**June 30, 2019**

|  | 2010<br>Single<br>Family<br>Rehabilitation<br>Grant | 2003<br>CDBG / P & P<br>Distribution<br>Grant | Ritz Craft<br>CDBG<br>Project | East<br>Rockingham<br>Initiative | 2017<br>Urgent<br>Repair<br>Program | Ledbetter<br>Dam<br>Project | 2016<br>Urgent<br>Repair<br>Program | 2016<br>Essen Single<br>Family<br>Rehab | 2017<br>Disaster<br>Recovery | Disaster<br>Response | Total               |
|--|---|---|-------------------------------|----------------------------------|-------------------------------------|-----------------------------|-------------------------------------|---|------------------------------|----------------------|---------------------|
| <b>Assets:</b>                           |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| Cash and cash equivalents                | \$ -  | \$ 223  | \$ 21,900                     | \$ -                             | \$ -                                | \$ 830,702                  | \$ -                                | \$ -                                    | \$ -                         | \$ 33,358            | \$ 2,372,210        |
| Taxes receivable, net                    | -   | -   | -                             | -                                | -                                   | 39,909                      | -                                   | -                                       | -                            | -                    | 39,909              |
| Returned checks                          | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 2,833               |
| Fire fees receivable                     | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 110,175             |
| Accounts receivable                      | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | 4,256                | 8,668               |
| Notes receivable, net                    | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 336,896             |
| Assets acquired from foreclosure         | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 69,440              |
| Due from other funds                     | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 38,992              |
| Total assets                             | <u>\$ -</u>   | <u>\$ 223</u>                                 | <u>\$ 21,900</u>              | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ 870,611</u>           | <u>\$ -</u>                         | <u>\$ -</u>                             | <u>\$ -</u>                  | <u>\$ 37,614</u>     | <u>\$ 2,979,123</u> |
| <b>Liabilities and Fund Balances:</b>    |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| <b>Liabilities:</b>                      |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| Accounts payable and accrued liabilities | \$ -  | \$ -  | \$ -                          | \$ -                             | \$ -                                | \$ -                        | \$ -                                | \$ 60,800                               | \$ -                         | \$ -                 | \$ 84,281           |
| Due to other funds                       | 4,218   | -   | -                             | -                                | -                                   | -                           | -                                   | 72,964                                  | -                            | -                    | 77,182              |
| Total liabilities                        | <u>4,218</u>  | <u>-</u>                                      | <u>-</u>                      | <u>-</u>                         | <u>-</u>                            | <u>-</u>                    | <u>-</u>                            | <u>133,764</u>                          | <u>-</u>                     | <u>-</u>             | <u>161,463</u>      |
| Deferred inflow of resources             | <u>-</u>  | <u>-</u>                                      | <u>-</u>                      | <u>-</u>                         | <u>-</u>                            | <u>39,909</u>               | <u>-</u>                            | <u>-</u>                                | <u>-</u>                     | <u>-</u>             | <u>150,084</u>      |
| <b>Fund Balances:</b>                    |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| Restricted:                              |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| Fire protection                          | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 39,726              |
| Public safety                            | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | 395,342             |
| Economic and physical development        | -   | 223   | 21,900                        | -                                | -                                   | 830,702                     | -                                   | -                                       | -                            | 37,614               | 2,370,490           |
| Assigned:                                |   |   |                               |                                  |                                     |                             |                                     |   |                              |                      |                     |
| Subsequent year's expenditures           | -   | -   | -                             | -                                | -                                   | -                           | -                                   | -                                       | -                            | -                    | -                   |
| Unassigned                               | (4,218)   | -   | -                             | -                                | -                                   | -                           | -                                   | (133,764)                               | -                            | -                    | (137,982)           |
| Total fund balances                      | <u>(4,218)</u>                                      | <u>223</u>                                    | <u>21,900</u>                 | <u>-</u>                         | <u>-</u>                            | <u>830,702</u>              | <u>-</u>                            | <u>(133,764)</u>                        | <u>-</u>                     | <u>37,614</u>        | <u>2,667,576</u>    |
| Total liabilities and fund balances      | <u>\$ -</u>   | <u>\$ 223</u>                                 | <u>\$ 21,900</u>              | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ 870,611</u>           | <u>\$ -</u>                         | <u>\$ -</u>                             | <u>\$ -</u>                  | <u>\$ 37,614</u>     | <u>\$ 2,979,123</u> |



**Richmond County, North Carolina**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

|  | East<br>Rockingham<br>Fire<br>District<br>Fund | Cordova<br>Fire<br>District<br>Fund | Northside<br>Fire<br>District<br>Fund | Mt. Creek<br>Fire<br>District<br>Fund | Hamlet<br>Fire<br>District<br>Fund | Ellerbe<br>Fire<br>District<br>Fund | Rockingham<br>Fire<br>District<br>Fund | Hoffman<br>Fire<br>District<br>Fund | Revolving<br>Loan<br>Fund | Emergency<br>Telephone<br>System<br>Fund |
|--|--|-------------------------------------|---------------------------------------|---------------------------------------|------------------------------------|-------------------------------------|--|-------------------------------------|---------------------------|--|
| Revenues:  |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Ad valorem taxes                                     | \$ -   | \$ -                                | \$ -                                  | \$ -                                  | \$ -                               | \$ -                                | \$ -                                   | \$ -                                | \$ -                      | \$ -                                     |
| Fire protection fees                                 | 197,734  | 159,043                             | 359,326                               | 51,416                                | 137,243                            | 45,316                              | 35,076                                 | 31,175                              | -                         | -  |
| Special assessments                                  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Unrestricted intergovernmental                       | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Restricted intergovernmental                         | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | 268,619                                  |
| Miscellaneous  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Investment earnings                                  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | 17,777                    | 18,070                                   |
| Total revenues                                       | 197,734  | 159,043                             | 359,326                               | 51,416                                | 137,243                            | 45,316                              | 35,076                                 | 31,175                              | 17,777                    | 286,689                                  |
| Expenditures:  |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Current:   |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| General government                                   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Public safety  | 193,000  | 159,043                             | 359,326                               | 51,416                                | 137,243                            | 45,316                              | 35,076                                 | 31,175                              | -                         | 238,236                                  |
| Economic and physical development                    | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | 162,027                   | -  |
| Total expenditures                                   | 193,000  | 159,043                             | 359,326                               | 51,416                                | 137,243                            | 45,316                              | 35,076                                 | 31,175                              | 162,027                   | 238,236                                  |
| Debt Service:  |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Principal  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Interest   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Total debt service                                   | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Excess (deficiency) of revenues<br>over expenditures | 4,734  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | (144,250)                 | 48,453                                   |
| Other financing sources (uses):                      |  |                                     |                                       |                                       |                                    |                                     |  |                                     |                           |  |
| Debt issuance  | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Reserve for Economic Development                     | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Transfer to General Fund                             | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Transfer from (to) Other Funds                       | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Total other financing sources (uses)                 | -  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | -                         | -  |
| Net change in fund balances                          | 4,734  | -                                   | -                                     | -                                     | -                                  | -                                   | -                                      | -                                   | (144,250)                 | 48,453                                   |
| Fund balances, beginning                             | 2,310  | 2,323                               | 24,968                                | 1,181                                 | -                                  | 4,057                               | -                                      | 153                                 | 1,624,301                 | 346,889                                  |
| Fund balances, ending                                | \$ 7,044                                       | \$ 2,323                            | \$ 24,968                             | \$ 1,181                              | \$ -                               | \$ 4,057                            | \$ -                                   | \$ 153                              | \$ 1,480,051              | \$ 395,342                               |

**Richmond County**  
**Non-Major Special Revenue Funds**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**For the Fiscal Year Ended June 30, 2019**

|  | 2010<br>Single<br>Family<br>Rehabilitation<br>Grant | 2003<br>CDBG / P & P<br>Distribution<br>Grant | Ritz Craft<br>CDBG<br>Project | East<br>Rockingham<br>Initiative | 2017<br>Urgent<br>Repair<br>Program | Ledbetter<br>Special<br>Assessment<br>Fund | 2016<br>Urgent<br>Repair<br>Program | 2016<br>Essen Single<br>Family<br>Rehab | 2017<br>Disaster<br>Recovery | Disaster<br>Response | Total               |
|--|---|---|-------------------------------|----------------------------------|-------------------------------------|--|-------------------------------------|---|------------------------------|----------------------|---------------------|
| Revenues:  |   |   |                               |                                  |                                     |  |                                     |   |                              |                      |                     |
| Ad valorem taxes                                     | \$ -  | \$ -  | \$ -                          | \$ -                             | \$ -                                | \$ -                                       | \$ -                                | \$ -                                    | \$ -                         | \$ -                 | \$ -                |
| Fire protection fees                                 | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | 1,016,329           |
| Special assessments                                  | -   | -   | -                             | -                                | -                                   | 342,601                                    | -                                   | -                                       | -                            | -                    | 342,601             |
| Unrestricted intergovernmental                       | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | -                   |
| Restricted intergovernmental                         | -   | -   | -                             | -                                | 86,215                              | -  | -                                   | 96,124                                  | 98,390                       | 62,948               | 612,296             |
| Miscellaneous  | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | 193,720              | 193,720             |
| Investment earnings                                  | -   | 110   | 10,439                        | -                                | -                                   | 4,306                                      | -                                   | -                                       | -                            | -                    | 50,702              |
| Total revenues                                       | -   | 110   | 10,439                        | -                                | 86,215                              | 346,907                                    | -                                   | 96,124                                  | 98,390                       | 256,668              | 2,215,648           |
| Expenditures:  |   |   |                               |                                  |                                     |  |                                     |   |                              |                      |                     |
| Current:   |   |   |                               |                                  |                                     |  |                                     |   |                              |                      |                     |
| General government                                   | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | -                   |
| Public safety  | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | 219,054              | 1,468,885           |
| Economic and physical development                    | -   | -   | -                             | -                                | 86,215                              | -  | -                                   | 216,088                                 | 4,200                        | -                    | 468,530             |
| Total expenditures                                   | -   | -   | -                             | -                                | 86,215                              | -  | -                                   | 216,088                                 | 4,200                        | 219,054              | 1,937,415           |
| Debt Service:  |   |   |                               |                                  |                                     |  |                                     |   |                              |                      |                     |
| Principal  | -   | -   | -                             | -                                | -                                   | 77,119                                     | -                                   | -                                       | -                            | -                    | 77,119              |
| Interest   | -   | -   | -                             | -                                | -                                   | 30,425                                     | -                                   | -                                       | -                            | -                    | 30,425              |
| Total debt service                                   | -   | -   | -                             | -                                | -                                   | 107,544                                    | -                                   | -                                       | -                            | -                    | 107,544             |
| Excess (deficiency) of revenues<br>over expenditures | -   | 110   | 10,439                        | -                                | -                                   | 239,363                                    | -                                   | (119,964)                               | 94,190                       | 37,614               | 170,689             |
| Other financing sources (uses):                      |   |   |                               |                                  |                                     |  |                                     |   |                              |                      |                     |
| Debt issuance  | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | -                   |
| Reserve for Economic Development                     | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | -                   |
| Transfer to General Fund                             | -   | -   | -                             | -                                | -                                   | -  | -                                   | -                                       | -                            | -                    | -                   |
| Transfer from (to) Other Funds                       | -   | -   | -                             | (15,513)                         | -                                   | -  | -                                   | -                                       | -                            | -                    | (15,513)            |
| Total other financing sources (uses)                 | -   | -   | -                             | (15,513)                         | -                                   | -  | -                                   | -                                       | -                            | -                    | (15,513)            |
| Net change in fund balances                          | -   | 110   | 10,439                        | (15,513)                         | -                                   | 239,363                                    | -                                   | (119,964)                               | 94,190                       | 37,614               | 155,176             |
| Fund balances, beginning                             | (4,218)   | 113   | 11,461                        | 15,513                           | -                                   | 591,339                                    | -                                   | (13,800)                                | (94,190)                     | -                    | 2,512,400           |
| Fund balance, ending                                 | <u>\$ (4,218)</u>                                   | <u>\$ 223</u>                                 | <u>\$ 21,900</u>              | <u>\$ -</u>                      | <u>\$ -</u>                         | <u>\$ 830,702</u>                          | <u>\$ -</u>                         | <u>\$ (133,764)</u>                     | <u>\$ -</u>                  | <u>\$ 37,614</u>     | <u>\$ 2,667,576</u> |

**Richmond County, North Carolina  
East Rockingham Fire District Fund  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

|                               | <u>Budget</u>  | <u>Actual</u>   | <u>Variance<br/>Positive<br/>(Negative)</u> |
|-------------------------------|----------------|-----------------|---|
| Revenues:                     |                |                 |   |
| Ad valorem taxes:             |                |                 |   |
| Current year                  | \$ 193,000     | \$ 179,613      | \$ (13,387)                                 |
| Prior year                    | -              | 18,121          | 18,121                                      |
| Total revenues                | <u>193,000</u> | <u>197,734</u>  | <u>4,734</u>                                |
| Expenditures                  |                |                 |   |
| Current:                      |                |                 |   |
| Public Safety:                |                |                 |   |
| East Rockingham Fire District | <u>193,000</u> | <u>193,000</u>  | <u>-</u>                                    |
| Net change in fund balance    | <u>\$ -</u>    | 4,734           | <u>\$ 4,734</u>                             |
| Fund balance, beginning       |                | <u>2,310</u>    |   |
| Fund balance, ending          |                | <u>\$ 7,044</u> |   |

**Richmond County**  
**Cordova Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | Budget             | Actual                 | Variance<br>Positive<br>(Negative) |
|----------------------------|--------------------|------------------------|------------------------------------|
| Revenues:                  |                    |                        |                                    |
| Ad valorem taxes:          |                    |                        |                                    |
| Current year               | \$ 160,000         | \$ 149,827             | \$ (10,173)                        |
| Prior year                 | -                  | 9,216                  | 9,216                              |
| Total revenues             | <u>160,000</u>     | <u>159,043</u>         | <u>(957)</u>                       |
| Expenditures               |                    |                        |                                    |
| Current:                   |                    |                        |                                    |
| Public Safety:             |                    |                        |                                    |
| Cordova Fire District      | <u>160,000</u>     | <u>159,043</u>         | <u>957</u>                         |
| Net change in fund balance | <u><u>\$ -</u></u> | <u><u>-</u></u>        | <u><u>\$ -</u></u>                 |
| Fund balance, beginning    |                    | <u>2,323</u>           |                                    |
| Fund balance, ending       |                    | <u><u>\$ 2,323</u></u> |                                    |

**Richmond County**  
**Northside Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | Budget         | Actual           | Variance<br>Positive<br>(Negative) |
|----------------------------|----------------|------------------|------------------------------------|
| Revenues:                  |                |                  |                                    |
| Ad valorem taxes:          |                |                  |                                    |
| Current year               | \$ 364,000     | \$ 340,399       | \$ (23,601)                        |
| Prior year                 | -              | 18,927           | 18,927                             |
| Total revenues             | <u>364,000</u> | <u>359,326</u>   | <u>(4,674)</u>                     |
| Expenditures               |                |                  |                                    |
| Current:                   |                |                  |                                    |
| Public Safety:             |                |                  |                                    |
| Northside Fire District I  | <u>364,000</u> | <u>359,326</u>   | <u>4,674</u>                       |
| Net change in fund balance | <u>\$ -</u>    | <u>-</u>         | <u>\$ -</u>                        |
| Fund balance, beginning    |                | <u>24,968</u>    |                                    |
| Fund balance, ending       |                | <u>\$ 24,968</u> |                                    |

**Richmond County**  
**Mt. Creek Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | Budget             | Actual                 | Variance<br>Positive<br>(Negative) |
|----------------------------|--------------------|------------------------|------------------------------------|
| Revenues:                  |                    |                        |                                    |
| Ad valorem taxes:          |                    |                        |                                    |
| Current year               | \$ 58,000          | \$ 47,543              | \$ (10,457)                        |
| Prior year                 | -                  | 3,873                  | 3,873                              |
| Total revenues             | <u>58,000</u>      | <u>51,416</u>          | <u>(6,584)</u>                     |
| Expenditures               |                    |                        |                                    |
| Current:                   |                    |                        |                                    |
| Public Safety:             |                    |                        |                                    |
| Mt. Creek Fire District    | <u>58,000</u>      | <u>51,416</u>          | <u>6,584</u>                       |
| Net change in fund balance | <u><u>\$ -</u></u> | <u><u>-</u></u>        | <u><u>\$ -</u></u>                 |
| Fund balance, beginning    |                    | <u>1,181</u>           |                                    |
| Fund balance, ending       |                    | <u><u>\$ 1,181</u></u> |                                    |

**Richmond County**  
**Hamlet Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | <u>Budget</u>      | <u>Actual</u>      | Variance<br>Positive<br>(Negative) |
|----------------------------|--------------------|--------------------|------------------------------------|
| Revenues:                  |                    |                    |                                    |
| Fire protection fees:      |                    |                    |                                    |
| Current year               | \$ 138,000         | \$ 125,808         | \$ (12,192)                        |
| Prior year                 | -                  | 11,435             | 11,435                             |
| Total revenues             | <u>138,000</u>     | <u>137,243</u>     | <u>(757)</u>                       |
| Expenditures               |                    |                    |                                    |
| Current:                   |                    |                    |                                    |
| Public Safety:             |                    |                    |                                    |
| Hamlet Fire District       | <u>138,000</u>     | <u>137,243</u>     | <u>757</u>                         |
| Net change in fund balance | <u><u>\$ -</u></u> | <u>-</u>           | <u><u>\$ -</u></u>                 |
| Fund balance, beginning    |                    | <u>-</u>           |                                    |
| Fund balance, ending       |                    | <u><u>\$ -</u></u> |                                    |

**Richmond County**  
**Ellerbe Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | Budget             | Actual                 | Variance<br>Positive<br>(Negative) |
|----------------------------|--------------------|------------------------|------------------------------------|
| Revenues:                  |                    |                        |                                    |
| Fire protection fees:      |                    |                        |                                    |
| Current year               | \$ 48,000          | \$ 42,858              | \$ (5,142)                         |
| Prior year                 | -                  | 2,458                  | 2,458                              |
| Total revenues             | <u>48,000</u>      | <u>45,316</u>          | <u>(2,684)</u>                     |
| Expenditures               |                    |                        |                                    |
| Current:                   |                    |                        |                                    |
| Public Safety:             |                    |                        |                                    |
| Ellerbe Fire District      | <u>48,000</u>      | <u>45,316</u>          | <u>2,684</u>                       |
| Net change in fund balance | <u><u>\$ -</u></u> | <u><u>-</u></u>        | <u><u>\$ -</u></u>                 |
| Fund balance, beginning    |                    | <u>4,057</u>           |                                    |
| Fund balance, ending       |                    | <u><u>\$ 4,057</u></u> |                                    |



**Richmond County**  
**Rockingham Fire District Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | <u>Budget</u>      | <u>Actual</u>      | <u>Variance<br/>Positive<br/>(Negative)</u> |
|----------------------------|--------------------|--------------------|---|
| Revenues:                  |                    |                    |   |
| Fire protection fees:      |                    |                    |   |
| Current year               | \$ 40,000          | \$ 33,280          | \$ (6,720)                                  |
| Prior year                 | -                  | 1,796              | 1,796                                       |
| Total revenues             | <u>40,000</u>      | <u>35,076</u>      | <u>(4,924)</u>                              |
| Expenditures               |                    |                    |   |
| Current:                   |                    |                    |   |
| Public Safety:             |                    |                    |   |
| Rockingham Fire District   | <u>40,000</u>      | <u>35,076</u>      | <u>4,924</u>                                |
| Net change in fund balance | <u><u>\$ -</u></u> | <u><u>-</u></u>    | <u><u>\$ -</u></u>                          |
| Fund balance, beginning    |                    | <u>-</u>           |   |
| Fund balance, ending       |                    | <u><u>\$ -</u></u> |   |

**Richmond County**  
**Hoffman Fire District**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                            | <u>Budget</u> | <u>Actual</u> | <u>Variance<br/>Positive<br/>(Negative)</u> |
|----------------------------|---------------|---------------|---|
| Revenues:                  |               |               |   |
| Fire protection fees:      |               |               |   |
| Current year               | \$ 34,000     | \$ 28,807     | \$ (5,193)                                  |
| Prior year                 | -             | 2,368         | 2,368                                       |
| Total revenues             | <u>34,000</u> | <u>31,175</u> | <u>(2,825)</u>                              |
| Expenditures               |               |               |   |
| Current:                   |               |               |   |
| Public Safety:             |               |               |   |
| Hoffman Fire District      | <u>34,000</u> | <u>31,175</u> | <u>2,825</u>                                |
| Net change in fund balance | <u>\$ -</u>   | <u>-</u>      | <u>\$ -</u>                                 |
| Fund balance, beginning    |               | <u>153</u>    |   |
| Fund balance, ending       |               | <u>\$ 153</u> |   |

**Richmond County**  
**Revolving Loan Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|  | Budget           | Actual              | Variance<br>Positive<br>(Negative) |
|--|------------------|---------------------|------------------------------------|
| Revenues:  |                  |                     |                                    |
| Restricted intergovernmental:  |                  |                     |                                    |
| Loan reimbursements  | \$ 43,000        | \$ 42,542           | \$ (458)                           |
| Investment earnings  | 3,000            | 17,777              | 14,777                             |
| Total revenues   | <u>46,000</u>    | <u>60,319</u>       | <u>14,319</u>                      |
| Expenditures:  |                  |                     |                                    |
| Economic and Physical Development:   |                  |                     |                                    |
| Industrial assistance  | 1,000,000        | 100,000             | 900,000                            |
| Bad debt expense   | -                | 162,027             | (162,027)                          |
| Total expenses   | <u>1,000,000</u> | <u>262,027</u>      | <u>737,973</u>                     |
| Revenues over (under) expenditures   | <u>(954,000)</u> | <u>(201,708)</u>    | <u>(723,654)</u>                   |
| Other financing sources (uses):  |                  |                     |                                    |
| Appropriated fund balance  | 954,000          | -                   | (954,000)                          |
| Total Other financing sources (uses)   | <u>954,000</u>   | <u>-</u>            | <u>(954,000)</u>                   |
| Net change in fund balance   | <u>\$ -</u>      | <u>(201,708)</u>    | <u>\$ (1,677,654)</u>              |
| Reconciling Items:   |                  |                     |                                    |
| Debt payments are reclassified against accounts receivable balance                 |                  | (42,542)            |                                    |
| Amounts recorded as expenditures are recorded on the balance sheet as a receivable |                  | <u>100,000</u>      |                                    |
| Total Reconciling Items  |                  | 57,458              |                                    |
| Current year change in fund balance  |                  | <u>(144,250)</u>    |                                    |
| Fund balance, beginning  |                  | <u>1,624,301</u>    |                                    |
| Fund balance, ending   |                  | <u>\$ 1,480,051</u> |                                    |

**Richmond County**  
**Emergency Telephone System Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|                                      | Budget           | Actual            | Variance<br>Positive<br>(Negative) |
|--------------------------------------|------------------|-------------------|------------------------------------|
| Revenues:                            |                  |                   |                                    |
| Other taxes and licenses:            |                  |                   |                                    |
| E911 Wireline surcharge revenue      | \$ 225,911       | \$ 267,241        | \$ 41,330                          |
| Miscellaneous revenue                | -                | 1,378             | 1,378                              |
| Investment Earnings - Wireline       | 8,000            | 18,070            | 10,070                             |
| Total revenues                       | <u>233,911</u>   | <u>286,689</u>    | <u>52,778</u>                      |
| Expenditures:                        |                  |                   |                                    |
| E911 Wireline Services:              |                  |                   |                                    |
| Leasing                              | 65,000           | 35,330            | 29,670                             |
| Other operating expenditures         | 330,595          | 202,906           | 127,689                            |
| Total expenditures                   | <u>395,595</u>   | <u>238,236</u>    | <u>157,359</u>                     |
| Revenues over (under) expenditures   | <u>(161,684)</u> | <u>48,453</u>     | <u>210,137</u>                     |
| Other financing sources (uses):      |                  |                   |                                    |
| Appropriated fund balance            | 161,684          | -                 | (161,684)                          |
| Total other financing sources (uses) | <u>161,684</u>   | <u>-</u>          | <u>(161,684)</u>                   |
| Net change in fund balance           | <u>\$ -</u>      | 48,453            | <u>\$ 48,453</u>                   |
| Fund balance, beginning              |                  | 346,889           |                                    |
| Fund balance, ending                 |                  | <u>\$ 395,342</u> |                                    |

**Richmond County**  
**2010 Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                               | Project<br>Authorization | Prior<br>Years    | Actual<br>Current<br>Year | Total<br>To Date  | Variance<br>Positive<br>(Negative) |
|-------------------------------|--------------------------|-------------------|---------------------------|-------------------|------------------------------------|
| Revenues:                     |                          |                   |                           |                   |                                    |
| Restricted intergovernmental: |                          |                   |                           |                   |                                    |
| Community development:        |                          |                   |                           |                   |                                    |
| NC Housing Finance Grant      | \$ 468,962               | \$ 455,458        | \$ -                      | \$ 455,458        | \$ (13,504)                        |
| Total revenues                | <u>468,962</u>           | <u>455,458</u>    | <u>-</u>                  | <u>455,458</u>    | <u>(13,504)</u>                    |
| Expenditures:                 |                          |                   |                           |                   |                                    |
| Economic Development:         |                          |                   |                           |                   |                                    |
| Soft costs                    | 48,628                   | 52,424            | -                         | 52,424            | (3,796)                            |
| Administrative                | 49,310                   | 43,748            | -                         | 43,748            | 5,562                              |
| Rehabilitation                | <u>371,024</u>           | <u>363,504</u>    | <u>-</u>                  | <u>363,504</u>    | <u>7,520</u>                       |
| Total expenditures            | <u>468,962</u>           | <u>459,676</u>    | <u>-</u>                  | <u>459,676</u>    | <u>9,286</u>                       |
| Net change in fund balance    | <u>\$ -</u>              | <u>\$ (4,218)</u> | <u>-</u>                  | <u>\$ (4,218)</u> | <u>\$ (4,218)</u>                  |
| Fund balance, beginning       |                          |                   | <u>(4,218)</u>            |                   |                                    |
| Fund balance, ending          |                          |                   | <u>\$ (4,218)</u>         |                   |                                    |

**Richmond County**  
**CDBG / P & P Distribution Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|   | Project<br>Authorization | Prior<br>Years  | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|-----------------|---------------------------|------------------|------------------------------------|
| Revenues:                               |                          |                 |                           |                  |                                    |
| Restricted intergovernmental:           |                          |                 |                           |                  |                                    |
| Community development:                  |                          |                 |                           |                  |                                    |
| Community Development                   |                          |                 |                           |                  |                                    |
| Block Grant                             | \$ 95,000                | \$ 95,000       | \$ -                      | \$ 95,000        | \$ -                               |
| Investment earnings                     | 5,000                    | 5,192           | 110                       | 5,302            | 302                                |
| Total revenues                          | <u>100,000</u>           | <u>100,192</u>  | <u>110</u>                | <u>100,302</u>   | <u>302</u>                         |
| Expenditures:                           |                          |                 |                           |                  |                                    |
| Economic Development:                   |                          |                 |                           |                  |                                    |
| Administration                          | 13,800                   | 13,113          | -                         | 13,113           | 687                                |
| Activities                              | 96,200                   | 96,155          | -                         | 96,155           | 45                                 |
| Water-Local                             | 46,000                   | 46,000          | -                         | 46,000           | -                                  |
| Total expenditures                      | <u>156,000</u>           | <u>155,268</u>  | <u>-</u>                  | <u>155,268</u>   | <u>732</u>                         |
| Revenues over (under) expenditures      | <u>(56,000)</u>          | <u>(55,076)</u> | <u>110</u>                | <u>(54,966)</u>  | <u>1,034</u>                       |
| Other financing sources (uses):         |                          |                 |                           |                  |                                    |
| Transfer from General Fund              | 56,000                   | 56,000          | -                         | 56,000           | -                                  |
| Transfer to General Fund                | (810)                    | (810)           | -                         | (810)            | -                                  |
| Undesignated Fund Balance               | 810                      | -               | -                         | -                | (810)                              |
| Total other financing<br>sources (uses) | <u>56,000</u>            | <u>55,190</u>   | <u>-</u>                  | <u>55,190</u>    | <u>(810)</u>                       |
| Net change in fund balance              | <u>\$ -</u>              | <u>\$ 114</u>   | <u>110</u>                | <u>\$ 224</u>    | <u>\$ 224</u>                      |
| Fund balance, beginning                 |                          |                 | <u>113</u>                |                  |                                    |
| Fund balance, ending                    |                          |                 | <u>\$ 223</u>             |                  |                                    |

**Richmond County**  
**Ritz Craft CDBG Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|   | Project<br>Authorization | Prior<br>Years   | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|------------------|---------------------------|------------------|------------------------------------|
| Revenues:                               |                          |                  |                           |                  |                                    |
| Restricted intergovernmental:           |                          |                  |                           |                  |                                    |
| Community development:                  |                          |                  |                           |                  |                                    |
| Community Development                   |                          |                  |                           |                  |                                    |
| Block Grant                             | \$ 1,012,410             | \$ 1,000,000     | \$ -                      | \$ 1,000,000     | \$ (12,410)                        |
| Interest Income                         | -                        | 524              | -                         | 524              | 524                                |
| Sales tax proceeds                      | -                        | 7,679            | -                         | 7,679            | 7,679                              |
|   | <u>1,012,410</u>         | <u>1,008,203</u> | <u>-</u>                  | <u>1,008,203</u> | <u>(4,207)</u>                     |
| Investment earnings                     | -                        | 78,290           | 10,439                    | 88,729           | 88,729                             |
| Total revenues                          | <u>1,012,410</u>         | <u>1,086,493</u> | <u>10,439</u>             | <u>1,096,932</u> | <u>84,522</u>                      |
| Expenditures:                           |                          |                  |                           |                  |                                    |
| Economic Development:                   |                          |                  |                           |                  |                                    |
| Water / Sewer access road               |                          |                  |                           |                  |                                    |
| construction                            | 1,236,159                | 1,197,184        | -                         | 1,197,184        | 38,975                             |
| Contingency reserve                     | 20,000                   | 260              | -                         | 260              | 19,740                             |
| Total expenditures                      | <u>1,256,159</u>         | <u>1,197,444</u> | <u>-</u>                  | <u>1,197,444</u> | <u>58,715</u>                      |
| Revenues over (under) expenditures      | <u>(243,749)</u>         | <u>(110,951)</u> | <u>10,439</u>             | <u>(100,512)</u> | <u>143,237</u>                     |
| Other financing sources (uses):         |                          |                  |                           |                  |                                    |
| Transfer from Water and Sewer Fund      | 243,749                  | 243,749          | -                         | 243,749          | -                                  |
| Transfer to General Fund                | (127,436)                | (127,436)        | -                         | (127,436)        | -                                  |
| Undesignated Fund Balance               | 127,436                  | -                | -                         | -                | (127,436)                          |
| Total other financing<br>sources (uses) | <u>243,749</u>           | <u>116,313</u>   | <u>-</u>                  | <u>116,313</u>   | <u>(127,436)</u>                   |
| Net change in fund balance              | <u>\$ -</u>              | <u>\$ 5,362</u>  | <u>10,439</u>             | <u>\$ 15,801</u> | <u>\$ 15,801</u>                   |
| Fund balance, beginning                 |                          |                  | <u>11,461</u>             |                  |                                    |
| Fund balance, ending                    |                          |                  | <u>\$ 21,900</u>          |                  |                                    |

**Richmond County, North Carolina**  
**East Rockingham Initiative**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project         | Actual           |                 |                  | Total       | Variance         |
|------------------------------------|-----------------|------------------|-----------------|------------------|-------------|------------------|
|                                    | Authorization   | Prior            | Current         | Completed        | To Date     | Positive         |
|                                    |                 | Years            | Year            | Project          |             | (Negative)       |
| Revenues:                          |                 |                  |                 |                  |             |                  |
| Restricted intergovernmental:      |                 |                  |                 |                  |             |                  |
| Community development:             |                 |                  |                 |                  |             |                  |
| Cole Grant                         | \$ 200,000      | \$ 200,000       | \$ -            | \$ (200,000)     | \$ -        | \$ (200,000)     |
| Other contributions                | 1,000           | 1,000            | -               | (1,000)          | -           | (1,000)          |
| Total revenues                     | <u>201,000</u>  | <u>201,000</u>   | <u>-</u>        | <u>(201,000)</u> | <u>-</u>    | <u>(201,000)</u> |
| Expenditures:                      |                 |                  |                 |                  |             |                  |
| Community Development:             |                 |                  |                 |                  |             |                  |
| Professional and admin. expense    | 30,000          | 24,294           | -               | (24,294)         | -           | 30,000           |
| Demolition and cleanup             | 170,000         | 161,193          | -               | (161,193)        | -           | 170,000          |
| Contingency expense                | 31,000          | -                | -               | -                | -           | 31,000           |
| Total expenditures                 | <u>231,000</u>  | <u>185,487</u>   | <u>-</u>        | <u>(185,487)</u> | <u>-</u>    | <u>231,000</u>   |
| Revenues over (under) expenditures | <u>(30,000)</u> | <u>15,513</u>    | <u>-</u>        | <u>(14,513)</u>  | <u>-</u>    | <u>30,000</u>    |
| Other financing sources (uses):    |                 |                  |                 |                  |             |                  |
| Transfer from General Fund         | <u>30,000</u>   | <u>-</u>         | <u>(15,513)</u> | <u>15,513</u>    | <u>-</u>    | <u>(30,000)</u>  |
| Net change in fund balance         | <u>\$ -</u>     | <u>\$ 15,513</u> | <u>(15,513)</u> | <u>1,000</u>     | <u>\$ -</u> | <u>\$ -</u>      |
| Fund balance, beginning            |                 |                  | <u>15,513</u>   |                  |             |                  |
| Fund balance, ending               |                 |                  | <u>\$ -</u>     |                  |             |                  |



**Richmond County**  
**2017 Urgent Repair Program**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project<br>Authorization | Prior<br>Years | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues:                          |                          |                |                           |                  |                                    |
| Restricted intergovernmental:      |                          |                |                           |                  |                                    |
| Community development:             |                          |                |                           |                  |                                    |
| NC Housing Finance                 | \$ 100,000               | \$ -           | \$ 86,215                 | \$ 86,215        | \$ (13,785)                        |
| Total revenues                     | <u>100,000</u>           | <u>-</u>       | <u>86,215</u>             | <u>86,215</u>    | <u>(13,785)</u>                    |
| Expenditures:                      |                          |                |                           |                  |                                    |
| Economic and Physical Development: |                          |                |                           |                  |                                    |
| Soft Costs                         | -                        | -              | 8,800                     | 8,800            | (8,800)                            |
| Urgent Repair Activities           | <u>100,000</u>           | <u>-</u>       | <u>77,415</u>             | <u>77,415</u>    | <u>22,585</u>                      |
| Total expenditures                 | <u>100,000</u>           | <u>-</u>       | <u>86,215</u>             | <u>86,215</u>    | <u>13,785</u>                      |
| Net change in fund balance         | <u>\$ -</u>              | <u>\$ -</u>    | -                         | <u>\$ -</u>      | <u>\$ -</u>                        |
| Fund balance, beginning            |                          |                | -                         |                  |                                    |
| Fund balance, ending               |                          |                | <u>\$ -</u>               |                  |                                    |

**Richmond County**  
**Ledbetter Dam Special Assessment Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**For the Fiscal Year Ended June 30, 2019**

|   | Budget     | Actual     | Variance<br>Positive<br>(Negative) |
|---|------------|------------|------------------------------------|
| Revenues:                               |            |            |                                    |
| Special assessments                     | \$ 120,500 | \$ 342,601 | \$ 222,101                         |
| Investment earnings                     | -          | 4,306      | 4,306                              |
| Total revenues                          | 120,500    | 346,907    | 226,407                            |
| Expenditures:                           |            |            |                                    |
| Debt Service:                           |            |            |                                    |
| Principal                               | 77,120     | 77,119     | 1                                  |
| Interest                                | 30,425     | 30,425     | -                                  |
| Total debt service                      | 107,545    | 107,544    | 1                                  |
| Revenues over (under) expenditures      | 12,955     | 239,363    | 226,408                            |
| Other financing sources (uses):         |            |            |                                    |
| Transfers from/(to) other funds         | (12,955)   | -          | 12,955                             |
| Total other financing<br>sources (uses) | (12,955)   | -          | 12,955                             |
| Net change in fund balance              | \$ -       | \$ 239,363 | \$ 239,363                         |
| Fund balance, beginning                 |            | 591,339    |                                    |
| Fund balance, ending                    |            | \$ 830,702 |                                    |

**Richmond County**  
**2016 Urgent Repair Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project<br>Authorization | Prior<br>Years | Actual<br>Current<br>Year | Completed<br>Project | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------|----------------|---------------------------|----------------------|------------------|------------------------------------|
| Revenues:                          |                          |                |                           |                      |                  |                                    |
| Restricted intergovernmental:      |                          |                |                           |                      |                  |                                    |
| Community development:             |                          |                |                           |                      |                  |                                    |
| NC Housing Finance                 | \$ 100,000               | \$ 100,000     | \$ -                      | \$ (100,000)         | \$ -             | \$ (100,000)                       |
| Total revenues                     | <u>100,000</u>           | <u>100,000</u> | <u>-</u>                  | <u>(100,000)</u>     | <u>-</u>         | <u>(100,000)</u>                   |
| Expenditures:                      |                          |                |                           |                      |                  |                                    |
| Economic and Physical Development: |                          |                |                           |                      |                  |                                    |
| Urgent Repair                      | 100,000                  | 100,000        | -                         | (100,000)            | -                | 100,000                            |
| Total expenditures                 | <u>100,000</u>           | <u>100,000</u> | <u>-</u>                  | <u>(100,000)</u>     | <u>-</u>         | <u>100,000</u>                     |
| Net change in fund balance         | <u>\$ -</u>              | <u>\$ -</u>    | <u>-</u>                  | <u>\$ -</u>          | <u>\$ -</u>      | <u>\$ -</u>                        |
| Fund balance, beginning            |                          |                | <u>-</u>                  |                      |                  |                                    |
| Fund balance, ending               |                          |                | <u>\$ -</u>               |                      |                  |                                    |

**Richmond County**  
**2016 Essen Single Family Rehabilitation Grant**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project<br>Authorization | Prior<br>Years     | Actual<br>Current<br>Year | Total<br>To Date    | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------|--------------------|---------------------------|---------------------|------------------------------------|
| Revenues:                          |                          |                    |                           |                     |                                    |
| Restricted intergovernmental:      |                          |                    |                           |                     |                                    |
| Community development:             |                          |                    |                           |                     |                                    |
| NC Housing Finance Grant           | \$ 175,000               | \$ -               | \$ 96,124                 | \$ 96,124           | \$ (78,876)                        |
| Total revenues                     | <u>175,000</u>           | <u>-</u>           | <u>96,124</u>             | <u>96,124</u>       | <u>(78,876)</u>                    |
| Expenditures:                      |                          |                    |                           |                     |                                    |
| Economic and Physical Development: |                          |                    |                           |                     |                                    |
| Soft costs                         | 50,000                   | 13,800             | 35,840                    | 49,640              | 360                                |
| Rehabilitation                     | <u>125,000</u>           | <u>-</u>           | <u>180,248</u>            | <u>180,248</u>      | <u>(55,248)</u>                    |
| Total expenditures                 | <u>175,000</u>           | <u>13,800</u>      | <u>216,088</u>            | <u>229,888</u>      | <u>(54,888)</u>                    |
| Net change in fund balance         | <u>\$ -</u>              | <u>\$ (13,800)</u> | (119,964)                 | <u>\$ (133,764)</u> | <u>\$ (133,764)</u>                |
| Fund balance, beginning            |                          |                    | <u>(13,800)</u>           |                     |                                    |
| Fund balance, ending               |                          |                    | <u>\$ (133,764)</u>       |                     |                                    |

**Richmond County**  
**2017 Disaster Recovery**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project<br>Authorization | Prior<br>Years     | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|------------------------------------|--------------------------|--------------------|---------------------------|------------------|------------------------------------|
| Revenues:                          |                          |                    |                           |                  |                                    |
| Restricted intergovernmental:      |                          |                    |                           |                  |                                    |
| Community development:             |                          |                    |                           |                  |                                    |
| NC Housing Finance Grant           | \$ 150,000               | \$ -               | \$ 98,390                 | \$ 98,390        | \$ (51,610)                        |
| Total revenues                     | <u>150,000</u>           | <u>-</u>           | <u>98,390</u>             | <u>98,390</u>    | <u>(51,610)</u>                    |
| Expenditures:                      |                          |                    |                           |                  |                                    |
| Economic and Physical Development: |                          |                    |                           |                  |                                    |
| Soft costs                         | 14,800                   | 15,200             | 4,200                     | 19,400           | (4,600)                            |
| Rehabilitation                     | <u>41,010</u>            | <u>78,990</u>      | <u>-</u>                  | <u>78,990</u>    | <u>(37,980)</u>                    |
| Total expenditures                 | <u>55,810</u>            | <u>94,190</u>      | <u>4,200</u>              | <u>98,390</u>    | <u>(42,580)</u>                    |
| Net change in fund balance         | <u>\$ 94,190</u>         | <u>\$ (94,190)</u> | 94,190                    | <u>\$ -</u>      | <u>\$ (94,190)</u>                 |
| Fund balance, beginning            |                          |                    | <u>(94,190)</u>           |                  |                                    |
| Fund balance, ending               |                          |                    | <u>\$ -</u>               |                  |                                    |

**Richmond County  
Disaster Response  
Statement of Revenues, Expenditures, and  
Changes in Fund Balances - Budget and Actual  
For the Fiscal Year Ended June 30, 2019**

|                              | <u>Budget</u>  | <u>Actual</u>    | <u>Variance<br/>Positive<br/>(Negative)</u> |
|------------------------------|----------------|------------------|---|
| Revenues:                    |                |                  |   |
| Restricted Intergovernmental |                |                  |   |
| FEMA Reimbursement           | \$ 500,000     | \$ -             | \$ (500,000)                                |
| State Reimbursement          | -              | 62,948           | 62,948                                      |
| Insurance Settlements        | -              | 193,720          | 193,720                                     |
| Total revenues               | <u>500,000</u> | <u>256,668</u>   | <u>(243,332)</u>                            |
| Expenditures                 |                |                  |   |
| Public Safety:               |                |                  |   |
| Salaries and Benefits        | -              | 62,337           | (62,337)                                    |
| Operating Expenses           | -              | 156,717          | (156,717)                                   |
| Contingency Expense          | 500,000        | -                | 500,000                                     |
| Total expenses               | <u>500,000</u> | <u>219,054</u>   | <u>280,946</u>                              |
| Net change in fund balance   | <u>\$ -</u>    | 37,614           | <u>\$ 37,614</u>                            |
| Fund balance, beginning      |                | <u>-</u>         |   |
| Fund balance, ending         |                | <u>\$ 37,614</u> |   |

## CAPITAL PROJECT FUNDS

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Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

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**Richmond County**  
**Non-Major Capital Project Funds**  
**Combining Balance Sheet**  
**June 30, 2019**

|  | Judicial<br>Center<br>Project | Highway 74<br>Industrial<br>Park Project<br>Fund | RCC<br>Roofing<br>and<br>Renovations | School<br>Bond<br>Fund | School<br>Capital<br>Reserve<br>Fund | Economic<br>Development<br>Capital<br>Reserve<br>Fund | E-911<br>Center<br>Construction<br>Fund | Ledbetter<br>Dam<br>Project | Cordova<br>School<br>Improvement<br>Project | Total               |
|--|-------------------------------|--|--------------------------------------|------------------------|--------------------------------------|---|---|-----------------------------|---|---------------------|
| <b>Assets:</b>                             |                               |  |                                      |                        |                                      |   |   |                             |   |                     |
| Cash and cash equivalents                  | \$ -                          | \$ 96,942  | \$ -                                 | \$ -                   | \$ 1,892,170                         | \$ 7,078  | \$ 61,594                               | \$ 1,721                    | \$ 143,705                                  | \$ 2,203,210        |
| Restricted cash and cash equivalents       | -                             | -  | -                                    | -                      | -                                    | -   | -                                       | -                           | -   | -                   |
| Due from other governments                 | -                             | -  | -                                    | -                      | -                                    | -   | 13,378                                  | -                           | -   | 13,378              |
| Total assets                               | <u>\$ -</u>                   | <u>\$ 96,942</u>                                 | <u>\$ -</u>                          | <u>\$ -</u>            | <u>\$ 1,892,170</u>                  | <u>\$ 7,078</u>                                       | <u>\$ 74,972</u>                        | <u>\$ 1,721</u>             | <u>\$ 143,705</u>                           | <u>\$ 2,216,588</u> |
| <b>Liabilities and Fund Balances:</b>      |                               |  |                                      |                        |                                      |   |   |                             |   |                     |
| <b>Liabilities:</b>                        |                               |  |                                      |                        |                                      |   |   |                             |   |                     |
| Advance from General Fund                  | \$ -                          | \$ -   | \$ -                                 | \$ -                   | \$ -                                 | \$ -  | \$ -                                    | \$ -                        | \$ -  | \$ -                |
| Accounts payable and accrued liabilities   | -                             | -  | -                                    | -                      | -                                    | -   | -                                       | -                           | -   | -                   |
| Total liabilities                          | <u>-</u>                      | <u>-</u>   | <u>-</u>                             | <u>-</u>               | <u>-</u>                             | <u>-</u>  | <u>-</u>                                | <u>-</u>                    | <u>-</u>                                    | <u>-</u>            |
| <b>Fund Balances:</b>                      |                               |  |                                      |                        |                                      |   |   |                             |   |                     |
| Restricted:                                |                               |  |                                      |                        |                                      |   |   |                             |   |                     |
| Public Safety                              | -                             | -  | -                                    | -                      | -                                    | -   | 74,972                                  | -                           | -   | 74,972              |
| Economic & physical development            | -                             | 96,942   | -                                    | -                      | -                                    | 7,078   | -                                       | 1,721                       | -   | 105,741             |
| School capital outlay                      | -                             | -  | -                                    | -                      | 1,892,170                            | -   | -                                       | -                           | 143,705                                     | 2,035,875           |
| Unassigned                                 | -                             | -  | -                                    | -                      | -                                    | -   | -                                       | -                           | -   | -                   |
| Total fund balances                        | <u>-</u>                      | <u>96,942</u>                                    | <u>-</u>                             | <u>-</u>               | <u>1,892,170</u>                     | <u>7,078</u>  | <u>74,972</u>                           | <u>1,721</u>                | <u>143,705</u>                              | <u>2,216,588</u>    |
| <b>Total liabilities and fund balances</b> | <u>\$ -</u>                   | <u>\$ 96,942</u>                                 | <u>\$ -</u>                          | <u>\$ -</u>            | <u>\$ 1,892,170</u>                  | <u>\$ 7,078</u>                                       | <u>\$ 74,972</u>                        | <u>\$ 1,721</u>             | <u>\$ 143,705</u>                           | <u>\$ 2,216,588</u> |



**Richmond County**  
**Non-Major Capital Project Funds**  
**Combining Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances**  
**June 30, 2019**

|  | Judicial<br>Center<br>Project | Highway 74<br>Industrial<br>Park Project<br>Fund | RCC<br>Roofing<br>and<br>Renovations | School<br>Bond<br>Fund | School<br>Capital<br>Reserve<br>Fund | Economic<br>Development<br>Capital<br>Reserve<br>Fund | E-911<br>Center<br>Construction<br>Fund | Ledbetter<br>Dam<br>Project | Cordova<br>School<br>Improvement<br>Project | Total        |
|--|-------------------------------|--|--------------------------------------|------------------------|--------------------------------------|---|---|-----------------------------|---|--------------|
| Revenues:  |                               |  |                                      |                        |                                      |   |   |                             |   |              |
| Restricted intergovernmental                         | \$ -                          | \$ -   | \$ -                                 | \$ -                   | \$ -                                 | \$ -  | \$ 1,639,493                            | \$ -                        | \$ -  | \$ 1,639,493 |
| Investment earnings                                  | -                             | 9,587  | -                                    | -                      | 14,848                               | 4,897   | -                                       | 1,193                       | 249   | 30,774       |
| Sales tax refund                                     | -                             | -  | -                                    | 472                    | -                                    | -   | 42,344                                  | -                           | 23,554                                      | 66,370       |
| Total revenues                                       | -                             | 9,587  | -                                    | 472                    | 14,848                               | 4,897   | 1,681,837                               | 1,193                       | 23,803                                      | 1,736,637    |
| Expenditures:  |                               |  |                                      |                        |                                      |   |   |                             |   |              |
| Current:   |                               |  |                                      |                        |                                      |   |   |                             |   |              |
| Public safety  | -                             | -  | -                                    | -                      | -                                    | -   | 334,013                                 | -                           | -   | 334,013      |
| Intergovernmental:                                   |                               |  |                                      |                        |                                      |   |   |                             |   |              |
| Education  | -                             | -  | -                                    | -                      | -                                    | -   | -                                       | -                           | 95,609                                      | 95,609       |
| Total expenditures                                   | -                             | -  | -                                    | -                      | -                                    | -   | 334,013                                 | -                           | 95,609                                      | 429,622      |
| Excess (deficiency) of revenues<br>over expenditures | -                             | 9,587  | -                                    | 472                    | 14,848                               | 4,897   | 1,347,824                               | 1,193                       | (71,806)                                    | 1,307,015    |
| Other financing sources (uses):                      |                               |  |                                      |                        |                                      |   |   |                             |   |              |
| Transfer from (to) General Fund                      | (10,751)                      | -  | (15,156)                             | (889)                  | -                                    | (23,840)  | -                                       | -                           | -   | (50,636)     |
| Total other financing sources (uses)                 | (10,751)                      | -  | (15,156)                             | (889)                  | -                                    | (23,840)  | -                                       | -                           | -   | (50,636)     |
| Net change in fund balances                          | (10,751)                      | 9,587  | (15,156)                             | (417)                  | 14,848                               | (18,943)  | 1,347,824                               | 1,193                       | (71,806)                                    | 1,256,379    |
| Fund balances, beginning                             | 10,751                        | 87,355   | 15,156                               | 417                    | 1,877,322                            | 26,021  | (1,272,852)                             | 528                         | 215,511                                     | 960,209      |
| Fund balances, ending                                | \$ -                          | \$ 96,942  | \$ -                                 | \$ -                   | \$ 1,892,170                         | \$ 7,078  | \$ 74,972                               | \$ 1,721                    | \$ 143,705                                  | \$ 2,216,588 |

**Richmond County**  
**Judicial Center**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|   | Project<br>Authorization | Prior<br>Years | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues:                               |                          |                |                           |                  |                                    |
| Investment earnings                     | \$ -                     | \$ -           | \$ -                      | \$ -             | \$ -                               |
| Sales/use tax refund                    | -                        | -              | -                         | -                | -                                  |
| Total revenues                          | -                        | -              | -                         | -                | -                                  |
| Expenditures                            |                          |                |                           |                  |                                    |
| Economic Development:                   |                          |                |                           |                  |                                    |
| Professional services                   | -                        | -              | -                         | -                | -                                  |
| Equipment                               | -                        | -              | -                         | -                | -                                  |
| Land                                    | -                        | -              | -                         | -                | -                                  |
| Construction cost                       | -                        | -              | -                         | -                | -                                  |
| Site prep                               | -                        | -              | -                         | -                | -                                  |
| Contingency expense                     | -                        | -              | -                         | -                | -                                  |
| Total expenditures                      | -                        | -              | -                         | -                | -                                  |
| Revenues over (under) expenditures      | -                        | -              | -                         | -                | -                                  |
| Other financing sources (uses):         |                          |                |                           |                  |                                    |
| Transfer from (to) General Fund         | (10,751)                 | 10,751         | (10,751)                  | -                | 10,751                             |
| Loan proceeds                           | 10,751                   | -              | -                         | -                | (10,751)                           |
| Total other financing<br>sources (uses) | -                        | 10,751         | (10,751)                  | -                | -                                  |
| Net change in fund balance              | \$ -                     | \$ 10,751      | (10,751)                  | \$ -             | \$ -                               |
| Fund balance, beginning                 |                          |                | 10,751                    |                  |                                    |
| Fund balance, ending                    |                          |                | \$ -                      |                  |                                    |

**Richmond County, North Carolina**  
**Hwy 74 Industrial Park**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                      | Project            | Actual             |                  |                    | Total            | Variance            |
|--------------------------------------|--------------------|--------------------|------------------|--------------------|------------------|---------------------|
|                                      | Authorization      | Prior              | Current          | Completed          | To Date          | Positive            |
|                                      |                    | Years              | Year             | Project            |                  | (Negative)          |
| Revenues:                            |                    |                    |                  |                    |                  |                     |
| Unrestricted intergovernmental:      |                    |                    |                  |                    |                  |                     |
| Sales tax refund - contractor        | \$ 9,400           | \$ 13,884          | \$ -             | \$ (13,884)        | \$ -             | \$ (9,400)          |
| Restricted intergovernmental:        |                    |                    |                  |                    |                  |                     |
| HUD Grant                            | 49,675             | -                  | -                | -                  | -                | (49,675)            |
| Investment earnings                  | 1,000              | 125,764            | 9,587            | (38,409)           | 96,942           | 95,942              |
|                                      | <u>60,075</u>      | <u>139,648</u>     | <u>9,587</u>     | <u>(52,293)</u>    | <u>96,942</u>    | <u>36,867</u>       |
| Expenditures:                        |                    |                    |                  |                    |                  |                     |
| Economic and Physical Development:   |                    |                    |                  |                    |                  |                     |
| Professional services                | 512,495            | 510,529            | -                | (510,529)          | -                | 512,495             |
| Water and sewer improvements         | 1,687,877          | 1,299,822          | -                | (1,299,822)        | -                | 1,687,877           |
| Shell building and/or roads          | 3,468              | 348,967            | -                | (348,967)          | -                | 3,468               |
| Economic development                 | 87,425             | -                  | -                | -                  | -                | 87,425              |
| Land purchase                        | 940,000            | 1,064,165          | -                | (1,064,165)        | -                | 940,000             |
| Total expenditures                   | <u>3,231,265</u>   | <u>3,223,483</u>   | <u>-</u>         | <u>(3,223,483)</u> | <u>-</u>         | <u>3,231,265</u>    |
| Revenues over (under) expenditures   | <u>(3,171,190)</u> | <u>(3,083,835)</u> | <u>9,587</u>     | <u>3,171,190</u>   | <u>96,942</u>    | <u>3,268,132</u>    |
| Other financing sources (uses):      |                    |                    |                  |                    |                  |                     |
| Bond proceeds                        | 3,000,000          | 3,000,000          | -                | (3,000,000)        | -                | 3,000,000           |
| Transfer from General Fund           | 171,190            | 171,190            | -                | (171,190)          | -                | (171,190)           |
| Total other financing sources (uses) | <u>3,171,190</u>   | <u>3,171,190</u>   | <u>-</u>         | <u>(3,171,190)</u> | <u>-</u>         | <u>2,828,810</u>    |
| Net change in fund balance           | <u>\$ -</u>        | <u>\$ 87,355</u>   | <u>9,587</u>     | <u>\$ -</u>        | <u>\$ 96,942</u> | <u>\$ 6,096,942</u> |
| Fund balance, beginning              |                    |                    | <u>87,355</u>    |                    |                  |                     |
| Fund balance, ending                 |                    |                    | <u>\$ 96,942</u> |                    |                  |                     |

**Richmond County, North Carolina**  
**RCC Roofing & Renovations**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project            | Actual             |                 |                    | Total       | Variance            |
|------------------------------------|--------------------|--------------------|-----------------|--------------------|-------------|---------------------|
|                                    | Authorization      | Prior Years        | Current Year    | Closed Out Project | To Date     | Positive (Negative) |
| Revenues:                          |                    |                    |                 |                    |             |                     |
| Economic and Physical Development: |                    |                    |                 |                    |             |                     |
| Investment earnings                | \$ 8,295           | \$ 8,295           | \$ -            | \$ (8,295)         | \$ -        | \$ (8,295)          |
| Sales tax refund                   | 1,968              | 1,968              | -               | (1,968)            | -           | (1,968)             |
| Total revenues                     | <u>10,263</u>      | <u>10,263</u>      | <u>-</u>        | <u>(10,263)</u>    | <u>-</u>    | <u>(10,263)</u>     |
| Expenditures:                      |                    |                    |                 |                    |             |                     |
| Economic and Physical Development: |                    |                    |                 |                    |             |                     |
| Capital outlay - improvements      | 2,496,154          | 2,485,107          | -               | (2,485,107)        | -           | 2,496,154           |
| Revenues over (under) expenditures | <u>(2,485,891)</u> | <u>(2,474,844)</u> | <u>-</u>        | <u>2,474,844</u>   | <u>-</u>    | <u>2,485,891</u>    |
| Other financing sources (uses):    |                    |                    |                 |                    |             |                     |
| Transfer from (to) General Fund    | (4,109)            | -                  | (15,156)        | 15,156             | -           | 4,109               |
| Transfer from (to) General Fund    | 470,000            | 470,000            | -               | (470,000)          | -           | (470,000)           |
| Loan proceeds                      | 2,020,000          | 2,020,000          | -               | (2,020,000)        | -           | (2,020,000)         |
| Total other financing sources      | <u>2,485,891</u>   | <u>2,490,000</u>   | <u>(15,156)</u> | <u>(2,474,844)</u> | <u>-</u>    | <u>(2,485,891)</u>  |
| Net change in fund balance         | <u>\$ -</u>        | <u>\$ 15,156</u>   | <u>(15,156)</u> | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u>         |
| Fund balance, beginning            |                    |                    | <u>15,156</u>   |                    |             |                     |
| Fund balance, ending               |                    |                    | <u>\$ -</u>     |                    |             |                     |

**Richmond County**  
**2007 School Bonds Capital Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project             | Actual              |                 |                      | Total       | Variance               |
|------------------------------------|---------------------|---------------------|-----------------|----------------------|-------------|------------------------|
|                                    | Authorization       | Prior<br>Years      | Current<br>Year | Completed<br>Project | To Date     | Positive<br>(Negative) |
| Revenues:                          |                     |                     |                 |                      |             |                        |
| Investment earnings                | \$ 540,000          | \$ 536,973          | \$ -            | \$ (536,973)         | \$ -        | \$ (540,000)           |
| Sales/use tax refund               | 300,000             | 256,144             | 472             | (256,616)            | -           | (300,000)              |
| Total revenues                     | <u>840,000</u>      | <u>793,117</u>      | <u>472</u>      | <u>(793,589)</u>     | <u>-</u>    | <u>(840,000)</u>       |
| Expenditures:                      |                     |                     |                 |                      |             |                        |
| School capital outlay              | 24,520,000          | 24,522,597          | -               | (24,522,597)         | -           | 24,520,000             |
| Bond expense                       | 85,000              | 83,036              | -               | (83,036)             | -           | 85,000                 |
| Reimbursed expenses                | 1,000,000           | 955,997             | -               | (955,997)            | -           | 1,000,000              |
| Total expenditures                 | <u>25,605,000</u>   | <u>25,561,630</u>   | <u>-</u>        | <u>(25,561,630)</u>  | <u>-</u>    | <u>25,605,000</u>      |
| Revenues over (under) expenditures | <u>(24,765,000)</u> | <u>(24,768,513)</u> | <u>472</u>      | <u>24,768,041</u>    | <u>-</u>    | <u>24,765,000</u>      |
| Other financing sources (uses):    |                     |                     |                 |                      |             |                        |
| Transfer from (to) General Fund    | (275,000)           | (268,276)           | (889)           | 269,165              | -           | 275,000                |
| Bond proceeds                      | <u>25,040,000</u>   | <u>25,037,206</u>   | <u>-</u>        | <u>(25,037,206)</u>  | <u>-</u>    | <u>(25,040,000)</u>    |
| Net change in fund balance         | <u>\$ -</u>         | <u>\$ 417</u>       | <u>(417)</u>    | <u>\$ 24,768,041</u> | <u>\$ -</u> | <u>\$ -</u>            |
| Fund balance, beginning            |                     |                     | <u>417</u>      |                      |             |                        |
| Fund balance, ending               |                     |                     | <u>\$ -</u>     |                      |             |                        |

**Richmond County**  
**School Capital Reserve Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**June 30, 2019**

|   | <u>Budget</u>               | <u>Actual</u>                  | <u>Variance<br/>Positive<br/>(Negative)</u> |
|---|-----------------------------|--------------------------------|---|
| Revenues:                               |                             |                                |   |
| Investment earnings                     | <u>\$        6,000</u>      | <u>\$      14,848</u>          | <u>\$        8,848</u>                      |
| Other financing sources (uses):         |                             |                                |   |
| Reserve For School Capital Outlay       | <u>          (6,000)</u>    | <u>              -</u>         | <u>          6,000</u>                      |
| Total other financing<br>sources (uses) | <u>          (6,000)</u>    | <u>              -</u>         | <u>          6,000</u>                      |
| Net change in fund balance              | <u><u>\$          -</u></u> | <u>      14,848</u>            | <u><u>\$      14,848</u></u>                |
| Fund balance, beginning                 |                             | <u>     1,877,322</u>          |   |
| Fund balance, ending                    |                             | <u><u>\$     1,892,170</u></u> |   |

**Richmond County**  
**Economic Development Capital Reserve Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**June 30, 2019**

|                                      | Budget   | Actual   | Variance<br>Positive<br>(Negative) |
|--------------------------------------|----------|----------|------------------------------------|
| Revenues:                            |          |          |                                    |
| Investment earnings                  | \$ 2,000 | \$ 4,897 | \$ 2,897                           |
| Expenditures:                        |          |          |                                    |
| Economic Development                 | 27,000   | -        | 27,000                             |
| Other Financing Sources(Uses):       |          |          |                                    |
| Transfer to Other Funds              | (24,952) | (23,840) | 1,112                              |
| Fund Balance Appropriated            | 49,952   | -        | (49,952)                           |
| Total Other Financing Sources (Uses) | 25,000   | (23,840) | (48,840)                           |
| Net change in fund balance           | \$ -     | (18,943) | \$ (18,943)                        |
| Fund balance, beginning              |          | 26,021   |                                    |
| Fund balance, ending                 |          | \$ 7,078 |                                    |

**Richmond County**  
**E911 Center Construction Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**June 30, 2019**

|   |                          | Actual                |                    |                       |                  | Variance               |
|---|--------------------------|-----------------------|--------------------|-----------------------|------------------|------------------------|
|   | Project<br>Authorization | Prior<br>Years        | Current<br>Year    | Closed Out<br>Project | Total<br>To Date | Positive<br>(Negative) |
| Revenues:                               |                          |                       |                    |                       |                  |                        |
| Investment earnings                     | \$ -                     | \$ -                  | \$ -               | \$ -                  | \$ -             | \$ -                   |
| Restricted intergovernmental            | 6,357,537                | 4,717,992             | 1,639,493          | (6,357,485)           | -                | (6,357,537)            |
| Sales and use tax refund                | -                        | 5,591                 | 42,344             | (47,935)              | -                | -                      |
| Total revenues                          | <u>6,357,537</u>         | <u>4,723,583</u>      | <u>1,681,837</u>   | <u>(6,405,420)</u>    | <u>-</u>         | <u>(6,357,537)</u>     |
| Expenditures:                           |                          |                       |                    |                       |                  |                        |
| Professional services                   | 844,758                  | 734,125               | 138,384            | (872,509)             | -                | 844,758                |
| Construction expenses                   | <u>5,512,779</u>         | <u>5,262,310</u>      | <u>195,629</u>     | <u>(5,457,939)</u>    | <u>-</u>         | <u>5,512,779</u>       |
| Total expenditures                      | <u>6,357,537</u>         | <u>5,996,435</u>      | <u>334,013</u>     | <u>(6,330,448)</u>    | <u>-</u>         | <u>6,357,537</u>       |
| Revenues over (under) expenditures      | <u>-</u>                 | <u>(1,272,852)</u>    | <u>1,347,824</u>   | <u>(74,972)</u>       | <u>-</u>         | <u>-</u>               |
| Other financing sources (uses):         |                          |                       |                    |                       |                  |                        |
| Transfer from General Fund              | -                        | -                     | -                  | -                     | -                | -                      |
| Transfer from (to) General Fund         | <u>-</u>                 | <u>-</u>              | <u>-</u>           | <u>-</u>              | <u>-</u>         | <u>-</u>               |
| Total other financing<br>sources (uses) | <u>-</u>                 | <u>-</u>              | <u>-</u>           | <u>-</u>              | <u>-</u>         | <u>-</u>               |
| Net change in fund balance              | <u>\$ -</u>              | <u>\$ (1,272,852)</u> | <u>1,347,824</u>   | <u>\$ (74,972)</u>    | <u>\$ -</u>      | <u>\$ -</u>            |
| Fund balance, beginning                 |                          |                       | <u>(1,272,852)</u> |                       |                  |                        |
| Fund balance, ending                    |                          |                       | <u>\$ 74,972</u>   |                       |                  |                        |



**Richmond County**  
**Ledbetter Dam Project Fund**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|   | Project<br>Authorization | Prior<br>Years | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues:                               |                          |                |                           |                  |                                    |
| Special assessments                     | \$ -                     | \$ -           | \$ -                      | \$ -             | \$ -                               |
| Investment earnings                     | -                        | 1,000          | 1,193                     | 2,193            | 2,193                              |
| Total revenues                          | -                        | 1,000          | 1,193                     | 2,193            | 2,193                              |
| Expenditures:                           |                          |                |                           |                  |                                    |
| General government                      |                          |                |                           |                  |                                    |
| Dam repairs                             | 2,210,000                | 1,987,112      | -                         | 1,987,112        | 222,888                            |
| Total expenditures                      | 2,210,000                | 1,987,112      | -                         | 1,987,112        | 222,888                            |
| Revenues over (under) expenditures      | (2,210,000)              | (1,986,112)    | 1,193                     | (1,984,919)      | 225,081                            |
| Other financing sources (uses):         |                          |                |                           |                  |                                    |
| Transfers from/(to) other funds         | 980,000                  | 755,927        | -                         | 755,927          | (224,073)                          |
| Loan proceeds                           | 1,230,000                | 1,230,713      | -                         | 1,230,713        | 713                                |
| Undesignated Fund Balance               | -                        | -              | -                         | -                | -                                  |
| Total other financing<br>sources (uses) | 2,210,000                | 1,986,640      | -                         | 1,986,640        | (223,360)                          |
| Net change in fund balance              | \$ -                     | \$ 528         | 1,193                     | \$ 1,721         | \$ 1,721                           |
| Fund balance, beginning                 |                          |                | 528                       |                  |                                    |
| Fund balance, ending                    |                          |                | \$ 1,721                  |                  |                                    |

**Richmond County**  
**Cordova School Improvement Project**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|   | Project<br>Authorization | Prior<br>Years | Actual<br>Current<br>Year | Total<br>To Date | Variance<br>Positive<br>(Negative) |
|---|--------------------------|----------------|---------------------------|------------------|------------------------------------|
| Revenues:                               |                          |                |                           |                  |                                    |
| Special assessments                     | \$ -                     | \$ -           | \$ -                      | \$ -             | \$ -                               |
| Investment earnings                     | -                        | 721            | 249                       | 970              | 970                                |
| Sales Tax Refund                        | -                        | -              | 23,554                    | 23,554           | 23,554                             |
| Total revenues                          | -                        | 721            | 23,803                    | 24,524           | 24,524                             |
| Expenditures:                           |                          |                |                           |                  |                                    |
| General government                      |                          |                |                           |                  |                                    |
| Professional services                   | 97,750                   | 74,221         | 7,450                     | 81,671           | 16,079                             |
| Construction Cost                       | 1,898,000                | 1,910,989      | 88,159                    | 1,999,148        | (101,148)                          |
| Contingency Expense                     | 204,250                  | -              | -                         | -                | 204,250                            |
| Total expenditures                      | 2,200,000                | 1,985,210      | 95,609                    | 2,080,819        | 119,181                            |
| Revenues over (under) expenditures      | (2,200,000)              | (1,984,489)    | (71,806)                  | (2,056,295)      | 143,705                            |
| Other financing sources (uses):         |                          |                |                           |                  |                                    |
| Transfers from/(to) other funds         | 200,000                  | 200,000        | -                         | 200,000          | -                                  |
| Loan proceeds                           | 2,000,000                | 2,000,000      | -                         | 2,000,000        | -                                  |
| Total other financing<br>sources (uses) | 2,200,000                | 2,200,000      | -                         | 2,200,000        | -                                  |
| Net change in fund balance              | \$ -                     | \$ 215,511     | (71,806)                  | \$ 143,705       | \$ 143,705                         |
| Fund balance, beginning                 |                          |                | 215,511                   |                  |                                    |
| Fund balance, ending                    |                          |                | \$ 143,705                |                  |                                    |

## ENTERPRISE FUNDS

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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.

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**Richmond County, North Carolina**  
**Enterprise Funds**  
**Combining Statement of Net Position**  
**June 30, 2019**

|  | Solid Waste<br>Fund | Water<br>and Sewer<br>Fund | Total                |
|--|---------------------|----------------------------|----------------------|
| Assets:                                  |                     |                            |                      |
| Current assets:                          |                     |                            |                      |
| Cash and cash equivalents                | \$ 2,026,999        | \$ 8,327,996               | \$ 10,354,995        |
| Accounts receivable, net                 | 1,145,739           | 881,450                    | 2,027,189            |
| Due from other governments               | 10,844              | 36,419                     | 47,263               |
| Inventories                              | -                   | 140,275                    | 140,275              |
| Total current assets                     | <u>3,183,582</u>    | <u>9,386,140</u>           | <u>12,569,722</u>    |
| Restricted Cash and Cash Equivalents     | -                   | 1,205,017                  | 1,205,017            |
| Capital assets, net of depreciation      | 1,794,873           | 40,746,516                 | 42,541,389           |
| Total assets                             | <u>\$ 4,978,455</u> | <u>\$ 51,337,673</u>       | <u>\$ 56,316,128</u> |
| Deferred Outflows of Resources           |                     |                            |                      |
| Pension related deferrals                | \$ 157,692          | \$ 304,856                 | \$ 462,548           |
| OPEB related deferrals                   | 928                 | 24,224                     | 25,152               |
| Total                                    | <u>\$ 158,620</u>   | <u>\$ 329,080</u>          | <u>\$ 487,700</u>    |
| Liabilities:                             |                     |                            |                      |
| Current liabilities:                     |                     |                            |                      |
| Accounts payable and accrued liabilities | \$ 59,735           | \$ 173,842                 | \$ 233,577           |
| Customer deposits                        | -                   | 117,900                    | 117,900              |
| Accrued interest payable                 | 3,403               | 102,543                    | 105,946              |
| Bond and notes payable                   | 139,443             | 802,074                    | 941,517              |
| Total current liabilities                | <u>202,581</u>      | <u>1,196,359</u>           | <u>1,398,940</u>     |
| Noncurrent liabilities:                  |                     |                            |                      |
| Compensated absences                     | 59,100              | 91,387                     | 150,487              |
| Net OPEB Liability                       | 168,644             | 317,840                    | 486,484              |
| Net Pension Liability                    | 201,743             | 390,017                    | 591,760              |
| Bond and notes payable                   | 421,842             | 10,515,199                 | 10,937,041           |
| Total noncurrent liabilities             | <u>851,329</u>      | <u>11,314,443</u>          | <u>12,165,772</u>    |
| Total liabilities                        | <u>\$ 1,053,910</u> | <u>\$ 12,510,802</u>       | <u>\$ 13,564,712</u> |
| Deferred Inflows of Resources            |                     |                            |                      |
| Pension related deferrals                | \$ 1,044            | \$ 2,019                   | \$ 3,063             |
| OPEB related deferrals                   | 60,393              | 113,821                    | 174,214              |
| Total                                    | <u>\$ 61,437</u>    | <u>\$ 115,840</u>          | <u>\$ 177,277</u>    |
| Net Position:                            |                     |                            |                      |
| Net investment in capital assets         | \$ 1,233,588        | \$ 30,486,417              | \$ 31,720,005        |
| Restricted                               | -                   | 29,943                     | 29,943               |
| Unrestricted                             | 2,788,140           | 8,523,751                  | 11,311,891           |
| Total Net Position                       | <u>\$ 4,021,728</u> | <u>\$ 39,040,111</u>       | <u>\$ 43,061,839</u> |

**Richmond County, North Carolina**  
**Enterprise Funds**  
**Combining Statement of Revenues, Expenses, and**  
**Changes in Fund Net Position**  
**For the Fiscal Year Ended June 30, 2019**

|  | Solid Waste<br>Fund | Water<br>and Sewer<br>Fund | Total                |
|--|---------------------|----------------------------|----------------------|
| Operating revenues:                              |                     |                            |                      |
| Charges for services                             | \$ 3,916,687        | \$ 5,854,514               | \$ 9,771,201         |
| Water and sewer taps                             | -                   | 66,100                     | 66,100               |
| Other operating revenues                         | 26,653              | 31,358                     | 58,011               |
| Total operating revenues                         | <u>3,943,340</u>    | <u>5,951,972</u>           | <u>9,895,312</u>     |
| Operating expenses:                              |                     |                            |                      |
| Administration                                   | -                   | 1,010,327                  | 1,010,327            |
| Water system maintenance                         | -                   | 889,437                    | 889,437              |
| Water treatment plant                            | -                   | 1,080,914                  | 1,080,914            |
| Settled water treatment plant                    | -                   | 801,528                    | 801,528              |
| Solid waste collection                           | 649,352             | -                          | 649,352              |
| Landfill operations                              | 1,574,015           | -                          | 1,574,015            |
| Solid waste enforcement officer                  | 87,169              | -                          | 87,169               |
| Depreciation and amortization                    | 225,927             | 2,838,045                  | 3,063,972            |
| Total operating expenses                         | <u>2,536,463</u>    | <u>6,620,251</u>           | <u>9,156,714</u>     |
| Operating income (loss)                          | <u>1,406,877</u>    | <u>(668,279)</u>           | <u>738,598</u>       |
| Nonoperating revenues (expenses):                |                     |                            |                      |
| Investment earnings                              | 23,667              | 11,187                     | 34,854               |
| Interest on long-term debt                       | (14,844)            | (225,780)                  | (240,624)            |
| White goods disposal tax                         | 18,539              | -                          | 18,539               |
| Scrap tire disposal tax                          | 62,812              | -                          | 62,812               |
| Electronic disposal                              | 2,819               | -                          | 2,819                |
| Reimbursements                                   | -                   | 341,255                    | 341,255              |
| Miscellaneous revenue                            | 9,282               | 56,360                     | 65,642               |
| Total nonoperating revenues (expenses)           | <u>102,275</u>      | <u>183,022</u>             | <u>285,297</u>       |
| Income (loss) before contributions and transfers | 1,509,152           | (485,257)                  | 1,023,895            |
| Transfers  | (1,519,161)         | (11,799)                   | (1,530,960)          |
| Total transfers and capital contributions        | <u>(1,519,161)</u>  | <u>(11,799)</u>            | <u>(1,530,960)</u>   |
| Change in net position                           | <u>(10,009)</u>     | <u>(497,056)</u>           | <u>(507,065)</u>     |
| Net position, beginning                          | <u>4,031,737</u>    | <u>39,537,167</u>          | <u>43,568,904</u>    |
| Net position, ending                             | <u>\$ 4,021,728</u> | <u>\$ 39,040,111</u>       | <u>\$ 43,061,839</u> |

**Richmond County, North Carolina**  
**Solid Waste Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

|                                       | Budget       | Actual       | Variance<br>Positive<br>(Negative) |
|---------------------------------------|--------------|--------------|------------------------------------|
| Revenues:                             |              |              |                                    |
| Operating revenues:                   |              |              |                                    |
| Charges for services:                 |              |              |                                    |
| Solid waste charges                   | \$ 3,774,248 | \$ 3,916,687 | \$ 142,439                         |
| Other operating revenues:             |              |              |                                    |
| Recycling revenue                     | 27,796       | 26,653       | (1,143)                            |
| Total operating revenues              | 3,802,044    | 3,943,340    | 141,296                            |
| Nonoperating revenues:                |              |              |                                    |
| Investment earnings                   | 10,853       | 23,667       | 12,814                             |
| White goods disposal tax              | 8,501        | 18,539       | 10,038                             |
| Scrap tire disposal tax               | 26,999       | 62,812       | 35,813                             |
| Electronic disposal                   | -            | 2,819        | 2,819                              |
| Miscellaneous revenue                 | 171          | 9,282        | 9,111                              |
| Total nonoperating revenues           | 46,524       | 117,119      | 70,595                             |
| Total revenues                        | \$ 3,848,568 | \$ 4,060,459 | \$ 211,891                         |
| Expenditures:                         |              |              |                                    |
| Solid waste collection:               |              |              |                                    |
| Salaries and employee benefits        | \$ 593,142   | \$ 530,736   | \$ 62,406                          |
| Supplies                              | 36,000       | 28,661       | 7,339                              |
| Other operating expenditures          | 90,000       | 52,664       | 37,336                             |
| Utilities                             | 20,000       | 17,664       | 2,336                              |
| Total solid waste collection          | 739,142      | 629,725      | 109,417                            |
| Landfill operations:                  |              |              |                                    |
| Salaries and employee benefits        | 400,908      | 422,555      | (21,647)                           |
| Supplies                              | 172,500      | 135,260      | 37,240                             |
| Other operating expenditures          | 261,500      | 133,243      | 128,257                            |
| Contracted services                   | 800,000      | 882,957      | (82,957)                           |
| Professional services                 | 2,000        | -            | 2,000                              |
| Total landfill operations             | 1,636,908    | 1,574,015    | 62,893                             |
| Solid waste enforcement officer:      |              |              |                                    |
| Salaries and employee benefits        | 85,064       | 77,970       | 7,094                              |
| Other operating expenditures          | 15,250       | 9,199        | 6,051                              |
| Total solid waste enforcement officer | 100,314      | 87,169       | 13,145                             |

**Richmond County, North Carolina**  
**Solid Waste Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

|  | Budget         | Actual         | Variance<br>Positive<br>(Negative) |
|--|----------------|----------------|------------------------------------|
| Debt service:  |                |                |                                    |
| Interest and fees  | \$ 15,851      | \$ 14,844      | \$ 1,007                           |
| Debt principal   | 139,192        | 139,492        | (300)                              |
| Total debt service   | 155,043        | 154,336        | 707                                |
| Capital outlay   | 403,000        | -              | 403,000                            |
| Total expenditures   | \$ 3,034,407   | \$ 2,445,245   | \$ 589,162                         |
| Revenues over (under) expenditures                                       | \$ 814,161     | \$ 1,615,214   | \$ 801,053                         |
| Other financing sources (uses):  |                |                |                                    |
| Transfer from (to) General Fund  | \$ (1,500,000) | \$ (1,500,000) | \$ -                               |
| Appropriated fund balance  | 685,839        | -              | (685,839)                          |
| Total other financing sources (uses)                                     | \$ (814,161)   | \$ (1,500,000) | \$ (685,839)                       |
| Revenues and other financing sources (uses)<br>over (under) expenditures | \$ -           | 115,214        | \$ 115,214                         |
| Reconciliation from budgetary basis (modified accrual) to full accrual:  |                |                |                                    |
| Revenues and other financing sources (uses)<br>over (under) expenditures |                | 115,214        |                                    |
| Reconciling items:   |                |                |                                    |
| Debt principal   |                | 139,492        |                                    |
| Capital outlay   |                |                |                                    |
| Depreciation and amortization  |                | (225,927)      |                                    |
| Loan Proceeds  |                | -              |                                    |
| Increase (decrease) in deferred outflows of resources - pensions         |                | 58,987         |                                    |
| Increase (decrease) in deferred outflows of resources - OPEB             |                | (7,335)        |                                    |
| (Increase) decrease in net pension liability                             |                | (74,948)       |                                    |
| (Increase) decrease in deferred inflows of resources - pensions          |                | 2,833          |                                    |
| (Increase) decrease in deferred inflows of resources - OPEB              |                | (49,084)       |                                    |
| (Increase) decrease in net OPEB Liability                                |                | 49,920         |                                    |
| Investment Earnings (Ex E-3a)  |                | -              |                                    |
| Transfer to other funds (Ex E-3a)  |                | (19,161)       |                                    |
| Sales tax refund (Ex E-3a)   |                | -              |                                    |
| Total reconciling items  |                | (125,223)      |                                    |
| Change in net position   |                | \$ (10,009)    |                                    |

**Richmond County, North Carolina**  
**Maintenance Building Construction**  
**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances - Budget and Actual**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|                                    | Project       | Actual      |             |            | Total   | Variance    |
|------------------------------------|---------------|-------------|-------------|------------|---------|-------------|
|                                    | Authorization | Prior       | Current     | Closed Out | To Date | Positive    |
|                                    |               | Years       | Year        | Projects   |         | (Negative)  |
| Revenues:                          |               |             |             |            |         |             |
| Economic and Physical Development: |               |             |             |            |         |             |
| Investment earnings                | \$ -          | \$ 7        | \$ -        | \$ (7)     | \$ -    | \$ 7        |
| Sales tax refund                   | -             | 2,223       | -           | (2,223)    | -       | 2,223       |
| Total revenues                     | -             | 2,230       | -           | (2,230)    | -       | 2,230       |
| Expenditures:                      |               |             |             |            |         |             |
| Professional Services              | 131,000       | -           | -           | -          | -       | 131,000     |
| Construction Cost                  | 1,571,826     | -           | -           | -          | -       | 1,571,826   |
| Contingency Expense                | 92,183        | -           | -           | -          | -       | 92,183      |
| Total expenditures                 | 1,795,009     | -           | -           | -          | -       | 1,795,009   |
| Revenues over (under) expenditures | (1,795,009)   | 2,230       | -           | (2,230)    | -       | 1,797,239   |
| Other financing sources (uses):    |               |             |             |            |         |             |
| Transfer from (to) General Fund    | (65,000)      | (44,694)    | (19,161)    | 63,855     | -       | 65,000      |
| Loan proceeds                      | 1,860,009     | -           | -           | -          | -       | (1,860,009) |
| Total other financing sources      | 1,795,009     | (44,694)    | (19,161)    | 63,855     | -       | (1,795,009) |
| Net change in fund balance         | \$ -          | \$ (42,464) | \$ (19,161) | \$ 61,625  | \$ -    | \$ 2,230    |



**Richmond County**  
**Water and Sewer Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**June 30, 2019**

|                                     | Budget              | Actual              | Variance<br>Positive<br>(Negative) |
|-------------------------------------|---------------------|---------------------|------------------------------------|
| Revenues:                           |                     |                     |                                    |
| Operating revenues:                 |                     |                     |                                    |
| Water and sewer charges             | \$ 6,068,471        | \$ 5,854,514        | \$ (213,957)                       |
| Water and sewer taps                | 68,743              | 66,100              | (2,643)                            |
| Other operating revenues            | 19,433              | 31,358              | 11,925                             |
| Total operating revenues            | <u>6,156,647</u>    | <u>5,951,972</u>    | <u>(204,675)</u>                   |
| Nonoperating revenues:              |                     |                     |                                    |
| Investment earnings                 | -                   | 10,413              | 10,413                             |
| DOT Reimbursements                  | -                   | 197,555             | 197,555                            |
| Project Expense Reimbursement       | -                   | 143,700             | 143,700                            |
| Sale of assets                      | 7,963               | -                   | (7,963)                            |
| Miscellaneous revenue               | 28,049              | 56,360              | 28,311                             |
| Total nonoperating revenues         | <u>36,012</u>       | <u>408,028</u>      | <u>372,016</u>                     |
| Total revenues                      | <u>\$ 6,192,659</u> | <u>\$ 6,360,000</u> | <u>\$ 167,341</u>                  |
| Expenditures:                       |                     |                     |                                    |
| Administration:                     |                     |                     |                                    |
| Salaries and employee benefits      | \$ 398,061          | \$ 403,657          | \$ (5,596)                         |
| Other operating expenditures        | 648,500             | 606,670             | 41,830                             |
| Total administration                | <u>1,046,561</u>    | <u>1,010,327</u>    | <u>36,234</u>                      |
| Water system maintenance:           |                     |                     |                                    |
| Salaries and employee benefits      | 497,309             | 462,625             | 34,684                             |
| Supplies                            | 50,000              | 43,159              | 6,841                              |
| Other operating expenditures        | 749,500             | 339,971             | 409,529                            |
| Professional services               | 25,000              | 28,528              | (3,528)                            |
| Total water system maintenance      | <u>1,321,809</u>    | <u>874,283</u>      | <u>447,526</u>                     |
| Water treatment plant:              |                     |                     |                                    |
| Salaries and employee benefits      | 342,311             | 369,051             | (26,740)                           |
| Supplies                            | 14,500              | 10,343              | 4,157                              |
| Utilities                           | 300,000             | 332,342             | (32,342)                           |
| Other operating expenditures        | 375,500             | 329,565             | 45,935                             |
| Professional services               | 50,000              | 39,425              | 10,575                             |
| Total water treatment plant         | <u>1,082,311</u>    | <u>1,080,726</u>    | <u>1,585</u>                       |
| Settled water treatment plant:      |                     |                     |                                    |
| Salaries and employee benefits      | 277,434             | 242,941             | 34,493                             |
| Supplies                            | 9,500               | 9,341               | 159                                |
| Utilities                           | 200,000             | 188,585             | 11,415                             |
| Other operating expenditures        | 328,200             | 328,534             | (334)                              |
| Professional services               | 30,000              | 32,127              | (2,127)                            |
| Total settled water treatment plant | <u>845,134</u>      | <u>801,528</u>      | <u>43,606</u>                      |

**Richmond County**  
**Water and Sewer Fund**  
**Statement of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**June 30, 2019**

|  | Budget           | Actual              | Variance<br>Positive<br>(Negative) |
|--|------------------|---------------------|------------------------------------|
| Debt service:  |                  |                     |                                    |
| Interest and fees  | \$ 247,846       | \$ 225,780          | \$ 22,066                          |
| Debt principal   | 802,324          | 802,086             | 238                                |
| Total debt service   | <u>1,050,170</u> | <u>1,027,866</u>    | <u>22,304</u>                      |
| Capital outlay:  |                  |                     |                                    |
| Water systems  | -                | 398,771             | (398,771)                          |
| Equipment  | 204,000          | 26,026              | 177,974                            |
| Total capital outlay   | <u>204,000</u>   | <u>424,797</u>      | <u>(220,797)</u>                   |
| Total expenditures   | <u>5,549,985</u> | <u>5,219,527</u>    | <u>330,458</u>                     |
| Revenues over (under) expenditures                                       | <u>642,674</u>   | <u>1,140,473</u>    | <u>(163,117)</u>                   |
| Other financing sources (uses):  |                  |                     |                                    |
| Transfer to Other Funds  | (53,600)         | (53,600)            | -                                  |
| Transfer to General Fund   | -                | (11,799)            | 11,799                             |
| Water Reserve Funds  | (589,074)        | -                   | (589,074)                          |
| Total other financing sources (uses)                                     | <u>(642,674)</u> | <u>(65,399)</u>     | <u>(577,275)</u>                   |
| Revenues and other financing sources (uses)<br>over (under) expenditures | <u>\$ -</u>      | <u>1,075,074</u>    | <u>\$ 1,075,074</u>                |
| Reconciliation from budgetary basis (modified accrual) to full accrual:  |                  |                     |                                    |
| Revenues over (under) expenditures                                       |                  | 1,075,074           |                                    |
| Reconciling items:   |                  |                     |                                    |
| Debt principal   |                  | 802,086             |                                    |
| Capital outlay   |                  | 424,609             |                                    |
| Depreciation   |                  | (2,838,045)         |                                    |
| Increase (decrease) in deferred outflows of resources - pensions         |                  | 114,036             |                                    |
| Increase (decrease) in deferred outflows of resources - OPEB             |                  | 8,652               |                                    |
| Increase in net pension liability  |                  | (144,893)           |                                    |
| (Increase) decrease in deferred inflows of resources - pensions          |                  | 5,477               |                                    |
| (Increase) decrease in deferred inflows of resources - OPEB              |                  | (92,508)            |                                    |
| (Increase) decrease in OPEB Liability                                    |                  | 94,082              |                                    |
| Sales tax refund (Ex E-4b)   |                  | -                   |                                    |
| Transfer to capital project fund (Ex E-4b)                               |                  | 53,600              |                                    |
| Interest Income (Ex E-4a, 4b)  |                  | 774                 |                                    |
| NC DOT reimbursement (Ex E-4c)   |                  | -                   |                                    |
| Total reconciling items  |                  | <u>(1,572,130)</u>  |                                    |
| Change in net position   |                  | <u>\$ (497,056)</u> |                                    |

**Richmond County**  
**Old Cheraw Hwy Waterline Project**  
**Water Treatment Plant Expansion Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|  | Project       | Actual         |                 |                       | Total        | Variance               |
|--|---------------|----------------|-----------------|-----------------------|--------------|------------------------|
|  | Authorization | Prior<br>Years | Current<br>Year | Closed Out<br>Project | To Date      | Positive<br>(Negative) |
| Revenues:  |               |                |                 |                       |              |                        |
| Interest Income  | \$ -          | \$ -           | \$ 774          | \$ -                  | \$ 774       | \$ 774                 |
| Total revenues   | -             | -              | 774             | -                     | 774          | 774                    |
| Expenditures:  |               |                |                 |                       |              |                        |
| Water & Sewer Improvements   |               |                |                 |                       |              |                        |
| Professional Services  | 323,500       | -              | 224,765         | -                     | 224,765      | 98,735                 |
| Land   | 10,000        | -              | -               | -                     | -            | 10,000                 |
| Construction   | 1,716,281     | -              | 902,061         | -                     | 902,061      | 814,220                |
| Contingency  | 127,719       | -              | -               | -                     | -            | 127,719                |
| Interest   | 60,100        | -              | -               | -                     | -            | 60,100                 |
| Total expenditures   | 2,237,600     | -              | 1,126,826       | -                     | 1,126,826    | 1,110,774              |
| Revenues over (under) expenditures                                       | (2,237,600)   | -              | (1,126,052)     | -                     | (1,126,052)  | 1,111,548              |
| Other financing sources (uses):  |               |                |                 |                       |              |                        |
| Transfer from Water Fund   | 53,600        | -              | 53,600          | -                     | 53,600       | -                      |
| Loan Proceeds  | 2,184,000     | -              | 2,184,000       | -                     | 2,184,000    | -                      |
| Total Other financing sources (uses)                                     | 2,237,600     | -              | 2,237,600       | -                     | 2,237,600    | -                      |
| Revenues and other financing sources<br>(uses) over (under) expenditures | \$ -          | \$ -           | \$ 1,111,548    | \$ -                  | \$ 1,111,548 | \$ 1,111,548           |

**Richmond County**  
**Water and Sewer Capital Project Fund**  
**Automated Water Meter Project**  
**Schedule of Revenues and Expenditures**  
**Budget and Actual (Non - GAAP)**  
**From Inception and for the Fiscal Year Ended June 30, 2019**

|  | Project       | Actual         |                 |                       | Total        | Variance               |
|--|---------------|----------------|-----------------|-----------------------|--------------|------------------------|
|  | Authorization | Prior<br>Years | Current<br>Year | Closed Out<br>Project | To Date      | Positive<br>(Negative) |
| Revenues:  |               |                |                 |                       |              |                        |
| Interest Income  | \$ -          | \$ 246         | \$ -            | \$ (246)              | \$ -         | \$ -                   |
| Total revenues   | -             | 246            | -               | (246)                 | -            | -                      |
| Expenditures:  |               |                |                 |                       |              |                        |
| Automated Water Meter Project  | 5,000,000     | 2,833,256      | 1,000           | (2,833,256)           | 1,000        | 4,999,000              |
| Total expenditures   | 5,000,000     | 2,833,256      | 1,000           | (2,833,256)           | 1,000        | 4,999,000              |
| Revenues over (under) expenditures                                       | (5,000,000)   | (2,833,010)    | (1,000)         | 2,833,010             | (1,000)      | 4,999,000              |
| Other financing sources (uses):  |               |                |                 |                       |              |                        |
| Transfer from Water Fund   | -             | -              | -               | -                     | -            | -                      |
| Loan Proceeds  | 5,000,000     | 4,750,000      | -               | (2,834,010)           | 1,915,990    | (3,084,010)            |
|  | 5,000,000     | 4,750,000      | -               | (2,834,010)           | 1,915,990    | (3,084,010)            |
| Revenues and other financing sources<br>(uses) over (under) expenditures | \$ -          | \$ 1,916,990   | \$ (1,000)      | \$ (1,000)            | \$ 1,914,990 | \$ 1,914,990           |

## AGENCY FUNDS

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

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**Richmond County**  
**Agency Funds**  
**Combining Balance Sheet**  
**June 30, 2019**  
*(With Comparative Totals as of June 30, 2018)*

|                           | Agency                     |                                    |                                 |                          |                            |                         |               |                   | Totals           |                  |
|---------------------------|----------------------------|------------------------------------|---------------------------------|--------------------------|----------------------------|-------------------------|---------------|-------------------|------------------|------------------|
|                           | Social<br>Services<br>Fund | Fine<br>and<br>Forfeitures<br>Fund | Motor<br>Vehicle<br>Tax<br>Fund | Truancy<br>Trust<br>Fund | Leath<br>Book<br>Endowment | Workers<br>Compensation | 3% DMV<br>Tax | Sheriff's<br>Dept | June 30,<br>2019 | June 30,<br>2018 |
| <b>Assets</b>             |                            |                                    |                                 |                          |                            |                         |               |                   |                  |                  |
| Cash and cash equivalents | \$ 14,980                  | \$ -                               | \$ 60,899                       | \$ 333                   | \$ 4,175                   | \$ 55,533               | \$ -          | \$ 22,275         | \$ 158,195       | \$ 155,550       |
| <b>Liabilities</b>        |                            |                                    |                                 |                          |                            |                         |               |                   |                  |                  |
| Miscellaneous liabilities | \$ 14,980                  | \$ -                               | \$ -                            | \$ -                     | \$ -                       | \$ 55,533               | \$ -          | \$ -              | \$ 70,513        | \$ 74,746        |
| Intergovernmental payable | -                          | -                                  | 60,899                          | 333                      | 4,175                      | -                       | -             | 22,275            | 87,682           | 80,804           |
| Total liabilities         | \$ 14,980                  | \$ -                               | \$ 60,899                       | \$ 333                   | \$ 4,175                   | \$ 55,533               | \$ -          | \$ 22,275         | \$ 158,195       | \$ 155,550       |

**Richmond County**  
**Agency Funds**  
**Combining Statement of Changes in Assets and Liabilities**  
**June 30, 2019**

|                                  | Balance<br>June 30, 2018 | Additions    | Deductions   | Balance<br>June 30, 2019 |
|----------------------------------|--------------------------|--------------|--------------|--------------------------|
| <b>Social Services</b>           |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 18,778                | \$ 213,127   | \$ 216,925   | \$ 14,980                |
| Liabilities:                     |                          |              |              |                          |
| Miscellaneous liabilities        | \$ 18,778                | \$ 216,925   | \$ 213,127   | \$ 14,980                |
| <b>Fines and Forfeitures</b>     |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 301                   | \$ 137,644   | \$ 137,945   | \$ -                     |
| Liabilities:                     |                          |              |              |                          |
| Intergovernmental payable        | \$ 301                   | \$ 137,945   | \$ 137,644   | \$ -                     |
| <b>Motor Vehicle Tax</b>         |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 56,886                | \$ 666,076   | \$ 662,063   | \$ 60,899                |
| Liabilities:                     |                          |              |              |                          |
| Intergovernmental payables       | \$ 56,886                | \$ 662,063   | \$ 666,076   | \$ 60,899                |
| <b>Truancy Trust Fund</b>        |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 333                   | \$ -         | \$ -         | \$ 333                   |
| Liabilities:                     |                          |              |              |                          |
| Intergovernmental payables       | \$ 333                   | \$ -         | \$ -         | \$ 333                   |
| <b>Leath Book Endowment</b>      |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 4,175                 | \$ -         | \$ -         | \$ 4,175                 |
| Liabilities:                     |                          |              |              |                          |
| Intergovernmental payables       | \$ 4,175                 | \$ -         | \$ -         | \$ 4,175                 |
| <b>Workers Compensation</b>      |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 55,968                | \$ 16,567    | \$ 17,002    | \$ 55,533                |
| Liabilities:                     |                          |              |              |                          |
| Miscellaneous Liabilities        | \$ 55,968                | \$ 17,002    | \$ 16,567    | \$ 55,533                |
| <b>Sheriff's Department</b>      |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 19,109                | \$ 210,650   | \$ 207,484   | \$ 22,275                |
| Liabilities:                     |                          |              |              |                          |
| Intergovernmental Payable        | \$ 19,109                | \$ 207,484   | \$ 210,650   | \$ 22,275                |
| <b>Totals - All Agency Funds</b> |                          |              |              |                          |
| Assets:                          |                          |              |              |                          |
| Cash and cash equivalents        | \$ 155,550               | \$ 1,244,064 | \$ 1,241,419 | \$ 158,195               |
| Liabilities:                     |                          |              |              |                          |
| Miscellaneous liabilities        | \$ 74,746                | \$ 233,927   | \$ 229,694   | \$ 70,513                |
| Intergovernmental payable        | 80,804                   | 1,007,492    | 1,014,370    | 87,682                   |
| Total liabilities                | \$ 155,550               | \$ 1,241,419 | \$ 1,244,064 | \$ 158,195               |

## OTHER SCHEDULES

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This section includes additional information on property taxes.

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**Richmond County**  
**General Fund**  
**Schedule of Ad Valorem Taxes Receivable**  
**June 30, 2019**

| <u>Fiscal Year</u>                          | <u>Uncollected<br/>Balance<br/>June 30, 2018</u> | <u>Additions</u>     | <u>Collections<br/>And Credits</u> | <u>Uncollected<br/>Balance<br/>June 30, 2019</u> |
|---|--|----------------------|------------------------------------|--|
| 2018-2019                                   | \$ -   | \$ 27,231,178        | \$ 26,388,415                      | \$ 842,763                                       |
| 2017-2018                                   | 819,128  | -                    | 388,152                            | 430,976  |
| 2016-2017                                   | 439,542  | -                    | 144,851                            | 294,691  |
| 2015-2016                                   | 304,351  | -                    | 63,427                             | 240,924  |
| 2014-2015                                   | 217,784  | -                    | 33,309                             | 184,475  |
| 2013-2014                                   | 209,742  | -                    | 27,334                             | 182,408  |
| 2012-2013                                   | 197,076  | -                    | 20,546                             | 176,530  |
| 2011-2012                                   | 158,566  | -                    | 12,322                             | 146,244  |
| 2010-2011                                   | 140,732  | -                    | 10,283                             | 130,449  |
| 2009-2010                                   | 126,420  | -                    | 8,281                              | 118,139  |
| Prior Years                                 | 108,751  | -                    | 108,751                            | -  |
|   | <u>\$ 2,722,092</u>                              | <u>\$ 27,231,178</u> | <u>\$ 27,205,671</u>               | <u>2,747,599</u>                                 |
| Less: allowance for uncollectible accounts: |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>(1,428,407)</u>                               |
| Ad valorem taxes receivable - net:          |  |                      |                                    |  |
| General Fund                                |  |                      |                                    | <u>\$ 1,319,192</u>                              |
| <u>Reconcilement with revenues:</u>         |  |                      |                                    |  |
| Ad valorem taxes - General Fund             |  |                      |                                    | <u>\$ 27,646,226</u>                             |
| Reconciling items:                          |  |                      |                                    |  |
| Interest and Penalty collected              |  |                      |                                    | (301,432)  |
| Releases, adjustments, and fees             |  |                      |                                    | (30,372)   |
| Taxes Written Off                           |  |                      |                                    | <u>(108,751)</u>                                 |
| Total reconciling items                     |  |                      |                                    | <u>(440,555)</u>                                 |
| Total collections and credits               |  |                      |                                    | <u>\$ 27,205,671</u>                             |

**Richmond County**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**June 30, 2019**

|  | County - wide           |      |                      | Total Levy   |                                 |
|--|-------------------------|------|----------------------|--|---------------------------------|
|  | Property<br>Valuation   | Rate | Amount<br>of Levy    | Property<br>excluding<br>Registered<br>Motor<br>Vehicles | Registered<br>Motor<br>Vehicles |
| Original levy:                         |                         |      |                      |  |                                 |
| Property taxed at current year's rate: |                         |      |                      |  |                                 |
| Real and personal                      | \$ 2,222,726,747        | 0.83 | \$ 18,448,332        | \$ 18,448,332  | \$ -                            |
| Vehicle                                | 277,581,928             | 0.83 | 2,303,930            | -  | 2,303,930                       |
| Total                                  | <u>2,500,308,675</u>    |      | <u>20,752,262</u>    | <u>18,448,332</u>  | <u>2,303,930</u>                |
| Discoveries:                           |                         |      |                      |  |                                 |
| Current year taxes:                    |                         |      |                      |  |                                 |
| Real and personal                      | <u>793,109,397</u>      | 0.83 | <u>6,582,808</u>     | <u>6,582,808</u>   | <u>-</u>                        |
| Total                                  | <u>793,109,397</u>      |      | <u>6,582,808</u>     | <u>6,582,808</u>   | <u>-</u>                        |
| Abatements:                            |                         |      |                      |  |                                 |
| Current year taxes:                    |                         |      |                      |  |                                 |
| Real and personal                      | <u>(12,517,108)</u>     | 0.83 | <u>(103,892)</u>     | <u>(103,892)</u>   | <u>-</u>                        |
| Total                                  | <u>(12,517,108)</u>     |      | <u>(103,892)</u>     | <u>(103,892)</u>   | <u>-</u>                        |
| Total property valuation               | <u>\$ 3,280,900,964</u> |      |                      |  |                                 |
| Net levy                               |                         |      | 27,231,178           | 24,927,248   | 2,303,930                       |
| Uncollected taxes at June 30, 2019     |                         |      | <u>842,763</u>       | <u>842,763</u>   | <u>-</u>                        |
| Current year's taxes collected         |                         |      | <u>\$ 26,388,415</u> | <u>\$ 24,084,485</u>                                     | <u>\$ 2,303,930</u>             |
| Current levy collection percentage     |                         |      | <u>96.91%</u>        | <u>96.62%</u>  | <u>100.00%</u>                  |

**Richmond County**  
**Analysis of Current Tax Levy**  
**County - wide Levy**  
**June 30, 2019**

**Secondary Market Disclosures:**

|   |                             |
|---|-----------------------------|
| Assessed Valuation:   |                             |
| Assessment Ratio <sup>1</sup>   | 99.69%                      |
| Real Property   | \$ 2,223,933,011            |
| Motor Vehicles  | 277,581,928                 |
| Late Listing Penalties and Prior Years                                    | -                           |
| Public Service Companies <sup>2</sup>                                     | 779,386,025                 |
| Total Assessed Valuation  | <u>3,280,900,964</u>        |
| Tax Rate per \$100  | 0.83                        |
| Levy (includes discoveries, late list penalties, releases and abatements) | <u><u>\$ 27,231,178</u></u> |

In addition to the County-wide rate, the following table lists the levies by the County on behalf of fire protection districts for the fiscal year ended June 30:

|                               |                         |
|-------------------------------|-------------------------|
| East Rockingham Fire District | \$ 34,249               |
| Cordova Fire District         | 15,465                  |
| Northside Fire District       | 18,230                  |
| Northside II Fire District    | 5,304                   |
| Mountain Creek Fire District  | 6,651                   |
| Total                         | <u><u>\$ 79,899</u></u> |

<sup>1</sup> Percentage of appraised value has been established by statute.

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

**Richmond County**  
**Ten Largest Taxpayers**  
**June 30, 2019**

| <b>Taxpayer</b>                   | <b>Type of Business</b> | <b>2018<br/>Assessed<br/>Valuation</b> | <b>Percentage of<br/>Total Assessed<br/>Valuation</b> |
|-----------------------------------|-------------------------|--|---|
| Pregress Energy Carolinas         | Utility                 | \$ 530,880,292                         | 16.18%  |
| NC Electric Membership Corp.      | Utility                 | 119,306,949                            | 3.64%   |
| Piedmont Natural Gas Co. Inc.     | Utility                 | 44,451,473                             | 1.35%   |
| CSX Transportation Inc.           | Railroad                | 33,417,028                             | 1.02%   |
| Perdue Foods LLC                  | Poultry Processing      | 26,589,550                             | 0.81%   |
| Trans Carolina Products LLC       | Manufacturing           | 27,972,713                             | 0.85%   |
| Pee Dee Electric Membership Corp. | Utility                 | 26,380,375                             | 0.80%   |
| Vulcan Materials Co               | Mining                  | 18,091,217                             | 0.55%   |
| Plastek Industries, Inc.          | Manufacturing           | 14,097,961                             | 0.43%   |
| Phase II of NC, LLC               | Solar Farm              | 19,194,012                             | 0.59%   |
| Total                             |                         | <u>\$ 860,381,570</u>                  | <u>26.22%</u>   |

## COMPLIANCE SECTION



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**Alan W. Thompson, CPA  
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Gregory S. Adams, CPA**

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

**Independent Auditors' Report**

**To the Board of County Commissioners  
Richmond 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 accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Richmond County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Richmond County basic financial statements, and have issued our report thereon dated November 20, 2019.

**Internal Control Over Financial Reporting**

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

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

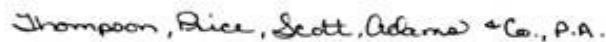
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

Compliance and Other Matters

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

Purpose of this Report

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



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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 20, 2019



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

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**Alan W. Thompson, CPA  
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Gregory S. Adams, CPA**

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

**Independent Auditors' Report**

To the Board of County Commissioners  
Richmond County, North Carolina

**Report on Compliance for Each Major Federal Program**

We have audited Richmond County, North Carolina's, 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 Richmond County's major federal programs for the year ended June 30, 2019. Richmond County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with Federal and State statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Richmond County's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), and the State Single Audit Implementation Act. Those standards, the Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Richmond County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Members**

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



## Opinion on Each Major Federal Program

In our opinion, Richmond 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, 2019.

## Report on Internal Control Over Compliance

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

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

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

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.*

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 20, 2019



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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  
Richmond County, North Carolina

**Report on Compliance for Each Major State Program**

We have audited Richmond County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Richmond County's major state programs for the year ended June 30, 2019. Richmond County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

**Auditors' Responsibility**

Our responsibility is to express an opinion on compliance for each of Richmond County's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and applicable sections of Title 2 US *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Richmond County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

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

**Members**

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

## Opinion on Each Major State Program

In our opinion, Richmond 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, 2019.

## Report on Internal Control Over Compliance

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

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

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

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

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

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Thompson, Price, Scott, Adams & Co., P.A.  
Whiteville, NC  
November 20, 2019

## Section I - Summary of Auditors' Results

Internal control over financial reporting:

• Material weakness(es) identified?                      \_\_\_ yes                      X no

• Significant deficiency(s) identified                      \_\_\_ yes                      X none reported

Noncompliance material to financial statements noted        yes   X   no

Internal control over major federal programs:

• Material weakness(es) identified? \_\_\_\_\_ yes \_\_\_\_\_ X no

• Significant deficiency(s) identified \_\_\_\_\_ yes \_\_\_\_\_ X none reported

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

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

Identification of major federal programs:

| <u>CFDA #</u>  | <u>Program Name</u>                             |
|----------------|---|
| 93.558         | TANF Cluster                                    |
| 93.658, 93.659 | IV-E Foster Care and Adoption Assistant Cluster |
| 93.563         | Child Support Enforcement                       |
| 93.778         | Medical Assistance Program                      |

|  |            |
|--|------------|
| Dollar threshold used to distinguish between<br>Type A and Type B Programs | \$ 750,000 |
|--|------------|

Auditee qualified as low-risk auditee?        yes   X   no



Richmond County  
Schedule of Findings and Questioned Costs  
June 30, 2019

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV - State Award Findings and Questioned Costs**

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None Reported.

Richmond County  
Corrective Action Plan  
June 30, 2019

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**Section II - Financial Statement Findings**

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None Reported.

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**Section III - Federal Award Findings and Questioned Costs**

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None Reported.

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**Section IV - State Award Findings and Questioned Costs**

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None Reported.

Richmond County  
Summary Schedule of Prior year Audit Findings  
June 30, 2019

Finding: 2018-01  
Status: Corrected.



**Richmond County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through<br>Grantor/Program Title  | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Fed (Direct &<br>Pass-through<br>Expenditures | State<br>Expenditures | Pass-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|---------------------------|---|---|-----------------------|-------------------------------------|-----------------------|
| <b>Federal Awards:</b>   |                           |   |   |                       |                                     |                       |
| <u>U.S. Dept. of Agriculture</u>   |                           |   |   |                       |                                     |                       |
| Passed-through N.C. Dept of Health and Human Services:<br>Division of Social Services:<br>Administration:<br>State Administrative Matching Grants<br>for the Supplemental Nutrition Asst. Prg. | 10.561                    |   | \$ 773,144                                    | \$ 87,013             | \$ -                                | \$ 686,131            |
| Passed-through N.C. Dept of Health and Human Services:<br>Division of Public Health:<br>Administration:<br>Special Supplemental Nutrition Program<br>for Women, Infants and Children           | 10.557                    |   | 305,280                                       | -                     | -                                   | -                     |
| Passed through Lumber River Council of Governments<br>NSIP Supplement USDA   | 10.570                    |   | 39,695  | -                     | -                                   | -                     |
| Total U.S. Dept. of Agriculture  |                           |   | <u>1,118,119</u>                              | <u>87,013</u>         | <u>-</u>                            | <u>686,131</u>        |
| <u>U.S. Department of Justice</u>  |                           |   |   |                       |                                     |                       |
| Edward Byrne Mem Justice Asset Program   | 16.738                    |   | 14,006  | -                     | -                                   | -                     |
| Passed through N.C. Governor's Crime Commission<br>Bulletproof Vest Partnership Program  | 16.607                    |   | 19,978  | -                     | -                                   | -                     |
| Total U.S. Department of Justice   |                           |   | <u>33,984</u>                                 | <u>-</u>              | <u>-</u>                            | <u>-</u>              |
| <u>U.S. Department of Transportation</u>   |                           |   |   |                       |                                     |                       |
| Passed-through the N.C. Department of Transportation<br>Richmond County Airport FFY 12 Block 44 Vision100<br>Airfield Improvements   | 20.106                    | 36237.3.12.3                                  | 13,087  | -                     | -                                   | -                     |
| Richmond County Airport  | 20.106                    | 36237.3.14.1                                  | 57,093  | 6,344                 | -                                   | -                     |
| Richmond County Airport  | 20.106                    | 36237.3.15.1                                  | 64,753  | -                     | -                                   | -                     |
| Total U. S. Department of Transportation   |                           |   | <u>134,933</u>                                | <u>6,344</u>          | <u>-</u>                            | <u>-</u>              |
| <u>U.S. Dept of Health and Human Services</u>  |                           |   |   |                       |                                     |                       |
| Division of Aging and Adult Services<br>Passed-through Lumber River Council of Governments<br>Special Programs for the Aging Title IIIB<br>Grants for Supportive Services and Senior Centers   | 93.044                    |   | 150,144                                       | 8,832                 | -                                   | -                     |
| Special Programs for the Aging Title IIIC<br>Nutrition Services  | 93.045                    |   | 117,199                                       | 6,894                 | -                                   | -                     |
| Total Aging Cluster  |                           |   | <u>267,343</u>                                | <u>15,726</u>         | <u>-</u>                            | <u>-</u>              |
| Division of Social Services<br>Temporary Assistance Needy Family Cluster<br>TANF - Work First  | 93.558                    |   | 679,937                                       | -                     | -                                   | 626,496               |
| Division of Public Health<br>TANF - Work First   | 93.558                    |   | 11,858  | -                     | -                                   | -                     |
| Total TANF Cluster   |                           |   | <u>691,795</u>                                | <u>-</u>              | <u>-</u>                            | <u>626,496</u>        |
| Foster Care and Adoption Cluster:<br>Foster Care - Title IV-E - Administration   | 93.658                    |   | 255,905                                       | 92,205                | -                                   | 119,736               |
| Adoption Assistance  | 93.659                    |   | 2,069   | -                     | -                                   | 2,068                 |
| Foster Care  | N/A                       |   | 256,669                                       | 79,185                | -                                   | -                     |
| IV-E Adoption  | N/A                       |   | 151   | 151                   | -                                   | -                     |
| Total Foster Care and Adoption Cluster   |                           |   | <u>514,794</u>                                | <u>171,390</u>        | <u>-</u>                            | <u>121,804</u>        |
| Child Support Enforcement  | 93.563                    |   | 685,769                                       | -                     | -                                   | 353,275               |
| AFDC Payments & Penalties  | 93.560                    |   | (502)   | (141)                 | -                                   | (136)                 |

**Richmond County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through<br>Grantor/Program Title                | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Fed (Direct &<br>Pass-through<br>Expenditures | State<br>Expenditures | Pass-through<br>to<br>Subrecipients | Local<br>Expenditures |
|--|---------------------------|---|---|-----------------------|-------------------------------------|-----------------------|
| Low-Income Home Energy Assistance                            |                           |   |   |                       |                                     |                       |
| Administration   | 93.568                    |   | 63,514  | -                     | -                                   | -                     |
| Energy Assistance Payments                                   | 93.568                    |   | 456,966                                       | -                     | -                                   | -                     |
| Crisis Intervention Program                                  | 93.568                    |   | 385,244                                       | -                     | -                                   | -                     |
| Total Low-Income Energy Assistance                           |                           |   | 905,724                                       | -                     | -                                   | -                     |
| Stephanie Tubbs Jones Child Welfare Services Program         |                           |   |   |                       |                                     |                       |
| Permanency Planning - Families for Kids                      | 93.645                    |   | 12,512  | -                     | -                                   | 4,171                 |
| Chafee Foster Care Independence Program                      | 93.674                    |   | 10,839  | 290                   | -                                   | -                     |
| SSBG - Other Service and Training                            | 93.667                    |   | 219,776                                       | -                     | -                                   | 73,258                |
| Division of Aging and Adult Services                         |                           |   |   |                       |                                     |                       |
| Division of Social Services                                  |                           |   |   |                       |                                     |                       |
| SSBG -Adult Protective Services                              | 93.667                    |   | 27,771  | -                     | -                                   | 9,257                 |
| Passed-through Lumber River Council of Governments           |                           |   |   |                       |                                     |                       |
| SSBG - In Home Services                                      | 93.667                    |   | 11,244  | 321                   | -                                   | -                     |
| Total Social Service Block Grant                             |                           |   | 258,791                                       | 321                   | -                                   | 82,515                |
| Division of Social Services:                                 |                           |   |   |                       |                                     |                       |
| Subsidized Child Care:                                       |                           |   |   |                       |                                     |                       |
| Child Care Development Fund - Administration                 | 93.596                    |   | 90,963  | -                     | -                                   | -                     |
| Total Subsidized Child Care Cluster                          |                           |   | 90,963  | -                     | -                                   | -                     |
| Medical Assistance Program - Administration                  | 93.778                    |   | 1,147,704                                     | 1,744                 | -                                   | 514,346               |
| State Children's Insurance Program - N.C. Health Choice      | 93.767                    |   | 21,271  | -                     | -                                   | -                     |
| Passed through N.C. Department of Health and Human Services: |                           |   |   |                       |                                     |                       |
| Division of Public Health                                    |                           |   |   |                       |                                     |                       |
| Hospital Preparedness Program (HPP) and Public Health        |                           |   |   |                       |                                     |                       |
| Emergency Preparedness (PHEP) Aligned Cooperative            |                           |   |   |                       |                                     |                       |
| Agreements   | 93.074                    |   | 30,448  | -                     | -                                   | -                     |
| Project Grants and Cooperative Agreements for                |                           |   |   |                       |                                     |                       |
| Tuberculosis Control Programs                                | 93.116                    |   | 28,383  | -                     | -                                   | -                     |
| Family Planning Services                                     | 93.217                    |   | 26,027  | -                     | -                                   | -                     |
| Immunization Grants  | 93.268                    |   | 18,144  | -                     | -                                   | -                     |
| Teenage Pregnancy Prevention Program                         | 93.297                    |   | 180,102                                       | -                     | -                                   | -                     |
| Preventive Health and Health Services Block Grant funded     |                           |   |   |                       |                                     |                       |
| solely with Prevention and Public Health Funds (PPHF)        | 93.758                    |   | 32,769  | -                     | -                                   | -                     |
| Cancer Prevention and Control Programs for State,            |                           |   |   |                       |                                     |                       |
| Territorial and Tribal Organizations                         | 93.898                    |   | 11,475  | -                     | -                                   | -                     |
| Preventive Health Services_Sexually Transmitted Diseases     |                           |   |   |                       |                                     |                       |
| Control Grants   | 93.977                    |   | 100   | -                     | -                                   | -                     |
| Maternal and Child Health Services Block Grant               | 93.994                    |   | 83,033  | 30,937                | -                                   | -                     |
| Total U. S. Department of Health and Human Services          |                           |   | 5,017,484                                     | 220,418               | -                                   | 1,702,471             |
| <u>Environmental Protection Agency</u>                       |                           |   |   |                       |                                     |                       |
| Brownfields Cleanup Grants                                   | 66.818                    |   | 181,285                                       | -                     | -                                   | -                     |
| Total Environmental Protection Agency                        |                           |   | 181,285                                       | -                     | -                                   | -                     |
| <u>U.S. Dept. of Homeland Security</u>                       |                           |   |   |                       |                                     |                       |
| Passed through the NC Dept. of Public Safety                 |                           |   |   |                       |                                     |                       |
| Emergency Management Performance Grant                       | 97.042                    |   | 38,229  | -                     | -                                   | -                     |
| Total U.S. Dept. of Homeland Security                        |                           |   | 38,229  | -                     | -                                   | -                     |

**Richmond County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

| Grantor/Pass-through<br>Grantor/Program Title             | Federal<br>CFDA<br>Number | State/<br>Pass-through<br>Grantor's<br>Number | Fed (Direct &<br>Pass-through<br>Expenditures | State<br>Expenditures | Pass-through<br>to<br>Subrecipients | Local<br>Expenditures |
|---|---------------------------|---|---|-----------------------|-------------------------------------|-----------------------|
| <b>U.S. Department of Housing &amp; Urban Development</b> |                           |   |   |                       |                                     |                       |
| Passed through N.C. Housing Finance Agency:               |                           |   |   |                       |                                     |                       |
| 2016 Single Family Rehab Program                          | 14.239                    | SFRLP1626                                     | 229,888                                       | -                     | -                                   | -                     |
| 2017 Disaster Recovery                                    | 14.239                    | SFRLPDR1727                                   | 98,390  | -                     | -                                   | -                     |
| Total U.S. Department of Housing & Urban Development      |                           |   | 328,278                                       | -                     | -                                   | -                     |
| Total Federal Awards                                      |                           |   | \$ 6,852,312                                  | \$ 313,775            | \$ -                                | \$ 2,388,602          |
| <b>State Awards:</b>                                      |                           |   |   |                       |                                     |                       |
| <b><u>N.C. Dept. of Health and Human Services</u></b>     |                           |   |   |                       |                                     |                       |
| Division of Public Health:                                |                           |   |   |                       |                                     |                       |
| Food and Lodging Fees                                     |                           |   | \$ -  | \$ 12,352             | \$ -                                | \$ -                  |
| Mosquito Abatement (Hurricane Florence)                   |                           |   | -   | 88,338                | -                                   | -                     |
| CHA/CHIP Peer Review                                      |                           |   | -   | 109,555               | -                                   | -                     |
| General Communicable Disease Control                      |                           |   | -   | 2,000                 | -                                   | -                     |
| Minority Diabetes Prevention Program                      |                           |   | -   | 199,007               | -                                   | -                     |
| Child Health  |                           |   | -   | 7,204                 | -                                   | -                     |
| HIV/STD State   |                           |   | -   | 500                   | -                                   | -                     |
| STD Drugs   |                           |   | -   | 650                   | -                                   | -                     |
| Breast and Cervical Cancer Control                        |                           |   | -   | 3,825                 | -                                   | -                     |
| School Nursing Funding Initiative                         |                           |   | -   | 150,000               | -                                   | -                     |
| Evidence - Based Strategies for MCH                       |                           |   | -   | 436,704               | -                                   | -                     |
| Family Planning - State                                   |                           |   | -   | 37,462                | -                                   | -                     |
| Maternal Health   |                           |   | -   | 44,248                | -                                   | -                     |
| Women Health Service Fund                                 |                           |   | -   | 7,184                 | -                                   | -                     |
| TB Control  |                           |   | -   | 17,936                | -                                   | -                     |
| Totla Division of Public Health                           |                           |   | -   | 1,116,965             | -                                   | -                     |
| Division of Social Services:                              |                           |   |   |                       |                                     |                       |
| State Foster Home   |                           |   | -   | 6,976                 | -                                   | 6,976                 |
| Extended FC/MAX Non IV-E                                  |                           |   | -   | 6,974                 | -                                   | -                     |
| F/C at Risk Maximization                                  |                           |   | -   | 3,606                 | -                                   | 1,187                 |
| Foster Care at Risk                                       |                           |   | -   | 4,324                 | -                                   | 843                   |
| SFHF Maximization   |                           |   | -   | 1,302                 | -                                   | 1,302                 |
| State Child Welfare/CPS/CS LD                             |                           |   | -   | 192,241               | -                                   | -                     |
| DCD Smart Start   |                           |   | -   | 6,999                 | -                                   | -                     |
| Energy Assist Private                                     |                           |   | -   | 7,663                 | -                                   | -                     |
| County Funded Programs                                    |                           |   | -   | -                     | -                                   | 269,182               |
| AFDC Incent/Program Integrity                             |                           |   | -   | 163                   | -                                   | -                     |
| Non-Allocating County Cost                                |                           |   | -   | -                     | -                                   | 27,753                |
| CSE Disaster Non-Reimbursable                             |                           |   | -   | -                     | -                                   | 1,059                 |
| Total Division of Social Services                         |                           |   | -   | 230,248               | -                                   | 308,302               |
| Division of Aging and Adult Services:                     |                           |   |   |                       |                                     |                       |
| 90% State Funds In Home Services                          |                           |   | -   | 41,901                | -                                   | -                     |
| 90% State Funds Home Delivered Meals                      |                           |   | -   | 58,485                | -                                   | -                     |
| Total Division of Aging and Adult Services                |                           |   | -   | 100,386               | -                                   | -                     |
| Special Appropriation                                     |                           |   |   |                       |                                     |                       |
| NARCAM Grant  |                           |   | -   | 3,600                 | -                                   | -                     |
| Total N.C. Dept. Health and Human Services                |                           |   | -   | 1,451,199             | -                                   | 308,302               |
| <b><u>N.C. Department of Insurance</u></b>                |                           |   |   |                       |                                     |                       |
| SHIIP Grant   |                           |   | -   | 8,602                 | -                                   | -                     |
| Total of N.C. Department of Insurance                     |                           |   | -   | 8,602                 | -                                   | -                     |
| <b><u>N.C. Dept. of Veterans Affairs</u></b>              |                           |   |   |                       |                                     |                       |
| Veteran Grant   |                           | N/A   | -   | 2,216                 | -                                   | -                     |
| Total of N.C. Dept. of Veterans Affairs                   |                           |   | -   | 2,216                 | -                                   | -                     |

**Richmond County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

| <u>Grantor/Pass-through<br/>Grantor/Program Title</u>        | <u>Federal<br/>CFDA<br/>Number</u> | <u>State/<br/>Pass-through<br/>Grantor's<br/>Number</u> | <u>Fed (Direct &amp;<br/>Pass-through<br/>Expenditures</u> | <u>State<br/>Expenditures</u> | <u>Pass-through<br/>to<br/>Subrecipients</u> | <u>Local<br/>Expenditures</u> |
|--|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| <u>N.C. Dept. of Transportation</u>                          |                                    |   |  |                               |  |                               |
| Pass-through to Richmond Interagency Transportation:         |                                    |   |  |                               |  |                               |
| Rural Operating Assistance Program (ROAP) Cluster            |                                    |   |  |                               |  |                               |
| ROAP Elderly and Disabled Transportation Assistance          |                                    | 36220.10.8.1  | -  | 70,682                        | -  | -                             |
| ROAP Rural General Public Program                            |                                    | 36228.22.8.1  | -  | 68,348                        | -  | -                             |
| ROAP Work First Transitional - Employment                    |                                    | 36236.11.7.1  | -  | 13,067                        | -  | -                             |
| Total ROAP Cluster   |                                    |   | -  | 152,097                       | -  | -                             |
| Richmond County Apron Reconstruction and Hangar Relocation   |                                    | 36244.3.5.1   | -  | 170,967                       | -  | -                             |
| Richmond County Taxiway Lighting Rehabilitation              |                                    | 36244.3.5.2   | -  | 6,945                         | -  | -                             |
| Total N.C. Dept. of Transportation                           |                                    |   | -  | 330,009                       | -  | -                             |
| <u>N.C. Housing Finance Agency</u>                           |                                    |   |  |                               |  |                               |
| 2017 Urgent Repair Program                                   |                                    | URP1728   | -  | 86,125                        | -  | -                             |
| Total N. C. Housing Finance Agency                           |                                    |   | -  | 86,125                        | -  | -                             |
| <u>N.C. Dept. of Environmental Quality</u>                   |                                    |   |  |                               |  |                               |
| Division of Waste Management                                 |                                    |   |  |                               |  |                               |
| Electronics Mgt  |                                    |   | -  | 2,819                         | -  | -                             |
| Off Waste Red Trust Fund                                     |                                    |   | -  | 9,077                         | -  | -                             |
| Total N.C. Dept. of Environment Quality                      |                                    |   | -  | 11,896                        | -  | -                             |
| <u>N.C. Dept. of Public Safety</u>                           |                                    |   |  |                               |  |                               |
| Juvenile Justice Service Programs                            |                                    |   |  |                               |  |                               |
| JCPC Admin   |                                    | N/A   | -  | 5,915                         | -  | 62                            |
| Project Focus  |                                    | N/A   | -  | 134,547                       | 134,547                                      | 19,029                        |
| Teen Court   |                                    | N/A   | -  | 22,737                        | 22,737                                       | 10,000                        |
| DASH Mentoring   |                                    | N/A   | -  | 42,000                        | 42,000                                       | -                             |
| Total Juvenile Justice Service Programs                      |                                    |   | -  | 205,199                       | 199,284                                      | 29,091                        |
| Search and Rescue Grant                                      |                                    |   | -  | 28,000                        | -  | -                             |
| Disaster Response Grants                                     |                                    |   | -  | 62,948                        | -  | -                             |
| Total N.C Dept. of Public Safety                             |                                    |   | -  | 296,147                       | 199,284                                      | 29,091                        |
| <u>NC 911 Board Emergency PSAP Center</u>                    |                                    |   |  |                               |  |                               |
| Richmond County Emergency Communications Consolidation       |                                    |   | -  | 334,013                       | -  | -                             |
| Total NC 911 Board Emergency PSAP Center                     |                                    |   | -  | 334,013                       | -  | -                             |
| <u>N. C. Department of Agriculture and Consumer Services</u> |                                    |   |  |                               |  |                               |
| Division of Soil and Water Conservation- Matching Grant      |                                    |   | -  | 3,600                         | -  | -                             |
| Technical Assistance Grant                                   |                                    |   | -  | 14,700                        | -  | -                             |
| Total N.C Dept. of Agriculture and Consumer Services         |                                    |   | -  | 18,300                        | -  | -                             |
| <u>N.C. Department of Public Instruction</u>                 |                                    |   |  |                               |  |                               |
| Public School Building Capital Fund (Lottery)                |                                    |   | -  | 511,108                       | -  | -                             |
| Total N.C. Department of Public Instruction                  |                                    |   | -  | 511,108                       | -  | -                             |
| <u>N.C. State Board of Elections</u>                         |                                    |   |  |                               |  |                               |
| HAVA Grant   |                                    |   | -  | 2,334                         | -  | -                             |
| Total of N.C. State Board of Elections                       |                                    |   | -  | 2,334                         | -  | -                             |
| Total State Awards   |                                    |   | -  | 3,051,949                     | 199,284                                      | 337,393                       |
| Total Federal and State Awards                               |                                    |   | \$ 6,852,312   | \$ 3,365,724                  | \$ 199,284                                   | \$ 2,725,995                  |

**Richmond County, North Carolina**  
**Schedule of Expenditures of**  
**Federal and State Awards**  
**For The Fiscal Year Ended June 30, 2019**

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Notes to the Schedule of Expenditures of Federal and State Awards

**Note 1: Basis of Presentation**

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Richmond County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. 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 Richmond County, it is not intended to and does not present the financial position, changes in net position or cash flows of Richmond 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**

Richmond 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 6: 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.

| <b>Program Title</b>                                    | <b>CFDA No.</b> | <b>Federal</b> | <b>State</b> |
|---|-----------------|----------------|--------------|
| Medical Assistance Program                              | 93.778          | \$ 64,179,799  | \$33,548,197 |
| Children's Health Insurance Program                     | 93.767          | 1,325,107      | -            |
| Special Supplemental Nutrition Program for Women Infant | 10.557          | 1,018,314      | -            |
| Food and Nutrition Services                             | 10.561          | 21,501,257     | -            |
| Family Preservation                                     | 93.556          | 12,360         | -            |
| IV-E Adopt & Vendor                                     | 93.659          | 109,307        | 26,634       |
| TANF Payments & Penalties                               | 93.558          | 331,244        | 923          |
| CWS Adopt, Vendor, Guard                                | N/A             | -              | 52,987       |
| SAA/SAD HB 1030   | N/A             | -              | 47,091       |
| SC/SA Domiciliary Care                                  | N/A             | -              | 313,058      |