

RICHMOND COUNTY, NORTH CAROLINA
FINANCIAL STATEMENTS
June 30, 2020

RICHMOND COUNTY, NORTH CAROLINA
June 30, 2020

BOARD OF COUNTY COMMISSIONERS

Kenneth R. Robinette, Chairman

John B. Garner, Vice-Chairman	Don Bryant
Jimmy L. Capps	Ben T. Moss, Jr
Tavares Bostic	Rick Watkins

COUNTY OFFICIALS

Bryan Land County Manager	R.M. Steagall, Jr. Finance Officer
William R. Webb Jr. County Attorney	Dena R. Cook Clerk to Board

RICHMOND COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

	<u>Exhibit</u>	<u>Page(s)</u>
FINANCIAL SECTION		
Independent Auditors' Report		1-3
Management's Discussion and Analysis		4-12
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position	1	13
Statement of Activities	2	14
Fund Financial Statements:		
Balance Sheet – Governmental Funds with reconciliation to the Statement of Net Position	3	15-16
Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances with reconciliation to Statement of Activities	4	17-18
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General Fund	5	19-20
Statement of Fund Net Position – Proprietary Funds	6	21
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	22
Statement of Cash Flows – Proprietary Funds	8	23-24
Statement of Fiduciary Net Position – Fiduciary Funds	9	25
Notes to the Financial Statements		26-57
Required Supplemental Financial Data:		
Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-1	58
Schedule of County Contributions (LGERS)	A-2	59
Schedule of County's Proportionate Share of Net Pension Asset (ROD)	A-3	60
Schedule of County Contributions (ROD)	A-4	61
Schedule of Changes in Total Pension Liability (LEO)	A-5	62
Schedule of Total Pension Liability as a Percentage of Covered Payroll (LEO)	A-6	63
Schedule of Changes in the Total OPEB Liability and Related Ratios	A-7	64

RICHMOND COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

	<u>Exhibit</u>	<u>Page(s)</u>
Combining and Individual Fund Statements and Schedules:		
General Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual	B-1	65-73
Revaluation Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual	B-1a	74
Other Major Governmental Funds:		
Non-Major Governmental Funds:		
Combining Balance Sheet – Non-Major Governmental Funds	C-1	75
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	76
Combining Balance Sheets – Non-Major Special Revenue Funds	C-3	77-78
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	C-4	79-80
East Rockingham Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-5	81
Cordova Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-6	82
Northside Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-7	83
Mt. Creek Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-8	84
Hamlet Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-9	85
Ellerbe Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-10	86

RICHMOND COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

	<u>Exhibit</u>	<u>Page(s)</u>
Rockingham Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-11	87
Hoffman Fire District Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-12	88
Revolving Loan Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-13	89
Emergency Telephone System Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-14	90
2010 Single Family Rehabilitation Grant Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-15	91
CDBG / P&P Distribution Grant Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-16	92
Ritz Craft CDBG Project Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-17	93
Ledbetter Dam Special Assessment Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-18	94
2016 Essen Single Family Rehabilitation Grant		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-19	95
2017 Disaster Recovery		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-20	96
Disaster Response		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	C-21	97

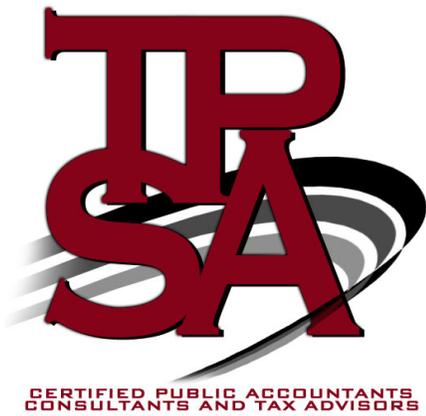
RICHMOND COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

	<u>Exhibit</u>	<u>Page(s)</u>
Capital Project Funds:		
Combining Balance Sheets - Non-Major Capital Projects	D-1	98
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Capital Projects	D-2	99
Highway 74 Industrial Park Project Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-3	100
School Capital Reserve Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-4	101
Economic Development Capital Reserve Fund:		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-5	102
E-911 Center Construction Capital Project Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-6	103
Ledbetter Dam Project Fund		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-7	104
Cordova School Improvement Project		
Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual	D-8	105
Enterprise Funds:		
Combining Statement of Net Position – Enterprise Fund	E-1	106
Combining Statement of Revenues, Expenditures and Changes in Net Position – Enterprise Fund	E-2	107
Solid Waste Fund - Enterprise Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non GAAP)	E-3	108-109

RICHMOND COUNTY, NORTH CAROLINA
TABLE OF CONTENTS
June 30, 2020

	<u>Exhibit</u>	<u>Page(s)</u>
Water and Sewer Fund - Enterprise Fund:		
Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Non GAAP)	E-4	110-111
Old Cheraw Highway Waterline Project		
Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)	E-4a	112
Automated Water Meter Project		
Schedule of Revenues and Expenditures - Budget and Actual (Non GAAP)	E-4b	113
Agency Funds:		
Combining Balance Sheet	F-1	114
Combining Statement of Changes in Assets and Liabilities	F-2	115
Other Schedules:		
Schedule of Ad Valorem Taxes Receivable	G-1	116
Analysis of Current Tax Levy	G-2, G-2a	117-118
Schedule of Ten Largest Taxpayers	G-2b	119
 COMPLIANCE SECTION		
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <u>Government Auditing Standards</u>		120-121
Report On Compliance With Requirements Applicable to Each Major Federal Program and Internal Control Over Compliance In Accordance With Uniform Guidance and the State Single Audit Implementation Act		122-124
Report On Compliance With Requirements Applicable to Each Major State Program and Internal Control Over Compliance In Accordance With Applicable Sections of OMB Uniform Guidance and the State Single Audit Implementation Act		125-126
Schedule of Findings and Questioned Costs	H-1	127-130
Summary Schedule of Prior Year Audit Findings	H-2	131
Schedule of Expenditures of Federal and State Awards	H-3	132-135

FINANCIAL SECTION



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, 2020, 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, 2020, 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 58 through 64, 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 12, 2020 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 12, 2020

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, 2020. 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.

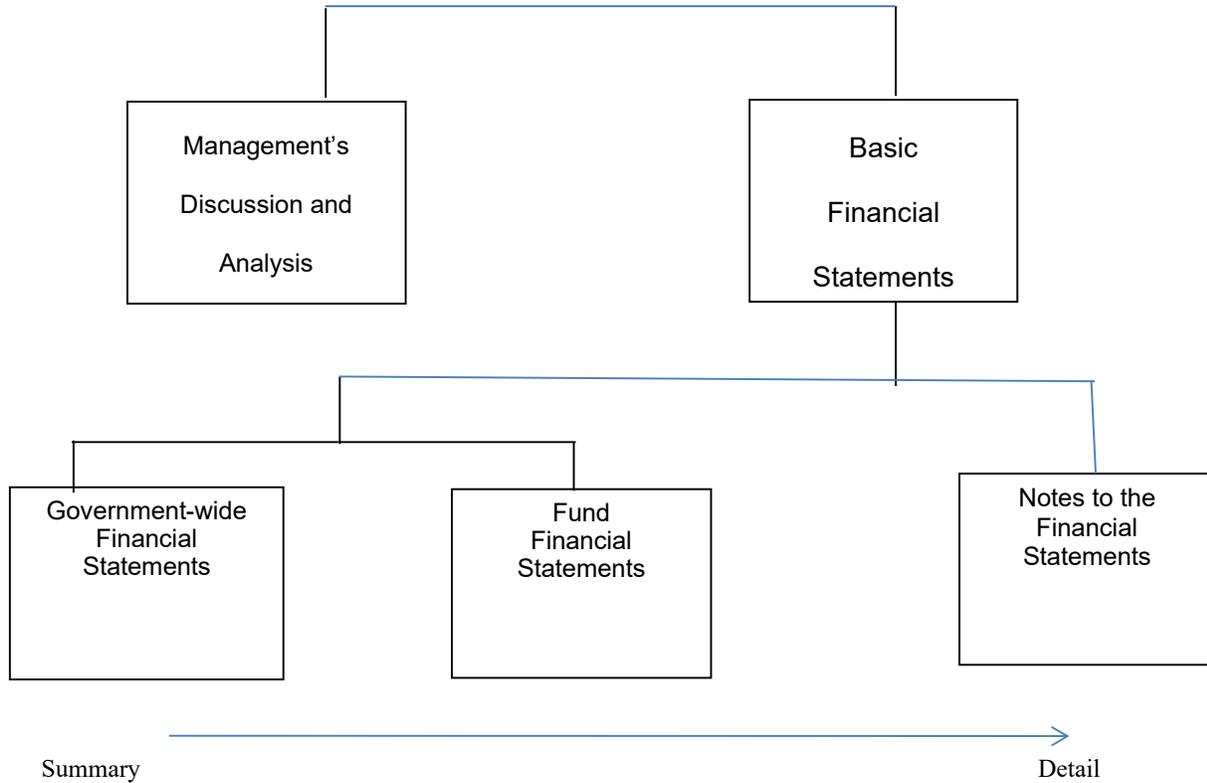
Financial Highlights

- 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 \$62,636,952 (net position).
- The government's total net position increased by \$1,855,706, primarily due to increased net position in the governmental activities and business-type activities.
- As of the close of the current fiscal year, Richmond County's governmental funds reported combined ending fund balances of \$19,370,248, an increase of \$3,149,399 in comparison with the prior year. Approximately 60.26 percent of this total amount, or \$11,671,569 is restricted.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$7,508,486, or 14.58 percent of total general fund expenditures for the fiscal year. Available fund balance was \$10,025,839 or 19.46 percent of total general fund expenditures.
- Richmond County's total debt decreased \$2,903,101 (10.34%) during the current fiscal year. The key factors in this decrease were the scheduled principal repayments on existing general obligation bonds of \$1,526,000 and \$306,000, in the governmental activities and business-type activities, respectively. These repayments were coupled with ongoing installment purchase activities. In addition, the County refunded general obligation bonds and issued additional debt totaling \$169,900.
- 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 \$62,636,952 as of June 30, 2020. The County’s net position increased by \$1,855,706 for the fiscal year ended June 30, 2020. One of the largest portions, \$52,543,805, 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, \$11,731,149, represents resources that are subject to external restrictions on how they may be used. The remaining deficit balance of (\$1,638,002) 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 \$11,123,000 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 Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 22,915,779	\$ 19,984,555	\$ 15,587,362	\$ 13,774,739	\$ 38,503,141	\$ 33,759,294
Capital assets	35,027,491	38,264,843	40,736,675	42,541,389	75,764,166	80,806,232
Total assets	57,943,270	58,249,398	56,324,037	56,316,128	114,267,307	114,565,526
Total deferred outflows of resources	1,752,846	1,908,830	155,128	177,277	1,907,974	2,086,107
Long-term liabilities outstanding	31,432,266	34,235,391	11,726,635	12,515,529	43,158,901	46,750,920
Other liabilities	10,027,613	9,314,144	1,339,077	1,049,183	11,366,690	10,363,327
Total liabilities	41,459,879	43,549,535	13,065,712	13,564,712	54,525,591	57,114,247
Total deferred inflows of resources	1,752,846	1,908,830	155,128	177,277	1,907,974	2,086,107
Net position:						
Net investment in capital assets	22,554,432	22,365,472	29,989,373	31,720,005	52,543,805	54,085,477
Restricted	11,731,149	10,724,082	-	-	11,731,149	10,724,082
Unrestricted	(15,181,745)	(15,370,147)	13,543,743	11,341,834	(1,638,002)	(4,028,313)
Total net position	\$ 19,103,836	\$ 17,719,407	\$ 43,533,116	\$ 43,061,839	\$ 62,636,952	\$ 60,781,246

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

- The property tax collection percentage increased from 96.91% to 96.96%. This rate is lower than the statewide average of 99.07%.
- Continued low cost of debt due to the County’s high bond rating.

Richmond County Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 2,739,224	\$ 1,704,943	\$ 10,280,825	\$ 9,895,312	\$ 13,020,049	\$ 11,600,255
Operating grants and contributions	12,525,612	11,490,425	449,035	425,425	12,974,647	11,915,850
Capital grants and contributions	389,665	2,150,601	-	-	389,665	2,150,601
General revenues:						
Property taxes	29,635,854	28,587,948	-	-	29,635,854	28,587,948
Other taxes	9,431,581	8,609,621	-	-	9,431,581	8,609,621
Grants and contributions not restricted to specific programs	221,579	231,589	-	-	221,579	231,589
Other	476,094	535,820	139,400	100,496	615,494	636,316
Total revenues	<u>55,419,609</u>	<u>53,310,947</u>	<u>10,869,260</u>	<u>10,421,233</u>	<u>66,288,869</u>	<u>63,732,180</u>
Expenses:						
General government	6,458,027	6,366,416	-	-	6,458,027	6,366,416
Public safety	13,666,415	12,981,723	-	-	13,666,415	12,981,723
Transportation	517,178	786,143	-	-	517,178	786,143
Economic and physical development	1,735,573	2,185,100	-	-	1,735,573	2,185,100
Human services	15,784,006	14,984,726	-	-	15,784,006	14,984,726
Cultural and recreation	711,336	728,252	-	-	711,336	728,252
Education	14,390,849	12,170,468	-	-	14,390,849	12,170,468
Interest on long-term debt	771,796	892,272	-	-	771,796	892,272
Landfill	-	-	2,963,267	2,551,307	2,963,267	2,551,307
Water and sewer	-	-	7,434,716	6,846,031	7,434,716	6,846,031
Total expenses	<u>54,035,180</u>	<u>51,095,100</u>	<u>10,397,983</u>	<u>9,397,338</u>	<u>64,433,163</u>	<u>60,492,438</u>
Increase (decrease) in net position before transfers	1,384,429	2,215,847	471,277	1,023,895	1,855,706	3,239,742
Transfers	-	1,530,960	-	(1,530,960)	-	-
Increase (decrease) in net position	1,384,429	3,746,807	471,277	(507,065)	1,855,706	3,239,742
Net position, beginning	17,719,407	13,972,600	43,061,839	43,568,904	60,781,246	57,541,504
Net position, restated	<u>17,719,407</u>	<u>13,972,600</u>	<u>43,061,839</u>	<u>43,568,904</u>	<u>60,781,246</u>	<u>57,541,504</u>
Net position, ending	<u>\$ 19,103,836</u>	<u>\$ 17,719,407</u>	<u>\$ 43,533,116</u>	<u>\$ 43,061,839</u>	<u>\$ 62,636,952</u>	<u>\$ 60,781,246</u>

Governmental activities. Governmental activities increased the County’s net position by \$1,384,429. Key elements of this increase are as follows:

- Increase in property tax revenues and other taxes.

Business-type activities. Business-type activities increased the County's net position by \$471,277. Key elements of this increase are as follows:

- A significant increase in charges for services

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 \$10,025,839 while total fund balance reached \$14,103,800. 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 19.46 percent of total General Fund expenditures, while total fund balance represents 27.38 percent of that same amount.

At June 30, 2020, the governmental funds of Richmond County reported a combined fund balance of \$19,370,248 a 19.42 percent increase over last year. The primary reason for this increase was an increase in property tax and sales tax collections.

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 \$2,934,464.

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 \$4,041,603, and those for the Water and Sewer Fund equaled \$9,472,197. The total change in net position for both funds was \$1,166,658 and (\$695,381), 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, 2020, totals \$75,764,166(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 Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,590,845	\$ 2,590,845	\$ 570,654	\$ 570,654	\$ 3,161,499	\$ 3,161,499
Construction in process	788,970	3,338,636	442,999	1,526,409	1,231,969	4,865,045
Buildings and sites	26,439,954	26,478,323	1,370,208	1,410,269	27,810,162	27,888,592
Furniture, fixtures and equipment	4,241,195	4,847,950	612,019	869,910	4,853,214	5,717,860
Water and Sewer systems	966,527	1,009,089	25,736,439	24,991,360	26,702,966	26,000,449
Water treatment plant	-	-	11,885,515	13,044,531	11,885,515	13,044,531
Other improvements	-	-	118,841	128,256	118,841	128,256
Total	\$ 35,027,491	\$ 38,264,843	\$ 40,736,675	\$ 42,541,389	\$ 75,764,166	\$ 80,806,232

Major capital asset transactions during the year include:

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

Long-term Debt. As of June 30, 2020, Richmond County had total bonded debt outstanding of \$11,522,000, all of which is debt backed by the full faith and credit of the County and installment obligations of \$13,006,482.

Richmond County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 11,468,000	\$ 12,907,000	\$ 54,000	\$ 360,000	\$ 11,522,000	\$ 13,267,000
Unamortized premium	351,721	397,104	-	-	351,721	397,104
Installment purchases	12,128,059	13,788,616	878,423	1,033,821	13,006,482	14,822,437
Revenue Bonds	926,335	1,005,621	10,109,718	8,300,738	11,036,053	9,306,359
Bond Anticipation Note	-	-	-	2,184,000	-	2,184,000
Compensated absences	1,443,373	1,353,848	164,287	150,487	1,607,660	1,504,335
Total pension liability	1,951,636	1,903,955	654,265	591,760	2,605,901	2,495,715
Net pension liability	6,057,795	5,479,063	-	-	6,057,795	5,479,063
Net OPEB Liability	5,114,778	4,783,202	520,208	486,484	5,634,986	5,269,686
Total	\$ 39,441,697	\$ 41,618,409	\$ 12,380,901	\$ 13,107,290	\$ 51,822,598	\$ 54,725,699

Richmond County's total liabilities decreased by \$2,903,101 (5.30 percent) during the past fiscal year, primarily due to the scheduled principal repayments on existing general obligation bonds of \$1,526,000 and \$306,000, 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 \$249,486,685.

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 final three monthly sales tax distributions for 2019-20 reflect the new ad valorem method of allocation which will provide a boost to the County's sales taxes.

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 2020-21 has the potential to be an excellent year for the County.

For budgeting purposes, several adjustments were made to 2020-21 budget to allow for the economic uncertainty of the pandemic. The County commissioners had elected to change the sales tax distribution method to ad valorem at the April Board meeting. Historically, this would have increased the County portion by over \$1.5 million. Taking the expected drop in sales tax revenue due to COVID-19, the County only budgeted for a \$1 million increase. Department heads and outside agencies were informed there would be no increased budget requests approved for the 2020-21 year. No cost of living increase was budgeted for employees. No budget increases were allowed for Richmond County Schools or Richmond Community College or any other outside agencies.

Effects of the pandemic have included a reduction of nearly \$50,000 per month in water revenue collections, a 50% reduction in occupancy taxes collections, a dramatic 75% reduction of aviation fuel sales at the County airport and several County revolving loan receivables have become delinquent. The County has also received approximately \$1 million in Coronavirus Relief Funds to offset expenses to mitigate the pandemic.

Budget Highlights for the Fiscal Year Ending June 30, 2021

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

Budgeted expenditures in the General Fund have decreased to \$53,071,073, which represents a 1.8% decrease from the original 19-20 budget.

Business-type Activities: Commercial water rates will see no increase for 2020-2021, while residential customers will see a 3% increase in their rates. Solid waste rates will not increase in 2020-2021.

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 or send an email to mac.steagall@richmondnc.com for more information.

BASIC
FINANCIAL STATEMENTS

Richmond County, North Carolina
Statement of Net Position
June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
ASSETS			
Cash and cash equivalents	\$ 16,844,496	\$ 12,281,075	\$ 29,125,571
Receivables, net	1,864,343	2,580,951	4,445,294
Notes receivable, net	307,566	-	307,566
Due from other governments	3,658,190	82,030	3,740,220
Internal balances	-	-	-
Inventories	-	140,275	140,275
Assets held from foreclosure	-	-	-
Restricted cash and cash equivalents	41,019	503,031	544,050
Net pension asset	48,184	-	48,184
Prepaid expenses	151,981	-	151,981
Capital assets:			
Land, improvements, and construction in progress	3,379,815	1,013,653	4,393,468
Other capital assets, net of depreciation	31,647,676	39,723,022	71,370,698
Total capital assets	<u>35,027,491</u>	<u>40,736,675</u>	<u>75,764,166</u>
Total assets	<u>57,943,270</u>	<u>56,324,037</u>	<u>114,267,307</u>
DEFERRED OUTFLOWS OF RESOURCES			
Bond Issuance Cost	214,426	-	214,426
Pension related deferrals	3,821,917	388,410	4,210,327
OPEB related deferrals	336,948	41,509	378,457
Total Deferred Outflows of Resources	<u>4,373,291</u>	<u>429,919</u>	<u>4,803,210</u>
LIABILITIES			
Accounts payable and accrued expenses	1,820,071	445,657	2,265,728
Miscellaneous liabilities	25,600	-	25,600
Customer deposits	-	161,140	161,140
Accrued interest payable	172,511	78,015	250,526
Long-term liabilities:			
Net Pension Liability - LGERS	6,057,795	654,265	6,712,060
Total Pension Liability - LEOSSA	1,951,636	-	1,951,636
Due within one year	3,349,398	569,608	3,919,006
Due in more than one year	28,082,868	11,157,027	39,239,895
Total long-term liabilities	<u>39,441,697</u>	<u>12,380,900</u>	<u>51,822,597</u>
Total liabilities	<u>41,459,879</u>	<u>13,065,712</u>	<u>54,525,591</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid Taxes	83,560	-	83,560
Pension related deferrals	225,031	8,237	233,268
OPEB related deferrals	1,444,255	146,891	1,591,146
Total Deferred Inflows of Resources	<u>1,752,846</u>	<u>155,128</u>	<u>1,907,974</u>
NET POSITION			
Net investment in capital assets	22,554,432	29,989,373	52,543,805
Restricted for:			
Stabilization by State Statute	3,925,980	-	3,925,980
General Government	105,633	-	105,633
Public Safety	585,650	-	585,650
Economic and Physical Development	2,643,639	-	2,643,639
Human Services	1,203,921	-	1,203,921
Cultural and Recreational	-	-	-
Education	3,210,568	-	3,210,568
Register of Deeds pension plan	55,758	-	55,758
Unrestricted (deficit)	<u>(15,181,745)</u>	<u>13,543,743</u>	<u>(1,638,002)</u>
Total net position	<u>\$ 19,103,836</u>	<u>\$ 43,533,116</u>	<u>\$ 62,636,952</u>

**Richmond County
Statement of Activities
June 30, 2020**

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	
Primary government:							
Governmental Activities:							
General government	\$ 6,458,027	\$ 877,992	\$ 471,020	\$ -	\$ (5,109,015)	\$ -	\$ (5,109,015)
Public safety	13,666,415	768,380	1,039,121	-	(11,858,914)	-	(11,858,914)
Transportation	517,178	189,518	819,959	-	492,299	-	492,299
Economic and physical development	1,735,573	2,893	394,694	-	(1,337,986)	-	(1,337,986)
Human services	15,784,006	833,997	9,800,818	-	(5,149,191)	-	(5,149,191)
Cultural and recreation	711,336	63,544	-	-	(647,792)	-	(647,792)
Education	14,390,849	2,900	-	389,665	(13,998,284)	-	(13,998,284)
Interest/Fees on long-term debt	771,796	-	-	-	(771,796)	-	(771,796)
Total governmental activities	<u>54,035,180</u>	<u>2,739,224</u>	<u>12,525,612</u>	<u>389,665</u>	<u>(38,380,679)</u>	<u>-</u>	<u>(38,380,679)</u>
Business-type activities:							
Solid Waste	2,963,267	4,033,559	81,941	-	-	1,152,233	1,152,233
Water and Sewer	7,434,716	6,247,266	367,094	-	-	(820,356)	(820,356)
Total business-type activities	<u>10,397,983</u>	<u>10,280,825</u>	<u>449,035</u>	<u>-</u>	<u>-</u>	<u>331,877</u>	<u>331,877</u>
Total	<u>\$ 64,433,163</u>	<u>\$ 13,020,049</u>	<u>\$ 12,974,647</u>	<u>\$ 389,665</u>	<u>(38,380,679)</u>	<u>331,877</u>	<u>(38,048,802)</u>
General revenues:							
Taxes:							
Property taxes, levied for general purpose					29,635,854	-	29,635,854
Local option sales tax					8,430,143	-	8,430,143
Other taxes and licenses					1,001,438	-	1,001,438
Grants and contributions not restricted to specific programs					221,579	-	221,579
Investment earnings, unrestricted					147,231	21,652	168,883
Miscellaneous, unrestricted					30,985	117,748	148,733
Gain/(loss) on disposal of assets					297,878	-	297,878
Transfers					-	-	-
Total general revenues					<u>39,765,108</u>	<u>139,400</u>	<u>39,904,508</u>
Change in net position					1,384,429	471,277	1,855,706
Net position, beginning					17,719,407	43,061,839	60,781,246
Net position, ending					<u>\$ 19,103,836</u>	<u>\$ 43,533,116</u>	<u>\$ 62,636,952</u>

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

**Richmond County
Balance Sheet
Governmental Funds
June 30, 2020**

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
ASSETS			
Cash and cash equivalents	\$ 11,952,295	\$ 4,892,201	\$ 16,844,496
Restricted cash and cash equivalents	41,019	-	41,019
Receivables, net	1,630,574	165,302	1,795,876
Returned checks	-	2,833	2,833
Notes receivable, net	-	307,566	307,566
Due from other governments	3,628,368	29,822	3,658,190
Assets held from foreclosure	-	-	-
Due from other funds	4,218	38,992	43,210
Prepaid expenses	151,981	-	151,981
Total assets	<u>\$ 17,408,455</u>	<u>\$ 5,436,716</u>	<u>\$ 22,845,171</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 1,819,323	\$ 748	\$ 1,820,071
Due to other funds	38,992	4,218	43,210
Total liabilities	<u>1,883,915</u>	<u>4,966</u>	<u>1,888,881</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Receivable	1,337,180	165,302	1,502,482
Prepaid Taxes	83,560	-	83,560
Unearned grant proceeds	-	-	-
Total Deferred Inflows of Resources	<u>1,420,740</u>	<u>165,302</u>	<u>1,586,042</u>
Fund balances:			
Nonspendable:			
Prepaid items	151,981	-	151,981
Restricted:			
Stabilization by State Statute	3,925,980	-	3,925,980
Register of Deeds	105,633	-	105,633
Public safety	-	519,102	519,102
Fire protection	-	62,726	62,726
Economic and physical development	-	2,643,639	2,643,639
Health services	1,203,921	-	1,203,921
Education	1,165,369	2,045,199	3,210,568
Committed:			
Tax revaluation	38,608	-	38,608
Animal Shelter	3,822	-	3,822
Assigned:			
Subsequent year's expenditures	-	-	-
Unassigned	7,508,486	(4,218)	7,504,268
Total fund balances	<u>14,103,800</u>	<u>5,266,448</u>	<u>19,370,248</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 17,408,455</u>	<u>\$ 5,436,716</u>	<u>\$ 22,845,171</u>

**Richmond County
Balance Sheet
Governmental Funds
June 30, 2020**

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

Total Fund Balance - Governmental Funds		\$ 19,370,248
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	65,996,242	
Less accumulated depreciation	<u>(30,968,751)</u>	
Net capital assets		35,027,491
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund		65,634
Charges related to advance refunding bond issue.		214,426
Net Pension Asset (Liability)		
LGERS		(6,057,795)
ROD		48,184
Deferred outflows of resources related to pensions, OPEB		
LGERS		2,202,200
ROD		9,402
LEOSSA		171,416
OPEB		187,053
Benefit payments and pension administration costs for LEOSSA		42,415
Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position		1,396,484
Contributions to OPEB plan in the current fiscal year		149,895
Deferred inflows of resources for taxes and special assessments receivable		1,502,482
Pension related deferrals		
LGERS		(76,265)
ROD		(4,261)
LEOSSA		(144,505)
OPEB related deferrals		(1,444,255)
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	(24,522,394)	
Unamortized bond premium	(351,721)	
Compensated absences	(1,443,373)	
Total pension liability (LEOSSA)	(1,951,636)	
Total OPEB Liability	(5,114,778)	
Accrued interest payable	<u>(172,511)</u>	
		<u>(33,556,413)</u>
Net position of governmental activities		<u>\$ 19,103,836</u>

Richmond County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

	<u>Major</u>	<u>Nonmajor</u>	
	<u>General</u>	<u>Governmental</u>	<u>Total</u>
		<u>Funds</u>	
REVENUES			
Ad valorem taxes	\$ 28,595,342	\$ 1,008,248	\$ 29,603,590
Local option sales taxes	8,430,143	-	8,430,143
Other taxes and licenses	428,627	-	428,627
Special assessments	-	137,755	137,755
Unrestricted intergovernmental	230,681	-	230,681
Restricted intergovernmental	12,881,686	744,700	13,626,386
Permits and fees	438,004	-	438,004
Sales and services	1,989,110	-	1,989,110
Investment earnings	93,756	53,475	147,231
Miscellaneous	1,104,353	-	1,104,353
Total revenues	<u>54,191,702</u>	<u>1,944,178</u>	<u>56,135,880</u>
EXPENDITURES			
Current:			
General government	5,596,253	-	5,596,253
Public safety	11,512,420	1,366,965	12,879,385
Transportation	1,090,008	-	1,090,008
Economic and physical development	1,266,472	87,385	1,353,857
Human services	14,933,701	-	14,933,701
Cultural and recreational	807,615	-	807,615
Education	12,310,030	-	12,310,030
Debt service:			
Principal	3,356,459	79,286	3,435,745
Interest and other charges	741,886	28,258	770,144
Bond Issuance Costs	66,643	-	66,643
Total expenditures	<u>51,681,487</u>	<u>1,561,894</u>	<u>53,243,381</u>
Excess (deficiency) of revenues over expenditures	<u>2,510,215</u>	<u>382,284</u>	<u>2,892,499</u>
OTHER FINANCING SOURCES (USES)			
Transfers from other funds	-	-	-
Transfers to other funds	-	-	-
Loan proceeds	169,900	-	169,900
Refunding bonds issued	7,237,000	-	7,237,000
Payment to refunded bond escrow agent	(7,150,000)	-	(7,150,000)
Appropriated fund balance	-	-	-
Total other financing sources (uses)	<u>256,900</u>	<u>-</u>	<u>256,900</u>
Net change in fund balance	<u>2,767,115</u>	<u>382,284</u>	<u>3,149,399</u>
Fund balances, beginning as previously reported	<u>11,336,685</u>	<u>4,884,164</u>	<u>16,220,849</u>
Fund balances, ending	<u>\$ 14,103,800</u>	<u>\$ 5,266,448</u>	<u>\$ 19,370,248</u>

Richmond County
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2020

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

Net change in fund balances - total governmental funds	\$ 3,149,399
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	1,445,040
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.	(2,254,928)
The net effect of various miscellaneous transactions involving capital assets (i.e. sales, trade-ins, donations) not recorded in fund statements.	(346,645)
School improvement project expenses were transferred to the Board of Education upon completion of the project.	(2,080,819)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	1,396,484
Benefit payments and administration costs for LEOSA are deferred outflows of resources on the Statement of Net Position	42,415
Contributions and pension administration costs for OPEB are deferred outflows of resources on the Statement of Net Position	149,895
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	(7,406,900)
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.	10,585,745
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)	53,095
Compensated absences	(89,525)
OPEB expense	(63,901)
Deferred refunding cost - amortization	(33,486)
County's portion of collective pension expense	(2,837,197)
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	33,200
Increase (decrease) in accrued taxes receivable at end of year	(936)
Total changes in net position of governmental activities	<u>\$ 1,384,429</u>

Richmond County
Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund
June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:				
Ad valorem taxes	\$ 28,435,931	\$ 28,435,931	\$ 28,595,342	\$ 159,411
Local option sales tax	6,968,006	6,968,006	8,430,143	1,462,137
Other taxes and licenses	389,400	501,400	428,627	(72,773)
Unrestricted intergovernmental	228,700	228,700	230,681	1,981
Restricted intergovernmental	13,162,303	14,944,989	12,881,686	(2,063,303)
Permits and fees	351,500	351,500	438,004	86,504
Sales and services	1,923,917	2,203,659	1,989,110	(214,549)
Investment earnings	98,000	98,000	93,756	(4,244)
Miscellaneous	588,170	1,047,060	1,104,353	57,293
Total revenues	<u>52,145,927</u>	<u>54,779,245</u>	<u>54,191,702</u>	<u>(587,543)</u>
Expenditures:				
Current:				
General government	5,892,457	6,037,938	5,525,720	512,218
Public safety	11,251,918	11,953,549	11,512,420	441,129
Transportation	2,441,439	2,466,439	1,090,008	1,376,431
Economic and physical development	1,283,435	1,495,435	1,266,472	228,963
Human services	15,570,192	17,304,544	14,933,701	2,370,843
Cultural and recreational	759,488	875,488	807,615	67,873
Intergovernmental:				
Education	12,359,702	12,359,702	12,310,030	49,672
Debt service:				
Principal retirement	3,426,127	3,426,127	3,356,459	69,668
Interest and other charges	813,332	813,332	741,886	71,446
Bond issuance costs	-	-	66,643	(66,643)
Total expenditures	<u>53,798,090</u>	<u>56,732,554</u>	<u>51,610,954</u>	<u>5,121,600</u>
Revenues over (under) expenditures	<u>(1,652,163)</u>	<u>(1,953,309)</u>	<u>2,580,748</u>	<u>4,534,057</u>
Other financing sources (uses):				
Transfers from other funds	1,831,227	1,231,227	-	(1,231,227)
Transfers to other funds	(179,064)	(179,064)	(50,000)	129,064
Loan proceeds	-	530,000	169,900	(360,100)
Refunding bonds issued	-	-	7,237,000	7,237,000
Payment to refunded bond escrow agent	-	-	(7,150,000)	(7,150,000)
Appropriated fund balance	-	371,146	-	(371,146)
Total other financing sources (uses)	<u>1,652,163</u>	<u>1,953,309</u>	<u>206,900</u>	<u>(1,746,409)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	2,787,648	<u>\$ 2,787,648</u>
Fund balance, beginning of year			11,277,544	
Fund balance, end of year			<u>\$ 14,065,192</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, 2020

General Fund - fund balance, end of year	\$ 14,065,192
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:	
Investment earnings	-
Transfer from General Fund	50,000
Expenditures	(70,533)
Fund balance, beginning of year	59,141
Fund balance, ending (Exhibit 4)	\$ 14,103,800

Richmond County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2020

	Major		Total
	Solid Waste Fund	Water and Sewer Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 3,272,016	\$ 9,009,059	\$ 12,281,075
Accounts receivable, net	1,191,481	1,389,470	2,580,951
Due from other governments	37,612	44,418	82,030
Inventories	-	140,275	140,275
Prepaid items	-	-	-
Total current assets	<u>4,501,109</u>	<u>10,583,222</u>	<u>15,084,331</u>
Noncurrent assets:			
Restricted Cash and cash equivalents	-	503,031	503,031
Capital assets:			
Land and construction in progress	279,955	733,698	1,013,653
Other capital assets, net of depreciation	1,329,695	38,393,327	39,723,022
Total capital assets	<u>1,609,650</u>	<u>39,127,025</u>	<u>40,736,675</u>
Total assets	<u>6,110,759</u>	<u>50,213,278</u>	<u>56,324,037</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>139,012</u>	<u>290,907</u>	<u>429,919</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	75,440	370,217	445,657
Customer deposits	-	161,140	161,140
Accrued interest payable	2,909	75,106	78,015
Bonds and notes payable	88,867	480,741	569,608
Total current liabilities	<u>167,216</u>	<u>1,087,204</u>	<u>1,254,420</u>
Noncurrent liabilities:			
Compensated absences	63,053	101,234	164,287
Total OPEB liability	180,335	339,873	520,208
Net pension liability	223,052	431,213	654,265
Bonds and notes payable	374,000	10,098,532	10,472,532
Total noncurrent liabilities	<u>840,440</u>	<u>10,970,852</u>	<u>11,811,292</u>
Total liabilities	<u>1,007,656</u>	<u>12,058,056</u>	<u>13,065,712</u>
DEFERRED INFLOWS OF RESOURCES	<u>53,729</u>	<u>101,399</u>	<u>155,128</u>
NET POSITION			
Net investment in capital assets	1,146,783	28,842,590	29,989,373
Restricted	-	29,943	29,943
Unrestricted	4,041,603	9,472,197	13,513,800
Total net position	<u>\$ 5,188,386</u>	<u>\$ 38,344,730</u>	<u>\$ 43,533,116</u>

Richmond County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
June 30, 2020

	Major		Total
	Solid Waste Fund	Water and Sewer Fund	
OPERATING REVENUES			
Charges for services	\$ 4,012,146	\$ 6,139,962	\$ 10,152,108
Water and sewer taps	-	76,600	76,600
Other operating revenues	21,413	30,704	52,117
Total operating revenues	<u>4,033,559</u>	<u>6,247,266</u>	<u>10,280,825</u>
OPERATING EXPENSES			
Administration	-	1,151,338	1,151,338
Water system maintenance	-	1,233,619	1,233,619
Water treatment plant	-	1,078,110	1,078,110
Settled water treatment plant	-	879,605	879,605
Solid waste collection	647,033	-	647,033
Landfill operations	1,987,644	-	1,987,644
Solid waste enforcement officer	90,462	-	90,462
Depreciation and amortization	225,285	2,790,078	3,015,363
Total operating expenses	<u>2,950,424</u>	<u>7,132,750</u>	<u>10,083,174</u>
Operating income (loss)	<u>1,083,135</u>	<u>(885,484)</u>	<u>197,651</u>
NONOPERATING REVENUES (EXPENSES)			
Interest and investment revenue	14,085	7,567	21,652
Sale of Assets	-	-	-
Interest on long-term debt	(12,843)	(301,966)	(314,809)
White goods disposal tax	20,476	-	20,476
Scrap tire disposal tax	61,465	-	61,465
Electronic disposal	-	-	-
Reimbursements	-	367,094	367,094
Miscellaneous revenue	340	117,408	117,748
Total nonoperating revenues (expenses)	<u>83,523</u>	<u>190,103</u>	<u>273,626</u>
Income (loss) before contributions and transfers	<u>1,166,658</u>	<u>(695,381)</u>	<u>471,277</u>
Other financing sources (uses)			
Transfers	-	-	-
Capital contributions	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,166,658</u>	<u>(695,381)</u>	<u>471,277</u>
Total net position, beginning	<u>4,021,728</u>	<u>39,040,111</u>	<u>43,061,839</u>
Total net position, ending	<u>\$ 5,188,386</u>	<u>\$ 38,344,730</u>	<u>\$ 43,533,116</u>

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

Richmond County
Statement of Cash Flows
Proprietary Funds
June 30, 2020

	Major		Total
	Solid Waste Fund	Water and Sewer Fund	
Cash flows from operating activities:			
Cash received from customers	\$ 3,961,048	\$ 5,774,488	\$ 9,735,536
Cash paid for goods and services	(1,609,030)	(2,539,630)	(4,148,660)
Cash paid to employees for services	(1,051,551)	(1,514,774)	(2,566,325)
Net cash provided by operating activities	<u>1,300,467</u>	<u>1,720,084</u>	<u>3,020,551</u>
Cash flows from noncapital financing activities:			
Other nonoperating revenues	<u>82,281</u>	<u>484,502</u>	<u>566,783</u>
Net cash provided (used) by noncapital financing activities	<u>82,281</u>	<u>484,502</u>	<u>566,783</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(40,061)	(1,165,673)	(1,205,734)
Disposal of capital assets	-	-	-
Principal paid on debt	(98,418)	(2,922,000)	(3,020,418)
Loan proceeds	-	2,184,000	2,184,000
Interest paid on debt	(13,337)	(329,403)	(342,740)
Capital contributions	-	-	-
Net cash used by capital and related financing activities	<u>(151,816)</u>	<u>(2,233,076)</u>	<u>(2,384,892)</u>
Cash flows from investing activities:			
Interest on investments	<u>14,085</u>	<u>7,567</u>	<u>21,652</u>
Net increase (decrease) in cash and cash equivalents	1,245,017	(20,923)	1,224,094
Cash and cash equivalents, beginning	<u>2,026,999</u>	<u>9,533,013</u>	<u>11,560,012</u>
Cash and cash equivalents, ending	<u>\$ 3,272,016</u>	<u>\$ 9,512,090</u>	<u>\$ 12,784,106</u>

Richmond County
Statement of Cash Flows
Proprietary Funds
June 30, 2020

	Major		Total
	Solid Waste Fund	Water and Sewer Fund	
Reconciliation of operating income to net cash provided by operating activities:			
Operating income (loss)	\$ 1,083,135	\$ (885,484)	\$ 197,651
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation and amortization	225,285	2,790,078	3,015,363
Changes in assets and liabilities:			
(Increase) decrease in:			
Accounts receivable	(45,743)	(508,019)	(553,762)
Due from other governments	(26,768)	(7,999)	(34,767)
Inventories	-	-	-
Prepaid items	-	-	-
Deferred outflows of resources for pensions	25,275	48,863	74,138
Deferred outflows of resources for OPEB	(5,667)	(10,690)	(16,357)
Increase (decrease) in:			
Accounts payable and accrued liabilities	15,705	191,460	207,165
Customer deposits	-	43,240	43,240
Compensated absences	3,953	9,847	13,800
Net Pension Liability	21,309	41,196	62,505
Deferred inflows of resources for pensions	1,764	3,410	5,174
Deferred outflows of resources for OPEB	(9,472)	(17,851)	(27,323)
Total OPEB Liability	11,691	22,033	33,724
Total adjustments	217,332	2,605,568	2,822,900
Net cash provided by (used in) operating activities	\$ 1,300,467	\$ 1,720,084	\$ 3,020,551

Richmond County
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Funds
Assets	
Cash and cash equivalents	\$ 136,045
Total assets	136,045
 Liabilities and Net Position	
Liabilities:	
Miscellaneous liabilities	58,232
Intergovernmental payable	77,813
Total liabilities	136,045
 Net position:	
Assets held in trust	\$ -

Richmond County
NOTES TO THE FINANCIAL STATEMENTS
June 30, 2020

NOTE I: 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 revenues.

Fund Financial Statements: The fund financial statements provide information about the County's funds, including its fiduciary funds. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental 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 23 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, Ledbetter Special Assessment Fund, 2016 Essen Single Family Rehab, 2017 Disaster Recovery, and Disaster Response Fund are all reported as nonmajor special revenue funds. The Hwy 74 Industrial Park Project, 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 authorized by G.S. 159-30(c)(8). The Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAM by 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	\$ 41,019
Total Governmental Activities	\$ 41,019
Business-Type Activities	
Water and Sewer Fund	
Customer Deposit	\$ 161,140
USDA Reserve	47,053
Unspent Loan Proceeds - Old Cheraw Hwy Waterline Project	294,838
Total Business-Type Activities	\$ 503,031
Total Restricted Cash	\$ 544,050

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, 2019.

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. 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:

	Years
Buildings	50
Improvements	25
Furniture and Equipment	10
Vehicles	5
Computer Equipment	3

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has 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.

9. 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.

10. 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

11. 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 Health Services - portion of fund balance that is restricted by revenue source for health 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 Animal Shelter - portion of fund balance that is committed for animal shelter expenditures.

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.

12. 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
--------------------------------	----	-------

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.

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, 2020 the County's deposits had a carrying amount of \$20,278,439 and a bank balance of \$20,835,135. Of the carrying amount \$3,818 was cash on hand. Of the bank balance, \$1,235,282 was covered by federal depository insurance; the remaining \$19,599,853 was covered by collateral and held under the Pooling Method.

2. Investments

As of June 30, 2020, the County had the following investments and maturities.

<u>Investment Type</u>	<u>Valuation Measurement</u>	<u>Fair Value</u>	<u>Less Than 6</u>	<u>6-12 Months</u>	<u>1-3 Years</u>
	<u>Method</u>		<u>Months</u>		
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 9,527,227	\$ 9,527,227	\$ -	\$ -
Total		<u>\$ 9,527,227</u>	<u>\$ 9,527,227</u>	<u>\$ -</u>	<u>\$ -</u>

Because the NCCMT Government Portfolio has a weighted average maturity of less than 90 days, it is presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P.

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
2016	\$ 811,143	\$ 265,771	\$ 1,076,914
2017	867,546	206,383	1,073,929
2018	920,212	135,731	1,055,943
2019	894,686	51,444	946,130
	<u>\$ 3,493,587</u>	<u>\$ 659,329</u>	<u>\$ 4,152,916</u>

4. Receivables

Receivables at the government-wide level at June 30, 2020, were as follows:

	Accounts	Taxes and Related Accrued Interest	Due From Other Governments	Other	Total
Governmental activities:					
General	\$ 293,394	\$ 2,862,832	\$ 3,628,368	\$ -	\$ 6,784,594
Other Governmental	2,834	271,927	29,822	307,566	612,149
Total receivables	296,228	3,134,759	3,658,190	307,566	7,396,743
Allow. for doubtful accounts	-	(1,566,645)	-	-	(1,566,645)
Total governmental activities	<u>\$ 296,228</u>	<u>\$ 1,568,114</u>	<u>\$ 3,658,190</u>	<u>\$ 307,566</u>	<u>\$ 5,830,098</u>
Business-type activities:					
Solid Waste	\$ 1,533,939	\$ -	\$ 37,612	\$ -	\$ 1,571,551
Water & Sewer	1,481,397	-	44,418	-	1,525,815
Total receivables	3,015,336	-	82,030	-	3,097,366
Allow. for doubtful accounts	(434,385)	-	-	-	(434,385)
Total business-type activities	<u>\$ 2,580,951</u>	<u>\$ -</u>	<u>\$ 82,030</u>	<u>\$ -</u>	<u>\$ 2,662,981</u>

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

Local Option Sales Tax	\$ 2,787,182
White Goods, Scrap Tire, and Solid Waste Tax	25,152
Sales Tax Refund	245,767
State - Motor Vehicle	220,659
Other Grants (DHHS)	461,460
Total	<u>\$ 3,740,220</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, 2020 is \$307,566.

5. **Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,590,845	\$ -	\$ -	\$ 2,590,845
Construction in Progress	3,338,636	783,409	(3,333,075)	788,970
Total capital assets not depreciated	5,929,481	783,409	(3,333,075)	3,379,815
Capital assets being depreciated:				
Water & Sewer lines Industrial Park	1,702,491	-	-	1,702,491
Buildings and sites	43,758,065	1,513,798	(325,238)	44,946,625
Furniture, fixtures, and equipment	15,789,011	400,089	(221,789)	15,967,311
Total capital assets being depreciated	61,249,567	1,913,887	(547,027)	62,616,427
Less accumulated depreciation for:				
Water & Sewer lines Industrial Park	693,402	42,562	-	735,964
Buildings and sites	17,279,742	1,229,876	(2,947)	18,506,671
Furniture, fixtures, and equipment	10,941,061	982,490	(197,435)	11,726,116
Total accumulated depreciation	28,914,205	2,254,928	(200,382)	30,968,751
Total capital assets being depreciated, net	32,335,362	(341,041)	(346,645)	31,647,676
Governmental activities capital assets, net	\$ 38,264,843	\$ 442,368	\$ (3,679,720)	\$ 35,027,491

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

Governmental Activities:	
General government	\$ 799,656
Public safety	688,389
Transportation	212,276
Economic and physical development	366,922
Human services	176,939
Cultural and recreation/Education	10,746
Total depreciation expense	<u>\$ 2,254,928</u>

	Beginning Balance	Increases	Decreases	Ending 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	<u>279,955</u>	<u>-</u>	<u>-</u>	<u>279,955</u>
Capital assets being depreciated:				
Buildings	1,777,529	-	-	1,777,529
Equipment	4,124,873	15,646	-	4,140,519
Other improvements	803,978	24,415	-	828,393
Total capital assets being depreciated	<u>6,706,380</u>	<u>40,061</u>	<u>-</u>	<u>6,746,441</u>
Less accumulated depreciation for:				
Buildings	954,185	31,963	-	986,148
Equipment	3,561,555	159,491	-	3,721,046
Other improvements	675,722	33,830	-	709,552
Total accumulated depreciation	<u>5,191,462</u>	<u>225,284</u>	<u>-</u>	<u>5,416,746</u>
Total capital assets being depreciated, net	<u>1,514,918</u>	<u>(185,223)</u>	<u>-</u>	<u>1,329,695</u>
Solid Waste capital assets, net	<u>\$ 1,794,873</u>	<u>\$ (185,223)</u>	<u>\$ -</u>	<u>\$ 1,609,650</u>
Water and Sewer Fund				
Capital assets not being depreciated:				
Land	\$ 290,699	\$ -	\$ -	\$ 290,699
Construction in Progress	1,526,409	1,165,673	(2,249,083)	442,999
Total capital assets not depreciated	<u>1,817,108</u>	<u>1,165,673</u>	<u>(2,249,083)</u>	<u>733,698</u>
Capital assets being depreciated:				
Buildings	653,587	-	-	653,587
Water systems	47,743,058	2,249,083	-	49,992,141
Sewer systems	1,174,376	-	-	1,174,376
Water treatment plant	24,920,892	-	-	24,920,892
Equipment	2,400,447	-	(25,418)	2,375,029
Total capital assets being depreciated	<u>76,892,360</u>	<u>2,249,083</u>	<u>(25,418)</u>	<u>79,116,025</u>
Less accumulated depreciation for:				
Buildings	66,662	8,098	-	74,760
Water systems	22,792,797	1,476,585	-	24,269,382
Sewer systems	1,133,277	27,419	-	1,160,696
Water treatment plant	11,876,361	1,159,016	-	13,035,377
Equipment	2,093,855	114,046	(25,418)	2,182,483
Total accumulated depreciation	<u>37,962,952</u>	<u>2,785,164</u>	<u>(25,418)</u>	<u>40,722,698</u>
Water and Sewer Fund capital assets, net	<u>\$ 40,746,516</u>	<u>\$ 629,592</u>	<u>\$ (2,249,083)</u>	<u>\$ 39,127,025</u>
Business-type activities capital assets, net	<u>\$ 42,541,389</u>	<u>\$ 444,369</u>	<u>\$ (2,249,083)</u>	<u>\$ 40,736,675</u>

Construction Commitments

The government has active construction projects as of June 30, 2020. At year-end, the government’s commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Airport Clearing and Fence Replacement	\$ 367,504	\$ 39,754
Taxiway Lighting Rehabilitation	339,534	89,783
Airport ALP	195,471	56,318
Anson Pump Station Project	607,744	564,500
Total	<u>\$ 1,510,253</u>	<u>\$ 750,355</u>

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2020, were as follows:

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
Governmental activities:					
General	\$ 1,219,100	\$ 600,223	\$ 172,511	\$ 25,600	\$ 2,017,434
Other Governmental	748	-	-	-	748
Total governmental activities	<u>\$ 1,219,848</u>	<u>\$ 600,223</u>	<u>\$ 172,511</u>	<u>\$ 25,600</u>	<u>\$ 2,018,182</u>
Business-type activities:					
Solid Waste	\$ 53,474	\$ 21,966	\$ 2,909	\$ -	\$ 78,349
Water & Sewer	326,307	43,910	75,106	-	445,323
Total business-type activities	<u>\$ 379,781</u>	<u>\$ 65,876</u>	<u>\$ 78,015</u>	<u>\$ -</u>	<u>\$ 523,672</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.

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, 2020, was 9.70% of compensation for law enforcement officers and 9.02% 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 \$1,544,614 for the year ended June 30, 2020.

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, 2020, the County reported a liability of \$6,712,060 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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, 2020 the County's proportion was 0.24578% (measured as of June 30, 2019), which was a decrease of 0.01012% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$2,999,505. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,149,275	\$ -
Changes of assumptions	1,093,954	-
Net difference between projected and actual earnings on pension plan investments	163,717	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	33,100	84,502
County contributions subsequent to the measurement date	1,544,614	
Total	<u>\$ 3,984,660</u>	<u>\$ 84,502</u>

\$1,544,614 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 liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$ 1,192,282
2022	359,369
2023	639,050
2024	164,843
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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 actuary currently uses mortality rates based on the *RP-2014 Total Data Set for Healthy Annuitants Mortality Table* that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements.

The actuarial assumptions used in the December 31, 2018 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, 2020 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% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 15,351,709	\$ 6,712,060	\$ (469,238)

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, 2018 the Separation Allowance membership consisted of:

Retirees receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	
Active plan members	<u>60</u>
Total	<u><u>68</u></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, 2018 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	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index. The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

Mortality Rate

Deaths After Retirement (Healthy): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 104% for males and 100% for females.

Deaths Before Retirement: RP-2014 Employee base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015.

Deaths After Retirement (Beneficiary): RP-2014 Healthy Annuitant base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 123% for males and females.

Deaths After Retirement (Disabled): RP-2014 Disabled Retiree base rates projected to 2015 using MP-2015, projected forward generationally from 2015 using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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 \$79,346 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, 2020, the County reported a total pension liability of \$1,951,636. The total pension liability was measured as of June 30, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$121,846.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 59,987	\$ 73,441
Changes of assumptions	111,429	71,064
County benefit payments and plan administrative expense made subsequent to the measurement date	42,415	-
Total	<u>\$ 213,831</u>	<u>\$ 144,505</u>

\$42,415 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2021	10,462
2022	10,462
2023	14,317
2024	(4,418)
2025	(3,912)
Thereafter	-

\$42,415 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 3.26%, 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 (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 2,128,462	\$ 1,951,636	\$ 1,790,509

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

	2020
Beginning balance	\$ 1,903,955
Service Cost	84,568
Interest on the total pension liability	67,860
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(88,429)
Changes in assumptions or other inputs	63,028
Benefit payments	(79,346)
Other changes	-
Ending balance of the total pension liability	<u>\$ 1,951,636</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26 percent at June 30, 2019 (measurement date).

Changes in Benefit Terms. Reported compensation adjusted to reflect the assumed rate of pay as of the valuation date.

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, 2018 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, 2020 were \$180,895, which consisted of \$136,634 from the County and \$44,261 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, 2020 totaled \$63,044.

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.

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 \$2,433 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$48,184 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 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 0.2441%, which was a decrease of 0.0613% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$8,228. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 2,324
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	493	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	8,909	1,937
County contributions subsequent to the measurement date	2,433	-
Total	<u>\$ 11,835</u>	<u>\$ 4,261</u>

\$2,433 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$ 96
2022	3,446
2023	2,552
2024	(953)
2025	-
Thereafter	-

Actuarial Assumptions. The total pension liability in the December 31, 2018 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, 2018 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, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 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% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	(39,830)	(48,184)	(55,428)

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, 2018, 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, 2019, with an actuarial valuation date of December 31, 2018. 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)	\$ 6,712,060	\$ (48,184)	\$ -	\$ 6,663,876
Proportionate of the Net Pension Liability (Asset)	0.2458%	0.2441%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 1,951,636	\$ 1,951,636
Pension Expense	\$ 2,999,505	\$ 8,228	\$ 121,846	\$ 130,074

At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,149,275	\$ -	\$ 59,987	\$ 1,209,262
Changes of assumptions	1,093,954	-	111,429	1,205,383
Net difference between projected and actual earnings on pension plan investment	163,717	493	-	164,210
Changes in proportion and differences between County contributions and proportionate share of contributions	33,100	8,909	-	42,009
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	1,544,614	2,433	42,415	1,589,462
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 2,324	\$ 73,441	\$ 75,765
Changes of assumptions	-	-	71,064	71,064
Changes in proportion and differences between County contributions and proportionate share of contributions	84,502	1,937	-	86,439

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, 2018, the date of the latest actuarial valuation:

	General	
	Employees	Law Enforcement
Retirees receiving benefits	19	8
Terminated plan members entitled to but not yet receiving	-	-
Active Plan members	314	60
Total	<u>333</u>	<u>68</u>

Total OPEB Liability

The County's total OPEB liability of \$5,634,986 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 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	3.89 percent
Measurement Date	3.50 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, 2018	\$ 5,269,686
Changes for the year:	
Service Cost at the end of the year*	196,952
Interest on TOL and Cash Flows	200,328
Change in benefit terms	-
Difference between expected and actual experience	3,678
Changes of assumptions or other inputs	206,404
Net benefit payments and implicit subsidy credit **	(242,062)
Other	-
Net Changes	<u>\$ 365,300</u>
Total OPEB Liability as of June 30, 2019	<u>\$ 5,634,986</u>

*The service cost includes interest for the year.

**The net benefit payments shown above include \$57,900 due to the implicit subsidy.

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% to 3.50%.

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 Board.

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 performed concurrently with the June 30, 2018 valuation.

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

The following presents the total OPEB liability of the County as of June 30, 2018 as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) and 1-percentage-point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50 percent)	Discount Rate (3.50 Percent)	1% Increase (4.50 percent)
Total OPEB liability (asset)	\$ 6,206,097	\$ 5,634,986	\$ 5,123,192

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 total 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
Total OPEB liability (asset)	\$ 4,973,085	\$ 5,634,986	\$ 6,419,209

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$76,430. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 27,049	\$ 639,312
Changes of assumptions	179,029	951,834
Benefit payments and administrative costs made subsequent to the measurement date	172,379	-
Total	<u>\$ 378,457</u>	<u>\$ 1,591,146</u>

\$172,379 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30	
2021	\$ (262,950)
2022	(262,950)
2023	(262,950)
2024	(262,950)
2025	(245,132)
Thereafter	(88,136)

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 Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt (Pensions, OPEB)- difference between expected and actual experience:	\$ 214,426	\$ -
LGERS	1,149,275	-
Register of Deeds	-	2,324
LEOSSA	59,987	73,441
OPEB	27,049	639,312
Changes of assumptions		
LGERS	1,093,954	-
Register of Deeds	-	-
LEOSSA	111,429	71,064
OPEB	179,029	951,834
Pensions - difference between projected and actual investment earnings		
LGERS	163,718	-
Register of Deeds	493	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	33,100	84,502
Register of Deeds	8,909	1,937
Contributions to pension plan		
LGERS	1,544,614	-
Register of Deeds	2,433	-
LEOSSA	42,415	-
Benefit payments for the OPEB plan paid subsequent to measurement date	172,379	
Prepaid taxes not yet earned (General)	-	83,560
Taxes receivable, net (General)	-	1,337,180
Taxes receivable, net (Special Revenue)	-	165,302
Total	<u>\$ 4,803,210</u>	<u>\$ 3,410,456</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 two of the agreement at June 30, 2020. 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 \$1,069,726 for the fiscal year ending June 30, 2020.

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 \$500,000.

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 \$5,000.

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, 2020, 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.

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, 2020:

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 \$ 265,518
 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 1,360,000
 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.

The County entered into a Direct Placement agreement by issuing \$16,770,000 in Limited Obligation Bonds (Series 7,975,000
 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.

The County entered into a Direct Borrowing agreement to finance construction of a gymnasium for Cordova School for 1,600,000
 \$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.

The County entered into a Direct Borrowing agreement to finance construction of a maintenance building. The total of 415,556
 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.

Installment Purchases (continued)

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.

-

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.

51,425

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.

290,660

The County entered into a Direct Borrowing agreement for \$169,900 to purchase equipment. Payments are due in annual installments of \$14,753 through August 2035; interest at 3.50%. In the event of default, the lender may: (a) declare the entire outstanding balance immediately due; (b) proceeds by appropriate court action to enforce performance by the County, (c) Exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State of North Carolina with respect to the enforcement of the security interest granted or reserved hereunder, including without limitation, to the extent permitted by law, re-enter and take possession of the Apparatus/Facility without any court order or other process of law and without liability for entering the premises and sell, or make other disposition of the same in a commercially reasonable manner for the account of the County, and apply the proceeds of any such sale, or other disposition, after deducting all costs and expenses, including court costs and attorneys' fees, incurred with the recovery, repair, storage and other sale, or other disposition costs, toward the balance due under this Contract and, thereafter, shall pay any remaining proceeds to the County, or (d) terminate this contract and use, operate, lease, or hold any part of the apparatus/facility as the lender in its sole discretion may decide.

169,900

Total serviced by General Fund

\$ 12,128,059

Installment Purchases (continued)

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. 415,556

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. 415,556

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. -

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. -

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. 47,311

Total serviced by the Water Fund and Solid Waste Fund \$ 878,423

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

Year Ending June 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,681,500	\$ 351,150	\$ 130,422	\$ 22,414	\$ 2,185,486
2022	1,609,214	309,161	83,111	19,747	2,021,233
2023	1,473,893	260,400	83,111	17,553	1,834,957
2024	1,374,652	209,830	83,111	15,359	1,682,952
2025	1,359,981	171,270	83,111	13,165	1,627,527
2026-2030	4,335,519	307,635	415,557	32,912	5,091,623
2031-2035	293,300	13,602	-	-	306,902
Total	\$ 12,128,059	\$ 1,623,048	\$ 878,423	\$ 121,150	\$ 14,750,680

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, 2020 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 to \$179,000 through May 1, 2023; interest at 2.26 percent	\$ 345,000
\$6,853,000 Refunding School Refunding Series 2015 bonds due in semi annual installments of \$709 to \$801,488 through June 30, 2027; interest at 2.25 percent	4,560,000
\$13,000,000 2009 School serial bonds due in semi annual installments of \$650,000 through April 1, 2030; interest from 3.0 to 4.1 percent	-
\$7,237,000 General Obligation Refunding Bond, Series 2019 due in annual principal installments ranging from \$598,000 to \$706,000 through April 2030 plus semi annual interest installments at 1.90%	6,563,000
Total serviced by the General Fund	<u><u>\$ 11,468,000</u></u>

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, 2021; interest at 1.53 percent	\$ 54,000
Total serviced by the Water Fund	<u><u>\$ 54,000</u></u>

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

Year Ending June 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 1,541,000	\$ 235,094	\$ 54,000	\$ 826	\$ 1,830,920
2022	1,516,000	202,879	-	-	1,718,879
2023	1,487,000	171,195	-	-	1,658,195
2024	1,488,000	140,135	-	-	1,628,135
2025	1,461,000	109,021	-	-	1,570,021
2026-2030	3,975,000	196,287	-	-	4,171,287
2031-2035	-	-	-	-	-
Total	<u>\$ 11,468,000</u>	<u>\$ 1,054,611</u>	<u>\$ 54,000</u>	<u>\$ 826</u>	<u>\$ 12,577,437</u>

c. **Revenue Bonds**

Serviced by the General Fund:

The County issued \$1,230,713 of direct placement Special Assessment Revenue Bonds, Series 2016, to provide \$ 926,335 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

\$ 926,335

Serviced by the Water Fund:

The County issued \$4,750,000 of direct placement Special Water and Sewer Revenue Bonds (Series 2017) to fund \$ 3,939,718 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 \$ 4,020,000 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.

The County issued \$2,184,000 of direct placement Water and Sewer Revenue Bonds (Series 2019 USDA) to fund the Old Cheraw Hwy project. Annual payments range from \$34,000 to \$81,000, interest at 2.375%. The final payment is due in 2059. 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.

\$ 2,150,000

Total serviced by the Water Fund

\$ 10,109,718

The future payments of the revenue bonds are as follows:

Year Ending June 30	Governmental Activities		Business-type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 81,514	\$ 26,030	\$ 385,185	\$ 256,024	\$ 748,753
2022	83,805	23,739	393,536	246,110	747,190
2023	86,160	21,385	404,076	235,979	747,600
2024	88,581	18,963	414,812	225,577	747,933
2025	91,070	16,474	425,748	214,899	748,191
2026-2030	495,205	42,517	2,295,146	904,518	3,737,386
2031-2035	-	-	1,416,215	631,099	2,047,314
2036-2040	-	-	765,000	516,951	1,281,951
2041-2045	-	-	867,000	414,714	1,281,714
2046-2050	-	-	982,000	298,819	1,280,819
2051-2055	-	-	1,114,000	167,319	1,281,319
2056-2060	-	-	647,000	32,039	679,039
Total	\$ 926,335	\$ 149,108	\$ 10,109,718	\$ 4,144,048	\$ 15,329,209

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, the Water and Sewer Revenue Bonds, Series 2017, and the Water and Sewer Revenue Bonds, Series 2019. 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, 2020, is as follows:

Governmental Activities

Operating Revenues	\$ 137,755
Operating Expenses*	-
Operating Income	137,755
Nonoperating revenues (expenses)**	2,717
Income available for debt service	140,472
Debt Service, principal and interest paid	\$ 107,544
Debt service coverage ratio	131%

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

**Per rate covenants, this does not include revenue bond interest of \$28,258.

Business-Type Activities

Operating Revenues	\$ 6,247,266
Operating Expenses*	4,342,672
Operating Income	1,904,594
Nonoperating revenues (expenses)**	427,500
Income available for debt service	2,332,094
Debt Service, principal and interest paid (revenue bond only)	\$ 612,417
Debt service coverage ratio	381%

*Per rate covenants, this does not include the depreciation expense of \$2,790,078.

**Per rate covenants, this does not include revenue bond interest of \$237,397.

d. **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.

On October 15, 2019, the County issued \$7,237,000 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 \$7,150,000. 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 \$87,000. This excess amount was to cover interest paid to close out the defeased debt and to cover cost of issuance. This advance refunding was undertaken to reduce total debt service payments over the next 10 years by \$724,100 and resulted in an economic gain of \$646,170.

Debt Related to Capital Activities - Of the total Governmental Activities debt listed, only \$12,473,059 relates to assets the County holds title. There was no unspent restricted cash related to this debt amount.

At June 30, 2020, Richmond County had a legal debt margin of approximately \$249,486,685.

e. **Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balance	Amount Due Within One Year
Governmental activities:					
General obligation	\$ 12,907,000	\$ 7,237,000	\$ 8,676,000	\$ 11,468,000	\$ 1,541,000
Direct Placement and Direct Borrowing Installment purchases	13,788,616	169,900	1,830,457	12,128,059	1,681,501
Revenue Bonds	1,005,621	-	79,286	926,335	81,514
Compensated absences	1,353,848	89,525	-	1,443,373	-
Unamortized premium	397,104	-	45,383	351,721	45,383
Total pension liability (LEOSSA)	1,903,955	47,681	-	1,951,636	-
Net pension liability (LGRS)	5,479,063	578,732	-	6,057,795	-
Total OPEB Liability	4,783,202	331,576	-	5,114,778	-
Total	\$ 41,618,409	\$ 8,454,414	\$ 10,631,126	\$ 39,441,697	\$ 3,349,398
Business-type activities:					
General obligation	\$ 360,000	\$ -	\$ 306,000	\$ 54,000	\$ 54,000
Direct Placement and Direct Borrowing Installment purchases	1,033,821	-	155,398	878,423	130,423
Revenue Bonds	8,300,738	2,184,000	375,020	10,109,718	385,185
Bond Anticipation Note	2,184,000	-	2,184,000	-	-
Compensated absences	150,487	13,800	-	164,287	-
Total OPEB Liability	486,484	33,724	-	520,208	-
Net pension liability (LGRS)	591,760	62,505	-	654,265	-
Total	\$ 13,107,290	\$ 2,294,029	\$ 3,020,418	\$ 12,380,901	\$ 569,608

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, 2020, consist of the following:

From the 2010 Single Family Rehab Grant to the General Fund to cover deficit cash balances	\$ 4,218
Total	\$ 4,218

Transfers to/from other funds at June 30, 2020, consist of the following:

From the General Fund to the Revaluation Fund to reserve funds for future revaluations.	\$ 50,000
Total	\$ 50,000

D. Net Investment in Capital Assets

	<u>Governmental</u>	<u>Business-type</u>
Capital Assets	\$ 35,027,491	\$ 40,736,675
less: long-term debt	12,473,059	11,042,140
add: unexpended debt proceeds	-	294,838
Net investment in capital assets	<u>\$ 22,554,432</u>	<u>\$ 29,989,373</u>

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	\$ 14,103,800
Less:	
Prepaid items	151,981
Stabilization by State Statute	3,925,980
Appropriated fund balance in 2021 budget	-
Other Restrictions	2,474,923
Commitments - Tax Reval, Animal Shelter	42,430
Remaining fund balance	<u>\$ 7,508,486</u>

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, 2020.

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 \$264,980 and \$1,792,480 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. 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, 2020. 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, 2020, Rockingham, Hamlet, and Ellerbe contributed \$0, \$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, 2020. 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 \$16,009 in special assessments for the year ended June 30, 2020.

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 12, 2020, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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 Seven Fiscal Years*

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.24578%	0.25590%	0.24975%	0.25081%	0.24425%	0.24356%	0.24720%
County's proportion of the net pension liability (asset) (\$)	\$ 6,712,060	\$ 6,070,823	\$ 3,815,488	\$ 5,323,028	\$ 1,096,179	\$ (1,436,385)	\$ 2,979,709
County's covered payroll	\$ 16,523,944	\$ 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	40.62%	37.20%	24.34%	35.50%	7.75%	-10.68%	22.14%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	91.63%	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 Seven Fiscal Years

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 1,544,614	\$ 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	1,544,614	1,313,090	1,256,370	1,170,553	1,025,250	1,015,108	961,609
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$16,908,749	\$ 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	9.13%	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 Seven Fiscal Years*

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
County's proportionate share of the net pension asset (%)	0.2441%	0.3054%	0.2543%	0.2955%	0.2893%	0.2799%	0.261%
County's proportionate share of the net pension (asset) liability (\$)	\$ (48,184)	\$(50,582)	\$(47,544)	\$(55,249)	\$ (67,035)	\$(63,440)	\$ (55,762)
Plan fiduciary net position as a percentage of the total pension asset	164.11%	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 Seven Fiscal Years***

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
County's required contribution	\$ 2,433	\$ 5,104	\$ 4,848	\$ 4,494	\$ 3,857	\$ 4,142	\$ 5,425
Contributions in relation to contractually required contribution	2,433	5,104	4,848	4,494	3,857	4,142	5,425
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Richmond County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2020

	2020	2019	2018	2017
Beginning balance	\$ 1,903,955	\$ 1,834,240	\$ 1,623,109	\$ 1,594,083
Service cost	84,568	93,408	75,814	84,080
Interest on the total pension liability	67,860	56,809	61,432	55,693
Change in benefit terms	-	-	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	(88,429)	74,765	19,875	-
Changes of assumptions and other inputs	63,028	(82,277)	117,200	(42,653)
Benefit payments	(79,346)	(72,990)	(63,190)	(68,094)
Other changes	-	-	-	-
Ending balance of total pension liability	<u>\$ 1,951,636</u>	<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, 2020

	2020	2019	2018	2017
Total pension liability	\$ 1,951,636	\$ 1,903,955	\$ 1,834,240	\$ 1,623,109
Covered payroll	\$ 2,990,113	\$ 3,046,110	\$ 2,764,608	\$ 2,836,779
Total pension liability as a percentage of covered payroll	65.27%	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, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 196,952	\$ 320,135	\$ 347,420
Interest	200,328	238,044	203,960
Changes of benefit terms	-	-	-
Differences between expected and actual experience	3,678	(870,110)	39,318
Changes of assumptions	206,404	(959,599)	(406,668)
Benefit payments	<u>(242,062)</u>	<u>(288,322)</u>	<u>(259,222)</u>
Net change in total OPEB liability	<u>365,300</u>	<u>(1,559,852)</u>	<u>(75,192)</u>
Total OPEB liability - beginning	<u>5,269,686</u>	<u>6,829,538</u>	<u>6,904,730</u>
Total OPEB liability - ending	<u>\$ 5,634,986</u>	<u>\$ 5,269,686</u>	<u>\$ 6,829,538</u>
Covered payroll	\$ 15,176,376	\$ 15,176,376	\$ 16,452,504
Total OPEB liability as a percentage of covered payroll	37.13%	34.72%	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>
2020	3.50%
2019	3.89%
2018	3.56%

GENERAL FUND

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.

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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Taxes	\$ 28,132,931	\$ 28,269,037	\$ 136,106
Penalties and interest	303,000	326,305	23,305
Total	<u>28,435,931</u>	<u>28,595,342</u>	<u>159,411</u>
Local option sales tax:			
Article 39 and 44	2,806,728	3,469,329	662,601
Article 40 one - half of one percent	2,549,963	2,934,260	384,297
Article 42 one - half of one percent	1,611,315	2,026,554	415,239
Total	<u>6,968,006</u>	<u>8,430,143</u>	<u>1,462,137</u>
Other taxes & licenses:			
Lease/Rental car tax	30,000	31,290	1,290
Admin Fee - Conveyance Tax	10,000	10,121	121
Room occupancy tax	448,300	375,931	(72,369)
3% Additional room tax	13,100	11,285	(1,815)
Total	<u>501,400</u>	<u>428,627</u>	<u>(72,773)</u>
Unrestricted intergovernmental:			
Payments in lieu of taxes	4,000	4,292	292
Beer and wine tax	77,200	75,495	(1,705)
Franchise fees	146,000	147,994	1,994
Safe Roads Act distribution	1,500	2,900	1,400
Total	<u>228,700</u>	<u>230,681</u>	<u>1,981</u>
Restricted intergovernmental:			
State and Federal grants	12,920,985	10,844,316	(2,076,669)
City contributions - Libraries	108,700	50,928	(57,772)
Lottery School Proceeds	389,395	389,665	270
Court facilities fees	66,000	47,552	(18,448)
ABC bottles taxes	-	8,630	8,630
Medicaid Escrow	373,408	541,187	167,779
COVID 19 Grants	1,019,383	999,408	(19,975)
Police and EMS Grants	67,118	-	(67,118)
Total	<u>14,944,989</u>	<u>12,881,686</u>	<u>(2,063,303)</u>
Permits and fees:			
Building permits and inspection fees	115,000	171,084	56,084
Register of deeds	234,500	264,725	30,225
Election filing fees	2,000	2,195	195
Total	<u>351,500</u>	<u>438,004</u>	<u>86,504</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, 2020

	Budget	Actual	Variance Positive (Negative)
Sales and services:			
Sheriff's fees	343,000	362,070	19,070
Animal control fees	81,500	61,634	(19,866)
Jail fees	132,160	176,741	44,581
Recreation fees	17,000	12,616	(4,384)
Aging services	472,692	480,108	7,416
GIS fees	4,500	2,893	(1,607)
Airport revenue	190,000	189,518	(482)
Emergency services	172,307	44,622	(127,685)
Rental income	105,000	11,400	(93,600)
Cost Allocations from Enterprise Funds	600,000	600,000	-
Other	85,500	47,508	(37,992)
Total	<u>2,203,659</u>	<u>1,989,110</u>	<u>(214,549)</u>
Investment earnings:			
Investment earnings	98,000	91,264	(6,736)
Investment earnings - Debt Service	-	2,492	2,492
Total	<u>98,000</u>	<u>93,756</u>	<u>(4,244)</u>
Miscellaneous:			
Duke Endowment Grant	821,890	421,890	(400,000)
Sale of assets	197,000	644,523	447,523
Other	28,170	37,940	9,770
Total	<u>1,047,060</u>	<u>1,104,353</u>	<u>57,293</u>
Total revenues	<u>\$ 54,779,245</u>	<u>\$ 54,191,702</u>	<u>\$ (587,543)</u>
Expenditures:			
General Government:			
Governing Body:			
Salaries and employee benefits	\$ 125,766	\$ 131,746	\$ (5,980)
Other operating expenditures	40,000	29,597	10,403
Total	<u>165,766</u>	<u>161,343</u>	<u>4,423</u>
Administration:			
Salaries and employee benefits	363,138	375,243	(12,105)
Other operating expenditures	81,750	67,582	14,168
Capital outlay	2,000	-	2,000
Total	<u>446,888</u>	<u>442,825</u>	<u>4,063</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, 2020

	Budget	Actual	Variance Positive (Negative)
Elections:			
Salaries and employee benefits	286,837	214,412	72,425
Other operating expenditures	118,242	89,956	28,286
Capital Outlay	-	-	-
Total	405,079	304,368	100,711
Human Resources:			
Salaries and employee benefits	80,768	-	80,768
Other operating expenditures	7,850	71,067	(63,217)
Total	88,618	71,067	17,551
Finance:			
Salaries and employee benefits	333,605	327,584	6,021
Other operating expenditures	16,500	14,460	2,040
Total	350,105	342,044	8,061
Information Technology:			
Salaries and employee benefits	256,206	214,735	41,471
Other operating expenditures	136,850	225,675	(88,825)
Capital outlay	95,000	28,025	66,975
Total	488,056	468,435	19,621
Taxes:			
Salaries and employee benefits	557,277	514,228	43,049
Other operating expenditures	298,800	170,280	128,520
Capital outlay	5,000	-	5,000
Total	861,077	684,508	176,569
Register of Deeds:			
Salaries and employee benefits	220,376	224,912	(4,536)
Automation fund expenditures	19,000	10,499	8,501
Other operating expenditures	50,750	50,997	(247)
Total	290,126	286,408	3,718
Public Buildings:			
Salaries and employee benefits	348,983	343,484	5,499
Other operating expenditures	542,500	500,841	41,659
Capital outlay	10,000	35,000	(25,000)
Total	901,483	879,325	22,158
Court Facilities:			
Other operating expenditures	53,350	43,895	9,455
Total	53,350	43,895	9,455

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, 2020

	Budget	Actual	Variance Positive (Negative)
General and Administrative:			
Professional services	100,000	90,147	9,853
Other operating expenditures	485,352	357,639	127,713
Capital outlay	-	21,400	(21,400)
Total	<u>585,352</u>	<u>469,186</u>	<u>116,166</u>
Central Garage:			
Salaries and employee benefits	118,827	119,210	(383)
Other operating expenditures	13,000	11,731	1,269
Total	<u>131,827</u>	<u>130,941</u>	<u>886</u>
Contributions:			
Contributions other agencies	<u>795,211</u>	<u>795,431</u>	<u>(220)</u>
Nondepartmental:			
Other operating expenditures	<u>475,000</u>	<u>445,944</u>	<u>29,056</u>
Total General Government	<u>\$ 6,037,938</u>	<u>\$ 5,525,720</u>	<u>\$ 512,218</u>
Public Safety:			
Sheriff and Communications:			
Salaries and employee benefits	\$ 4,428,899	\$ 4,210,030	\$ 218,869
Other operating expenditures	783,512	822,325	(38,813)
Capital outlay	34,994	63,952	(28,958)
Total	<u>5,247,405</u>	<u>5,096,307</u>	<u>151,098</u>
Jail:			
Salaries and employee benefits	1,462,256	1,470,356	(8,100)
Other operating expenditures	420,500	472,077	(51,577)
Professional services	170,000	163,036	6,964
Capital outlay	71,060	66,030	5,030
Total	<u>2,123,816</u>	<u>2,171,499</u>	<u>(47,683)</u>
Fire:			
Other operating expenditures	<u>185,755</u>	<u>177,255</u>	<u>8,500</u>
Emergency Services:			
Salaries and employee benefits	1,814,017	1,728,229	85,788
Other operating expenditures	352,958	233,702	119,256
Capital outlay	84,682	73,763	10,919
Total	<u>2,251,657</u>	<u>2,035,694</u>	<u>215,963</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, 2020

	Budget	Actual	Variance Positive (Negative)
Inspections:			
Salaries and employee benefits	354,239	348,473	5,766
Other operating expenditures	37,250	32,299	4,951
Total	<u>391,489</u>	<u>380,772</u>	<u>10,717</u>
Rescue Units:			
Other operating expenditures	1,075,330	1,069,726	5,604
Assistance to local rescue units	60,000	60,000	-
Total	<u>1,135,330</u>	<u>1,129,726</u>	<u>5,604</u>
Animal Control/Shelter:			
Salaries and employee benefits	272,397	266,385	6,012
Other operating expenditures	285,700	221,882	63,818
Total	<u>558,097</u>	<u>488,267</u>	<u>69,830</u>
Medical Examiner:			
Other operating expenditures	60,000	32,900	27,100
Total Public Safety	<u>\$ 11,953,549</u>	<u>\$ 11,512,420</u>	<u>\$ 441,129</u>
Transportation:			
Airport:			
Salaries and employee benefits	\$ 64,998	\$ 60,427	\$ 4,571
Other operating expenditures	475,250	229,200	246,050
Capital outlay	1,867,903	743,986	1,123,917
Total	<u>2,408,151</u>	<u>1,033,613</u>	<u>1,374,538</u>
Interagency Transportation:			
Salaries and employee benefits	58,288	56,395	1,893
Total	<u>58,288</u>	<u>56,395</u>	<u>1,893</u>
Total Transportation	<u>\$ 2,466,439</u>	<u>\$ 1,090,008</u>	<u>\$ 1,376,431</u>
Economic and Physical Development:			
Mapping:			
Salaries and employee benefits	\$ 115,389	\$ 135,839	\$ (20,450)
Other operating expenditures	83,850	54,901	28,949
Professional services	10,000	6,000	4,000
Total	<u>209,239</u>	<u>196,740</u>	<u>12,499</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, 2020

	Budget	Actual	Variance Positive (Negative)
Economic Development:			
Other operating expenditures	103,600	80,852	22,748
Professional services	28,500	46,807	(18,307)
Industrial loans & Grants	221,715	221,626	89
Total	<u>353,815</u>	<u>349,285</u>	<u>4,530</u>
Tourism Development:			
Other operating expenditures	<u>448,000</u>	<u>376,161</u>	<u>71,839</u>
Agricultural Extension:			
Salaries and employee benefits	239,297	150,518	88,779
Other operating expenditures	133,292	104,387	28,905
Capital outlay	10,000	-	10,000
Total	<u>382,589</u>	<u>254,905</u>	<u>127,684</u>
Soil and Water Conservation:			
Salaries and employee benefits	90,692	83,842	6,850
Other operating expenditures	11,100	5,539	5,561
Total	<u>101,792</u>	<u>89,381</u>	<u>12,411</u>
Total Economic and Physical Development	<u>\$ 1,495,435</u>	<u>\$ 1,266,472</u>	<u>\$ 228,963</u>
Human Services:			
Aging:			
Salaries and employee benefits	\$ 604,462	\$ 540,083	\$ 64,379
Other operating expenditures	530,239	295,548	234,691
Total	<u>1,134,701</u>	<u>835,631</u>	<u>299,070</u>
Health:			
Local Health:			
Salaries and employee benefits	3,991,172	3,731,161	260,011
Other operating expenditures	2,090,990	1,656,454	434,536
Professional services	44,000	37,000	7,000
Capital outlay	2,500	-	2,500
Total	<u>6,128,662</u>	<u>5,424,615</u>	<u>704,047</u>
Total health	<u>\$ 6,128,662</u>	<u>\$ 5,424,615</u>	<u>\$ 704,047</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, 2020

	Budget	Actual	Variance Positive (Negative)
Social Services:			
Administration:			
Salaries and employee benefits	\$ 5,619,431	\$ 5,187,036	\$ 432,395
Other operating expenditures	1,475,564	1,071,505	404,059
Capital outlay	2,270	-	2,270
Total	<u>7,097,265</u>	<u>6,258,541</u>	<u>838,724</u>
Families for Kids/Child Support Services:			
Salaries and employee benefits	634,691	615,907	18,784
Other operating expenditures	156,400	177,551	(21,151)
Total	<u>791,091</u>	<u>793,458</u>	<u>(2,367)</u>
Duke Endowment TOP Program			
Salaries and employee benefits	95,405	80,381	15,024
Other operating expenditures	306,485	277,406	29,079
Total	<u>401,890</u>	<u>357,787</u>	<u>44,103</u>
Division of Aging:			
Other operating expenditures	1,057	-	1,057
Medical Assistance Program:			
Assistance payments	127,500	101,324	26,176
Special Assistance to Adults:			
Other operating expenditures	360,500	317,974	42,526
Aid to the Blind:			
Other operating expenditures	8,000	6,290	1,710
Federal and State Day Care for Children:			
Operating expenditures	75,000	1,727	73,273
Crisis Intervention Program:			
Operating expenditures	365,634	364,878	756
Public Assistance:			
Operating expenditures	645,698	358,365	287,333
Employment Program (Work First):			
Operating expenditures	64,100	32,301	31,799

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, 2020

	Budget	Actual	Variance Positive (Negative)
Independent Living (Links):			
Operating expenditures	28,034	6,098	21,936
Document Management Program:			
Operating expenditures	-	-	-
Veterans Service Officer:			
Salaries and employee benefits	68,012	68,841	(829)
Other operating expenditures	7,400	5,871	1,529
Total	75,412	74,712	700
Total social services	\$ 10,041,181	\$ 8,673,455	\$ 1,367,726
Total Human Services	\$ 17,304,544	\$ 14,933,701	\$ 2,370,843
Cultural and Recreation:			
Recreation:			
Salaries and employee benefits	\$ 89,840	\$ 78,061	\$ 11,779
Other operating expenditures	195,613	165,220	30,393
Capital outlay	124,000	123,935	65
Total	409,453	367,216	42,237
Libraries:			
Salaries and employee benefits	364,317	343,577	20,740
Other operating expenditures	101,718	96,822	4,896
Total	466,035	440,399	25,636
Total Culture and Recreation	875,488	807,615	67,873
Education:			
Public schools - current	7,873,242	7,873,240	2
Public schools - capital outlay	423,500	423,500	-
Capital outlay - School Facilities Plan	2,005,500	1,955,830	49,670
Community colleges - current	265,000	264,980	20
Community colleges - contribution	1,792,460	1,792,480	(20)
Total Education	12,359,702	12,310,030	49,672

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, 2020

	Budget	Actual	Variance Positive (Negative)
Debt service:			
Principal retirement	3,426,127	3,356,459	\$ 69,668
Interest and fees	813,332	741,886	71,446
Bond Issuance Costs	-	66,643	(66,643)
Total debt service	<u>\$ 4,239,459</u>	<u>\$ 4,164,988</u>	<u>\$ 141,114</u>
Total expenditures	<u>\$ 56,732,554</u>	<u>\$ 51,610,954</u>	<u>\$ 5,188,243</u>
Revenue over (under) expenditures	<u>\$ (1,953,309)</u>	<u>\$ 2,580,748</u>	<u>\$ 4,534,057</u>
Other financing sources (uses):			
Transfers from other funds:			
Transfer From Other Funds	\$ -	\$ -	\$ -
Transfer from Revolving Loan Fund	231,227	-	(231,227)
Transfer From Solid Waste	1,000,000	-	(1,000,000)
Total	<u>1,231,227</u>	<u>-</u>	<u>(1,231,227)</u>
Transfers to other funds:			
Revaluation Fund	(179,064)	(50,000)	129,064
Transfer To Cordova Project	-	-	-
Total	<u>(179,064)</u>	<u>(50,000)</u>	<u>129,064</u>
Total net transfers	1,052,163	(50,000)	(1,102,163)
Contingency reserve	-	-	-
Loan proceeds	530,000	169,900	(360,100)
Refunding bonds issued	-	7,237,000	7,237,000
Payment to refunded bond escrow agent	-	(7,150,000)	(7,150,000)
Appropriated fund balance	371,146	-	(371,146)
Total other financing sources (uses)	<u>\$ 1,953,309</u>	<u>\$ 119,900</u>	<u>\$ (1,746,409)</u>
Net change in fund balance	<u>\$ -</u>	<u>2,700,648</u>	<u>\$ 2,787,648</u>
Fund balance, beginning		<u>11,277,544</u>	
Fund balance, ending		<u>\$ 13,978,192</u>	

Richmond County
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ -	\$ -	\$ -
Expenditures:			
Current:			
General Government:			
Tax listing	179,064	70,533	108,531
Revenues over (under) expenditures	(179,064)	(70,533)	108,531
Other financing sources (uses):			
Transfer from General Fund	179,064	50,000	(129,064)
Total other financing sources (uses)	179,064	50,000	(129,064)
Net change in fund balance	<u>\$ -</u>	(20,533)	<u>\$ (20,533)</u>
Fund balance, beginning		59,141	
Fund balance, ending		<u>\$ 38,608</u>	

NON-MAJOR GOVERNMENTAL FUNDS

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

Richmond County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020

	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 2,656,839	\$ 2,235,362	\$ 4,892,201
Restricted cash and cash equivalents	-	-	-
Taxes receivable, net	53,191	-	53,191
Returned checks	2,833	-	2,833
Fire fees receivable, net	112,111	-	112,111
Accounts receivable, net	-	-	-
Notes receivable, net	307,566	-	307,566
Due from other governments	29,822	-	29,822
Assets held from foreclosure	-	-	-
Due from other funds	38,992	-	38,992
Total assets	<u>\$ 3,201,354</u>	<u>\$ 2,235,362</u>	<u>\$ 5,436,716</u>
Liabilities and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 748	\$ -	\$ 748
Due to other funds	4,218	-	4,218
Total liabilities	<u>4,966</u>	<u>-</u>	<u>4,966</u>
Deferred inflow of resources	<u>\$ 165,302</u>	<u>\$ -</u>	<u>\$ 165,302</u>
Fund Balances:			
Restricted:			
Stabilization by State Statute	\$ -	\$ -	\$ -
Fire protection	62,726	-	62,726
Public safety	444,130	74,972	519,102
Economic and physical development	2,528,448	115,191	2,643,639
School capital outlay	-	2,045,199	2,045,199
Unassigned	(4,218)	-	(4,218)
Total fund balances	<u>3,031,086</u>	<u>2,235,362</u>	<u>5,266,448</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,201,354</u>	<u>\$ 2,235,362</u>	<u>\$ 5,436,716</u>

Richmond County
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Non-Major Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ -	\$ -	\$ -
Fire protection fees	1,008,248	-	1,008,248
Special assessments	137,755	-	137,755
Restricted intergovernmental	744,700	-	744,700
Investment earnings	34,701	18,774	53,475
Miscellaneous	-	-	-
Total revenues	<u>1,925,404</u>	<u>18,774</u>	<u>1,944,178</u>
Expenditures:			
Current:			
General government	-	-	-
Public safety	1,366,965	-	1,366,965
Economic and physical development	87,385	-	87,385
Intergovernmental:			
Education	-	-	-
Total expenditures	<u>1,454,350</u>	<u>-</u>	<u>1,454,350</u>
Debt Service:			
Principal	79,286	-	79,286
Interest	28,258	-	28,258
Total debt service	<u>107,544</u>	<u>-</u>	<u>107,544</u>
Excess (deficiency) of revenues over expenditures	<u>363,510</u>	<u>18,774</u>	<u>382,284</u>
Other financing sources (uses):			
Transfers (to) other funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	363,510	18,774	382,284
Fund balances, beginning	<u>2,667,576</u>	<u>2,216,588</u>	<u>4,884,164</u>
Fund balances, ending	<u>\$ 3,031,086</u>	<u>\$ 2,235,362</u>	<u>\$ 5,266,448</u>

**Richmond County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020**

	East Rockingham Fire District Fund	Cordova Fire District Fund	Northside Fire District Fund	Mt. Creek Fire District Fund	Hamlet Fire District Fund	Ellerbe Fire District Fund	Rockingham Fire District Fund	Hoffman Fire District Fund	Revolving Loan Fund	Emergency Telephone System Fund
Assets:										
Cash and cash equivalents	\$ 13,050	\$ 5,418	\$ 28,384	\$ 3,260	\$ 2,769	\$ 5,080	\$ 1,018	\$ 914	\$ 1,187,284	\$ 376,601
Taxes receivable, net	-	-	-	-	-	-	-	-	-	-
Prepaid Expense	-	-	2,833	-	-	-	-	-	-	-
Fire fees receivable, net	24,425	8,451	16,689	6,194	37,800	6,698	7,058	4,796	-	-
Accounts receivable, net	-	-	-	-	-	-	-	-	-	29,285
Notes receivable, net	-	-	-	-	-	-	-	-	307,566	-
Assets acquired from foreclosure	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	38,992
Total assets	<u>\$ 37,475</u>	<u>\$ 13,869</u>	<u>\$ 47,906</u>	<u>\$ 9,454</u>	<u>\$ 40,569</u>	<u>\$ 11,778</u>	<u>\$ 8,076</u>	<u>\$ 5,710</u>	<u>\$ 1,494,850</u>	<u>\$ 444,878</u>
Liabilities and Fund Balances:										
Liabilities:										
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 748
Due to other funds	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>748</u>
Deferred inflow of resources	24,425	8,451	16,689	6,194	37,800	6,698	7,058	4,796	-	-
Fund Balances:										
Restricted:										
Fire protection	13,050	5,418	31,217	3,260	2,769	5,080	1,018	914	-	-
Public safety	-	-	-	-	-	-	-	-	-	444,130
Economic and physical development	-	-	-	-	-	-	-	-	1,494,850	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>13,050</u>	<u>5,418</u>	<u>31,217</u>	<u>3,260</u>	<u>2,769</u>	<u>5,080</u>	<u>1,018</u>	<u>914</u>	<u>1,494,850</u>	<u>444,130</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 37,475</u>	<u>\$ 13,869</u>	<u>\$ 47,906</u>	<u>\$ 9,454</u>	<u>\$ 40,569</u>	<u>\$ 11,778</u>	<u>\$ 8,076</u>	<u>\$ 5,710</u>	<u>\$ 1,494,850</u>	<u>\$ 444,878</u>

Richmond County
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2020

	2010 Single Family Rehabilitation Grant	2003 CDBG / P & P Distribution Grant	Ritz Craft CDBG Project	Ledbetter Dam Project	2016 Essen Single Family Rehab	2017 Disaster Recovery	Disaster Response	Total
Assets:								
Cash and cash equivalents	\$ -	\$ 289	\$ 28,168	\$ 863,630	\$ -	\$ -	\$ 140,974	\$ 2,656,839
Taxes receivable, net	-	-	-	53,191	-	-	-	53,191
Returned checks	-	-	-	-	-	-	-	2,833
Fire fees receivable	-	-	-	-	-	-	-	112,111
Accounts receivable	-	-	-	-	-	-	537	29,822
Notes receivable, net	-	-	-	-	-	-	-	307,566
Assets acquired from foreclosure	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	38,992
Total assets	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ 28,168</u>	<u>\$ 916,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,511</u>	<u>\$ 3,201,354</u>
Liabilities and Fund Balances:								
Liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 748
Due to other funds	4,218	-	-	-	-	-	-	4,218
Total liabilities	<u>4,218</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,966</u>
Deferred inflow of resources	-	-	-	53,191	-	-	-	165,302
Fund Balances:								
Restricted:								
Fire protection	-	-	-	-	-	-	-	62,726
Public safety	-	-	-	-	-	-	-	444,130
Economic and physical development	-	289	28,168	863,630	-	-	141,511	2,528,448
Unassigned	(4,218)	-	-	-	-	-	-	(4,218)
Total fund balances	<u>(4,218)</u>	<u>289</u>	<u>28,168</u>	<u>863,630</u>	<u>-</u>	<u>-</u>	<u>141,511</u>	<u>3,031,086</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 289</u>	<u>\$ 28,168</u>	<u>\$ 916,821</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 141,511</u>	<u>\$ 3,201,354</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, 2020

	East Rockingham Fire District Fund	Cordova Fire District Fund	Northside Fire District Fund	Mt. Creek Fire District Fund	Hamlet Fire District Fund	Ellerbe Fire District Fund	Rockingham Fire District Fund	Hoffman Fire District Fund	Revolving Loan Fund	Emergency Telephone System Fund
Revenues:										
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire protection fees	204,856	166,577	327,989	52,057	144,190	44,973	35,463	32,143	-	-
Special assessments	-	-	-	-	-	-	-	-	-	-
Unrestricted intergovernmental	-	-	-	-	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	-	-	-	-	-	321,751
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-	14,799	10,851
Total revenues	204,856	166,577	327,989	52,057	144,190	44,973	35,463	32,143	14,799	332,602
Expenditures:										
Current:										
General government	-	-	-	-	-	-	-	-	-	-
Public safety	198,850	163,482	321,740	49,978	141,421	43,950	34,445	31,382	-	283,814
Economic and physical development	-	-	-	-	-	-	-	-	-	-
Total expenditures	198,850	163,482	321,740	49,978	141,421	43,950	34,445	31,382	-	283,814
Debt Service:										
Principal	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-
Total debt service	-	-	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	6,006	3,095	6,249	2,079	2,769	1,023	1,018	761	14,799	48,788
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	6,006	3,095	6,249	2,079	2,769	1,023	1,018	761	14,799	48,788
Fund balances, beginning	7,044	2,323	24,968	1,181	-	4,057	-	153	1,480,051	395,342
Fund balances, ending	\$ 13,050	\$ 5,418	\$ 31,217	\$ 3,260	\$ 2,769	\$ 5,080	\$ 1,018	\$ 914	\$ 1,494,850	\$ 444,130

Richmond County
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	2010 Single Family Rehabilitation Grant	2003 CDBG / P & P Distribution Grant	Ritz Craft CDBG Project	Ledbetter Special Assessment Fund	2016 Essen Single Family Rehab	2017 Disaster Recovery	Disaster Response	Total
Revenues:								
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fire protection fees	-	-	-	-	-	-	-	1,008,248
Special assessments	-	-	-	137,755	-	-	-	137,755
Unrestricted intergovernmental	-	-	-	-	-	-	-	-
Restricted intergovernmental	-	-	-	-	221,149	-	201,800	744,700
Miscellaneous	-	-	-	-	-	-	-	-
Investment earnings	-	66	6,268	2,717	-	-	-	34,701
Total revenues	-	66	6,268	140,472	221,149	-	201,800	1,925,404
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	97,903	1,366,965
Economic and physical development	-	-	-	-	87,385	-	-	87,385
Total expenditures	-	-	-	-	87,385	-	97,903	1,454,350
Debt Service:								
Principal	-	-	-	79,286	-	-	-	79,286
Interest	-	-	-	28,258	-	-	-	28,258
Total debt service	-	-	-	107,544	-	-	-	107,544
Excess (deficiency) of revenues over expenditures	-	66	6,268	32,928	133,764	-	103,897	363,510
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	-	66	6,268	32,928	133,764	-	103,897	363,510
Fund balances, beginning	(4,218)	223	21,900	830,702	(133,764)	-	37,614	2,667,576
Fund balance, ending	\$ (4,218)	\$ 289	\$ 28,168	\$ 863,630	\$ -	\$ -	\$ 141,511	\$ 3,031,086

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 203,000	\$ 183,176	\$ (19,824)
Prior year	-	21,680	21,680
Total revenues	<u>203,000</u>	<u>204,856</u>	<u>1,856</u>
Expenditures			
Current:			
Public Safety:			
East Rockingham Fire District	<u>203,000</u>	<u>198,850</u>	<u>4,150</u>
Net change in fund balance	<u>\$ -</u>	6,006	<u>\$ 6,006</u>
Fund balance, beginning		<u>7,044</u>	
Fund balance, ending		<u>\$ 13,050</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 166,000	\$ 154,420	\$ (11,580)
Prior year	-	12,157	12,157
Total revenues	<u>166,000</u>	<u>166,577</u>	<u>577</u>
Expenditures			
Current:			
Public Safety:			
Cordova Fire District	<u>166,000</u>	<u>163,482</u>	<u>2,518</u>
Net change in fund balance	<u>\$ -</u>	3,095	<u>\$ 3,095</u>
Fund balance, beginning		<u>2,323</u>	
Fund balance, ending		<u>\$ 5,418</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, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Ad valorem taxes:			
Current year	\$ 364,000	\$ 309,159	\$ (54,841)
Prior year	-	18,830	18,830
Total revenues	<u>364,000</u>	<u>327,989</u>	<u>(36,011)</u>
Expenditures			
Current:			
Public Safety:			
Northside Fire District I	<u>364,000</u>	<u>321,740</u>	<u>42,260</u>
Net change in fund balance	<u>\$ -</u>	6,249	<u>\$ 6,249</u>
Fund balance, beginning		<u>24,968</u>	
Fund balance, ending		<u>\$ 31,217</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Ad valorem taxes:			
Current year	\$ 58,000	\$ 48,124	\$ (9,876)
Prior year	-	3,933	3,933
Total revenues	<u>58,000</u>	<u>52,057</u>	<u>(5,943)</u>
Expenditures			
Current:			
Public Safety:			
Mt. Creek Fire District	<u>58,000</u>	<u>49,978</u>	<u>8,022</u>
Net change in fund balance	<u>\$ -</u>	<u>2,079</u>	<u>\$ 2,079</u>
Fund balance, beginning		<u>1,181</u>	
Fund balance, ending		<u>\$ 3,260</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fire protection fees:			
Current year	\$ 143,000	\$ 127,657	\$ (15,343)
Prior year	-	16,533	16,533
Total revenues	<u>143,000</u>	<u>144,190</u>	<u>1,190</u>
Expenditures			
Current:			
Public Safety:			
Hamlet Fire District	<u>143,000</u>	<u>141,421</u>	<u>1,579</u>
Net change in fund balance	<u>\$ -</u>	<u>2,769</u>	<u>\$ 2,769</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 2,769</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Fire protection fees:			
Current year	\$ 48,000	\$ 42,854	\$ (5,146)
Prior year	-	2,119	2,119
Total revenues	<u>48,000</u>	<u>44,973</u>	<u>(3,027)</u>
Expenditures			
Current:			
Public Safety:			
Ellerbe Fire District	<u>48,000</u>	<u>43,950</u>	<u>4,050</u>
Net change in fund balance	<u>\$ -</u>	1,023	<u>\$ 1,023</u>
Fund balance, beginning		<u>4,057</u>	
Fund balance, ending		<u>\$ 5,080</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Fire protection fees:			
Current year	\$ 40,000	\$ 32,408	\$ (7,592)
Prior year	-	3,055	3,055
Total revenues	<u>40,000</u>	<u>35,463</u>	<u>(4,537)</u>
Expenditures			
Current:			
Public Safety:			
Rockingham Fire District	<u>40,000</u>	<u>34,445</u>	<u>5,555</u>
Net change in fund balance	<u>\$ -</u>	1,018	<u>\$ 1,018</u>
Fund balance, beginning		<u>-</u>	
Fund balance, ending		<u>\$ 1,018</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, 2020**

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Fire protection fees:			
Current year	\$ 36,000	\$ 29,305	\$ (6,695)
Prior year	-	2,838	2,838
Total revenues	<u>36,000</u>	<u>32,143</u>	<u>(3,857)</u>
Expenditures			
Current:			
Public Safety:			
Hoffman Fire District	<u>36,000</u>	<u>31,382</u>	<u>4,618</u>
Net change in fund balance	<u>\$ -</u>	761	<u>\$ 761</u>
Fund balance, beginning		<u>153</u>	
Fund balance, ending		<u>\$ 914</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Restricted intergovernmental:			
Loan reimbursements	\$ 70,000	\$ 49,329	\$ (20,671)
Investment earnings	7,000	14,799	7,799
Total revenues	<u>77,000</u>	<u>64,128</u>	<u>(12,872)</u>
Expenditures:			
Economic and Physical Development:			
Industrial assistance	727,000	20,000	707,000
Bad debt expense	-	-	-
Total expenses	<u>727,000</u>	<u>20,000</u>	<u>707,000</u>
Revenues over (under) expenditures	<u>(650,000)</u>	<u>44,128</u>	<u>(719,872)</u>
Other financing sources (uses):			
Transfer to General Fund	(250,000)	-	-
Appropriated fund balance	900,000	-	(900,000)
Total Other financing sources (uses)	<u>650,000</u>	<u>-</u>	<u>(900,000)</u>
Net change in fund balance	<u>\$ -</u>	44,128	<u>\$ (1,619,872)</u>
Reconciling Items:			
Debt payments are reclassified against accounts receivable balance		(49,329)	
Amounts recorded as expenditures are recorded on the balance sheet as a receivable		<u>20,000</u>	
Total Reconciling Items		(29,329)	
Current year change in fund balance		<u>14,799</u>	
Fund balance, beginning		<u>1,480,051</u>	
Fund balance, ending		<u>\$ 1,494,850</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Other taxes and licenses:			
E911 Wireline surcharge revenue	\$ 297,456	\$ 321,751	\$ 24,295
Miscellaneous revenue	-	-	-
Investment Earnings - Wireline	18,000	10,851	(7,149)
Total revenues	<u>315,456</u>	<u>332,602</u>	<u>17,146</u>
Expenditures:			
E911 Wireline Services:			
Leasing	60,000	11,200	48,800
Other operating expenditures	569,800	143,879	425,921
Capital outlay	-	128,735	(128,735)
Total expenditures	<u>629,800</u>	<u>283,814</u>	<u>345,986</u>
Revenues over (under) expenditures	<u>(314,344)</u>	<u>48,788</u>	<u>363,132</u>
Other financing sources (uses):			
Appropriated fund balance	314,344	-	(314,344)
Total other financing sources (uses)	<u>314,344</u>	<u>-</u>	<u>(314,344)</u>
Net change in fund balance	<u>\$ -</u>	48,788	<u>\$ 48,788</u>
Fund balance, beginning		395,342	
Fund balance, ending		<u>\$ 444,130</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, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
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	371,024	363,504	-	363,504	7,520
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, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted intergovernmental:					
Community development:					
Community Development					
Block Grant	\$ 95,000	\$ 95,000	\$ -	\$ 95,000	\$ -
Investment earnings	5,000	5,302	66	5,368	368
Total revenues	<u>100,000</u>	<u>100,302</u>	<u>66</u>	<u>100,368</u>	<u>368</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>(54,966)</u>	<u>66</u>	<u>(54,900)</u>	<u>1,100</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 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>\$ 224</u>	<u>66</u>	<u>\$ 290</u>	<u>\$ 290</u>
Fund balance, beginning			<u>223</u>		
Fund balance, ending			<u>\$ 289</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (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	-	88,729	6,268	94,997	94,997
Total revenues	<u>1,012,410</u>	<u>1,096,932</u>	<u>6,268</u>	<u>1,103,200</u>	<u>90,790</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>(100,512)</u>	<u>6,268</u>	<u>(94,244)</u>	<u>149,505</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 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>\$ 15,801</u>	<u>6,268</u>	<u>\$ 22,069</u>	<u>\$ 22,069</u>
Fund balance, beginning			<u>21,900</u>		
Fund balance, ending			<u>\$ 28,168</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Special assessments	\$ 200,000	\$ 137,755	\$ (62,245)
Investment earnings	3,000	2,717	(283)
Total revenues	<u>203,000</u>	<u>140,472</u>	<u>(62,528)</u>
Expenditures:			
Debt Service:			
Principal	79,287	79,286	1
Interest	28,258	28,258	-
Total debt service	<u>107,545</u>	<u>107,544</u>	<u>1</u>
Revenues over (under) expenditures	<u>95,455</u>	<u>32,928</u>	<u>(62,527)</u>
Other financing sources (uses):			
Transfers from/(to) other funds	<u>(95,455)</u>	-	<u>95,455</u>
Total other financing sources (uses)	<u>(95,455)</u>	-	<u>95,455</u>
Net change in fund balance	<u><u>\$ -</u></u>	32,928	<u><u>\$ 32,928</u></u>
Fund balance, beginning		<u>830,702</u>	
Fund balance, ending		<u><u>\$ 863,630</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, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental:					
Community development:					
NC Housing Finance Grant	\$ 330,000	\$ 96,124	\$ 221,149	\$ 317,273	\$ (12,727)
Total revenues	<u>330,000</u>	<u>96,124</u>	<u>221,149</u>	<u>317,273</u>	<u>(12,727)</u>
Expenditures:					
Economic and Physical Development:					
Soft costs	90,000	49,640	36,260	85,900	4,100
Rehabilitation	240,000	180,248	51,125	231,373	8,627
Total expenditures	<u>330,000</u>	<u>229,888</u>	<u>87,385</u>	<u>317,273</u>	<u>12,727</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (133,764)</u>	133,764	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>(133,764)</u>		
Fund balance, ending			<u>\$ -</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, 2020

	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Actual Current Year</u>	<u>Total To Date</u>	<u>Variance Positive (Negative)</u>
Revenues:					
Restricted intergovernmental:					
Community development:					
NC Housing Finance Grant	\$ 150,000	\$ 98,390	\$ -	\$ 98,390	\$ (51,610)
Total revenues	<u>150,000</u>	<u>98,390</u>	<u>-</u>	<u>98,390</u>	<u>(51,610)</u>
Expenditures:					
Economic and Physical Development:					
Soft costs	30,000	19,400	-	19,400	10,600
Rehabilitation	120,000	78,990	-	78,990	41,010
Total expenditures	<u>150,000</u>	<u>98,390</u>	<u>-</u>	<u>98,390</u>	<u>51,610</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>		

Richmond County
Disaster Response
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Budget	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues:					
Restricted Intergovernmental					
FEMA Reimbursement	\$ 500,000	\$ -	\$ 72,785	\$ 72,785	\$ (427,215)
State Reimbursement	-	62,948	22,665	85,613	22,665
Golden Leaf Grant	-	-	106,350	106,350	106,350
NCDACS Grant	36,462	-	-	-	(36,462)
USDA Grant	382,846	-	-	-	(382,846)
Insurance Settlements	-	193,720	-	193,720	-
Total revenues	<u>919,308</u>	<u>256,668</u>	<u>201,800</u>	<u>458,468</u>	<u>(717,508)</u>
Expenditures					
Public Safety:					
Salaries and Benefits	-	62,338	-	62,338	-
Operating Expenses	419,308	156,716	97,903	254,619	321,405
Contingency Expense	500,000	-	-	-	500,000
Total expenses	<u>919,308</u>	<u>219,054</u>	<u>97,903</u>	<u>316,957</u>	<u>821,405</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 37,614</u>	103,897	<u>\$ 141,511</u>	<u>\$ 103,897</u>
Fund balance, beginning			<u>37,614</u>		
Fund balance, ending			<u>\$ 141,511</u>		

CAPITAL PROJECT FUNDS

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

**Richmond County
Non-Major Capital Project Funds
Combining Balance Sheet
June 30, 2020**

	Highway 74 Industrial Park Project Fund	School Capital Reserve Fund	Economic Development Capital Reserve Fund	E-911 Center Construction Fund	Ledbetter Dam Project	Cordova School Improvement Project	Total
Assets:							
Cash and cash equivalents	\$ 102,699	\$ 1,901,494	\$ 10,019	\$ 74,972	\$ 2,473	\$ 143,705	\$ 2,235,362
Restricted cash and cash equivalents	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Total assets	<u>\$ 102,699</u>	<u>\$ 1,901,494</u>	<u>\$ 10,019</u>	<u>\$ 74,972</u>	<u>\$ 2,473</u>	<u>\$ 143,705</u>	<u>\$ 2,235,362</u>
Liabilities and Fund Balances:							
Liabilities:							
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>
Fund Balances:							
Restricted:							
Public Safety	-	-	-	74,972	-	-	74,972
Economic & physical development	102,699	-	10,019	-	2,473	-	115,191
School capital outlay	-	1,901,494	-	-	-	143,705	2,045,199
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>102,699</u>	<u>1,901,494</u>	<u>10,019</u>	<u>74,972</u>	<u>2,473</u>	<u>143,705</u>	<u>2,235,362</u>
Total liabilities and fund balances	<u>\$ 102,699</u>	<u>\$ 1,901,494</u>	<u>\$ 10,019</u>	<u>\$ 74,972</u>	<u>\$ 2,473</u>	<u>\$ 143,705</u>	<u>\$ 2,235,362</u>

**Richmond County
Non-Major Capital Project Funds
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
June 30, 2020**

	Highway 74 Industrial Park Project Fund	School Capital Reserve Fund	Economic Development Capital Reserve Fund	E-911 Center Construction Fund	Ledbetter Dam Project	Cordova School Improvement Project	Total
Revenues:							
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	5,757	9,324	2,941	-	752	-	18,774
Sales tax refund	-	-	-	-	-	-	-
Total revenues	<u>5,757</u>	<u>9,324</u>	<u>2,941</u>	<u>-</u>	<u>752</u>	<u>-</u>	<u>18,774</u>
Expenditures:							
Current:							
Public safety	-	-	-	-	-	-	-
Intergovernmental:							
Education	-	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>5,757</u>	<u>9,324</u>	<u>2,941</u>	<u>-</u>	<u>752</u>	<u>-</u>	<u>18,774</u>
Other financing sources (uses):							
Transfer from (to) General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	5,757	9,324	2,941	-	752	-	18,774
Fund balances, beginning	<u>96,942</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>
Fund balances, ending	<u>\$ 102,699</u>	<u>\$ 1,901,494</u>	<u>\$ 10,019</u>	<u>\$ 74,972</u>	<u>\$ 2,473</u>	<u>\$ 143,705</u>	<u>\$ 2,235,362</u>

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, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues:						
Unrestricted intergovernmental:						
Sales tax refund - contractor	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental:						
HUD Grant	-	-	-	-	-	-
Investment earnings	-	96,942	5,757	-	102,699	102,699
	-	96,942	5,757	-	102,699	102,699
Expenditures:						
Economic and Physical Development:						
Professional services	-	-	-	-	-	-
Water and sewer improvements	-	-	-	-	-	-
Shell building and/or roads	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Land purchase	-	-	-	-	-	-
Total expenditures	-	-	-	-	-	-
Revenues over (under) expenditures	-	96,942	5,757	-	102,699	102,699
Other financing sources (uses):						
Bond proceeds	-	-	-	-	-	-
Transfer from General Fund	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balance	\$ -	\$ 96,942	5,757	\$ -	\$ 102,699	\$ 102,699
Fund balance, beginning			96,942			
Fund balance, ending			\$ 102,699			

Richmond County
School Capital Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Investment earnings	<u>\$ 10,000</u>	<u>\$ 9,324</u>	<u>\$ (676)</u>
Other financing sources (uses):			
Reserve For School Capital Outlay	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>-</u>	<u>10,000</u>
Net change in fund balance	<u><u>\$ -</u></u>	<u>9,324</u>	<u><u>\$ 9,324</u></u>
Fund balance, beginning		<u>1,892,170</u>	
Fund balance, ending		<u><u>\$ 1,901,494</u></u>	

Richmond County
Economic Development Capital Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Investment earnings	\$ 200	\$ 2,941	\$ 2,741
Expenditures:			
Economic Development	5,800	-	5,800
Other Financing Sources(Uses):			
Transfer to Other Funds	-	-	-
Fund Balance Appropriated	5,600	-	(5,600)
Total Other Financing Sources (Uses)	5,600	-	(5,600)
Net change in fund balance	\$ -	2,941	\$ 2,941
Fund balance, beginning		7,078	
Fund balance, ending		\$ 10,019	

Richmond County
E911 Center Construction Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
June 30, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	-	-	-	-	-	-
Sales and use tax refund	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Professional services	-	-	-	-	-	-
Construction expenses	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):						
Transfer from General Fund	-	-	-	-	-	-
Transfer from (to) General Fund	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>74,972</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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	2,193	752	2,945	2,945
Total revenues	-	2,193	752	2,945	2,945
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)	(1,984,919)	752	(1,984,167)	225,833
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 sources (uses)	2,210,000	1,986,640	-	1,986,640	(223,360)
Net change in fund balance	\$ -	\$ 1,721	752	\$ 2,473	\$ 2,473
Fund balance, beginning			1,721		
Fund balance, ending			\$ 2,473		

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, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues:					
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	-	970	-	970	970
Sales Tax Refund	-	23,554	-	23,554	23,554
Total revenues	<u>-</u>	<u>24,524</u>	<u>-</u>	<u>24,524</u>	<u>24,524</u>
Expenditures:					
General government					
Professional services	97,750	81,671	-	81,671	16,079
Construction Cost	1,898,000	1,999,148	-	1,999,148	(101,148)
Contingency Expense	204,250	-	-	-	204,250
Total expenditures	<u>2,200,000</u>	<u>2,080,819</u>	<u>-</u>	<u>2,080,819</u>	<u>119,181</u>
Revenues over (under) expenditures	<u>(2,200,000)</u>	<u>(2,056,295)</u>	<u>-</u>	<u>(2,056,295)</u>	<u>143,705</u>
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 sources (uses)	<u>2,200,000</u>	<u>2,200,000</u>	<u>-</u>	<u>2,200,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 143,705</u>	<u>-</u>	<u>\$ 143,705</u>	<u>\$ 143,705</u>
Fund balance, beginning			<u>143,705</u>		
Fund balance, ending			<u>\$ 143,705</u>		

ENTERPRISE FUNDS

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.

Richmond County, North Carolina
Enterprise Funds
Combining Statement of Net Position
June 30, 2020

	Solid Waste Fund	Water and Sewer Fund	Total
Assets:			
Current assets:			
Cash and cash equivalents	\$ 3,272,016	\$ 9,009,059	\$ 12,281,075
Accounts receivable, net	1,191,481	1,389,470	2,580,951
Due from other governments	37,612	44,418	82,030
Inventories	-	140,275	140,275
Total current assets	<u>4,501,109</u>	<u>10,583,222</u>	<u>15,084,331</u>
Restricted Cash and Cash Equivalents	-	503,031	503,031
Capital assets, net of depreciation	1,609,650	39,127,025	40,736,675
Total assets	<u>\$ 6,110,759</u>	<u>\$ 50,213,278</u>	<u>\$ 56,324,037</u>
Deferred Outflows of Resources			
Pension related deferrals	\$ 132,417	\$ 255,993	\$ 388,410
OPEB related deferrals	6,595	34,914	41,509
Total	<u>\$ 139,012</u>	<u>\$ 290,907</u>	<u>\$ 429,919</u>
Liabilities:			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 75,440	\$ 370,217	\$ 445,657
Customer deposits	-	161,140	161,140
Accrued interest payable	2,909	75,106	78,015
Bond and notes payable	88,867	480,741	569,608
Total current liabilities	<u>167,216</u>	<u>1,087,204</u>	<u>1,254,420</u>
Noncurrent liabilities:			
Compensated absences	63,053	101,234	164,287
Total OPEB Liability	180,335	339,873	520,208
Net Pension Liability	223,052	431,213	654,265
Bond and notes payable	374,000	10,098,532	10,472,532
Total noncurrent liabilities	<u>840,440</u>	<u>10,970,852</u>	<u>11,811,292</u>
Total liabilities	<u>\$ 1,007,656</u>	<u>\$ 12,058,056</u>	<u>\$ 13,065,712</u>
Deferred Inflows of Resources			
Pension related deferrals	\$ 2,808	\$ 5,429	\$ 8,237
OPEB related deferrals	50,921	95,970	146,891
Total	<u>\$ 53,729</u>	<u>\$ 101,399</u>	<u>\$ 155,128</u>
Net Position:			
Net investment in capital assets	\$ 1,146,783	\$ 28,842,590	\$ 29,989,373
Restricted	-	29,943	29,943
Unrestricted	4,041,603	9,472,197	13,513,800
Total Net Position	<u>\$ 5,188,386</u>	<u>\$ 38,344,730</u>	<u>\$ 43,533,116</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, 2020

	Solid Waste Fund	Water and Sewer Fund	Total
Operating revenues:			
Charges for services	\$ 4,012,146	\$ 6,139,962	\$ 10,152,108
Water and sewer taps	-	76,600	76,600
Other operating revenues	21,413	30,704	52,117
Total operating revenues	<u>4,033,559</u>	<u>6,247,266</u>	<u>10,280,825</u>
Operating expenses:			
Administration	-	1,151,338	1,151,338
Water system maintenance	-	1,233,619	1,233,619
Water treatment plant	-	1,078,110	1,078,110
Settled water treatment plant	-	879,605	879,605
Solid waste collection	647,033	-	647,033
Landfill operations	1,987,644	-	1,987,644
Solid waste enforcement officer	90,462	-	90,462
Depreciation and amortization	225,285	2,790,078	3,015,363
Total operating expenses	<u>2,950,424</u>	<u>7,132,750</u>	<u>10,083,174</u>
Operating income (loss)	<u>1,083,135</u>	<u>(885,484)</u>	<u>197,651</u>
Nonoperating revenues (expenses):			
Investment earnings	14,085	7,567	21,652
Interest on long-term debt	(12,843)	(301,966)	(314,809)
White goods disposal tax	20,476	-	20,476
Scrap tire disposal tax	61,465	-	61,465
Electronic disposal	-	-	-
Reimbursements	-	367,094	367,094
Miscellaneous revenue	340	117,408	117,748
Total nonoperating revenues (expenses)	<u>83,523</u>	<u>190,103</u>	<u>273,626</u>
Income (loss) before contributions and transfers	1,166,658	(695,381)	471,277
Transfers	-	-	-
Capital contributions	-	-	-
Total transfers and capital contributions	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	<u>1,166,658</u>	<u>(695,381)</u>	<u>471,277</u>
Net position, beginning	<u>4,021,728</u>	<u>39,040,111</u>	<u>43,061,839</u>
Net position, ending	<u>\$ 5,188,386</u>	<u>\$ 38,344,730</u>	<u>\$ 43,533,116</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Charges for services:			
Solid waste charges	\$ 3,834,750	\$ 4,012,146	\$ 177,396
Other operating revenues:			
Recycling revenue	26,700	21,413	(5,287)
Total operating revenues	<u>3,861,450</u>	<u>4,033,559</u>	<u>172,109</u>
Nonoperating revenues:			
Investment earnings	15,000	14,085	(915)
White goods disposal tax	9,000	20,476	11,476
Scrap tire disposal tax	28,000	61,465	33,465
Electronic disposal	-	-	-
Miscellaneous revenue	175	340	165
Total nonoperating revenues	<u>52,175</u>	<u>96,366</u>	<u>44,191</u>
Total revenues	<u>\$ 3,913,625</u>	<u>\$ 4,129,925</u>	<u>\$ 216,300</u>
Expenditures:			
Solid waste collection:			
Salaries and employee benefits	\$ 552,245	\$ 511,247	\$ 40,998
Supplies	36,000	32,000	4,000
Other operating expenditures	93,400	41,455	51,945
Utilities	20,000	17,431	2,569
Total solid waste collection	<u>701,645</u>	<u>602,133</u>	<u>99,512</u>
Landfill operations:			
Salaries and employee benefits	407,243	461,107	(53,864)
Supplies	173,000	128,234	44,766
Other operating expenditures	269,500	179,478	90,022
Contracted services	850,000	968,825	(118,825)
Professional services	2,000	-	2,000
Allocation to General Fund	250,000	250,000	-
Total landfill operations	<u>1,951,743</u>	<u>1,987,644</u>	<u>(35,901)</u>
Solid waste enforcement officer:			
Salaries and employee benefits	86,823	83,150	3,673
Other operating expenditures	15,250	7,312	7,938
Total solid waste enforcement officer	<u>102,073</u>	<u>90,462</u>	<u>11,611</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, 2020

	Budget	Actual	Variance Positive (Negative)
Debt service:			
Interest and fees	\$ 13,403	\$ 12,843	\$ 560
Debt principal	98,369	98,418	(49)
Total debt service	<u>111,772</u>	<u>111,261</u>	<u>511</u>
Capital outlay	<u>428,000</u>	<u>40,061</u>	<u>387,939</u>
Total expenditures	<u>\$ 3,295,233</u>	<u>\$ 2,831,561</u>	<u>\$ 463,672</u>
Revenues over (under) expenditures	<u>\$ 618,392</u>	<u>\$ 1,298,364</u>	<u>\$ 679,972</u>
Other financing sources (uses):			
Transfer from (to) General Fund	\$ (1,000,000)	\$ -	\$ 1,000,000
Appropriated fund balance	381,608	-	(381,608)
Total other financing sources (uses)	<u>\$ (618,392)</u>	<u>\$ -</u>	<u>\$ 618,392</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	1,298,364	<u>\$ 1,298,364</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues and other financing sources (uses) over (under) expenditures		1,298,364	
Reconciling items:			
Debt principal		98,418	
Capital outlay		40,061	
Depreciation and amortization		(225,285)	
Increase (decrease) in deferred outflows of resources - pensions		(25,275)	
Increase (decrease) in deferred outflows of resources - OPEB		5,667	
(Increase) decrease in net pension liability		(21,309)	
(Increase) decrease in deferred inflows of resources - pensions		(1,764)	
(Increase) decrease in deferred inflows of resources - OPEB		9,472	
(Increase) decrease in total OPEB Liability		(11,691)	
Transfer to other funds (Ex E-3a)		-	
Total reconciling items		<u>(131,706)</u>	
Change in net position		<u>\$ 1,166,658</u>	

Richmond County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Operating revenues:			
Water and sewer charges	\$ 6,250,950	\$ 6,139,962	\$ (110,988)
Water and sewer taps	50,000	76,600	26,600
Other operating revenues	35,000	30,704	(4,296)
Total operating revenues	<u>6,335,950</u>	<u>6,247,266</u>	<u>(88,684)</u>
Nonoperating revenues:			
Investment earnings	9,000	6,647	(2,353)
DOT Reimbursements	-	367,094	367,094
Project Expense Reimbursement	-	-	-
Sale of assets	5,000	-	(5,000)
Miscellaneous revenue	31,700	96,503	64,803
Total nonoperating revenues	<u>45,700</u>	<u>470,244</u>	<u>424,544</u>
Total revenues	<u>\$ 6,381,650</u>	<u>\$ 6,717,510</u>	<u>\$ 335,860</u>
Expenditures:			
Administration:			
Salaries and employee benefits	\$ 413,712	\$ 407,417	\$ 6,295
Other operating expenditures	678,000	393,921	284,079
Allocation to General Fund	350,000	350,000	-
Total administration	<u>1,441,712</u>	<u>1,151,338</u>	<u>290,374</u>
Water system maintenance:			
Salaries and employee benefits	502,718	478,627	24,091
Supplies	55,000	38,117	16,883
Other operating expenditures	887,000	628,584	258,416
Professional services	25,000	1,330	23,670
Total water system maintenance	<u>1,469,718</u>	<u>1,146,658</u>	<u>323,060</u>
Water treatment plant:			
Salaries and employee benefits	371,435	379,483	(8,048)
Supplies	14,500	10,734	3,766
Utilities	300,000	255,230	44,770
Other operating expenditures	433,700	383,310	50,390
Professional services	50,000	49,353	647
Total water treatment plant	<u>1,169,635</u>	<u>1,078,110</u>	<u>91,525</u>
Settled water treatment plant:			
Salaries and employee benefits	280,324	259,094	21,230
Supplies	9,500	7,296	2,204
Utilities	215,000	253,932	(38,932)
Other operating expenditures	373,445	331,689	41,756
Professional services	26,500	27,594	(1,094)
Total settled water treatment plant	<u>904,769</u>	<u>879,605</u>	<u>25,164</u>

Richmond County
Water and Sewer Fund
Statement of Revenues and Expenditures
Budget and Actual (Non - GAAP)
June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Debt service:			
Interest and fees	\$ 291,260	\$ 301,966	\$ (10,706)
Debt principal	703,989	738,000	(34,011)
Total debt service	<u>995,249</u>	<u>1,039,966</u>	<u>(44,717)</u>
Capital outlay:			
Water systems	125,000	326,548	(201,548)
Equipment	107,555	-	107,555
Total capital outlay	<u>232,555</u>	<u>326,548</u>	<u>(93,993)</u>
Total expenditures	<u>6,213,638</u>	<u>5,622,225</u>	<u>591,413</u>
Revenues over (under) expenditures	<u>168,012</u>	<u>1,095,285</u>	<u>(255,553)</u>
Other financing sources (uses):			
Transfer to Other Funds	-	-	-
Transfer to General Fund	-	-	-
Water Reserve Funds	(168,012)	-	(168,012)
Payment - Revenue Bond Anticipation Note	-	(2,184,000)	2,184,000
Revenue Bond issued	-	2,184,000	(2,184,000)
Total other financing sources (uses)	<u>(168,012)</u>	<u>-</u>	<u>(168,012)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>1,095,285</u>	<u>\$ 1,095,285</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
Revenues over (under) expenditures		1,095,285	
Reconciling items:			
Debt principal		2,922,000	
Revenue Bond issued		(2,184,000)	
Capital outlay		326,548	
Depreciation		(2,790,078)	
Increase (decrease) in deferred outflows of resources - pensions		(48,863)	
Increase (decrease) in deferred outflows of resources - OPEB		10,690	
Increase in net pension liability		(41,196)	
(Increase) decrease in deferred inflows of resources - pensions		(3,410)	
(Increase) decrease in deferred inflows of resources - OPEB		17,851	
(Increase) decrease in total OPEB Liability		(22,033)	
Sales tax refund (Ex E-4a)		20,905	
Transfer to capital project fund (Ex E-4b)		-	
Interest Income (Ex E-4a, 4b)		920	
Total reconciling items		<u>(1,790,666)</u>	
Change in net position		<u>\$ (695,381)</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, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
Interest Income	\$ -	\$ 774	\$ 920	\$ -	\$ 1,694	\$ 1,694
Sales tax refund	-	-	20,905	-	20,905	20,905
Total revenues	-	774	21,825	-	22,599	22,599
Expenditures:						
Water & Sewer Improvements						
Professional Services	323,500	224,765	100,379	(325,144)	-	323,500
Land	10,000	-	-	-	-	10,000
Construction	1,716,281	902,061	715,557	(1,617,618)	-	1,716,281
Contingency	127,719	-	-	-	-	127,719
Interest	60,100	-	-	-	-	60,100
Total expenditures	2,237,600	1,126,826	815,936	(1,942,762)	-	2,237,600
Revenues over (under) expenditures	(2,237,600)	(1,126,052)	(794,111)	1,942,762	22,599	2,260,199
Other financing sources (uses):						
Transfer from Water Fund	53,600	53,600	-	(53,600)	-	(53,600)
Loan Proceeds	2,184,000	2,184,000	-	(1,889,162)	294,838	(1,889,162)
Total Other financing sources (uses)	2,237,600	2,237,600	-	(1,942,762)	294,838	(1,942,762)
Revenues and other financing sources (uses) over (under) expenditures	\$ -	\$ 1,111,548	\$ (794,111)	\$ -	\$ 317,437	\$ 317,437

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, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Closed Out Project		
Revenues:						
Interest Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:						
Automated Water Meter Project	5,000,000	1,000	22,189	-	23,189	4,976,811
Total expenditures	<u>5,000,000</u>	<u>1,000</u>	<u>22,189</u>	<u>-</u>	<u>23,189</u>	<u>4,976,811</u>
Revenues over (under) expenditures	<u>(5,000,000)</u>	<u>(1,000)</u>	<u>(22,189)</u>	<u>-</u>	<u>(23,189)</u>	<u>4,976,811</u>
Other financing sources (uses):						
Transfer from Water Fund	-	-	-	-	-	-
Loan Proceeds	5,000,000	1,915,990	-	-	1,915,990	(3,084,010)
	<u>5,000,000</u>	<u>1,915,990</u>	<u>-</u>	<u>-</u>	<u>1,915,990</u>	<u>(3,084,010)</u>
Revenues and other financing sources (uses) over (under) expenditures	<u>\$ -</u>	<u>\$ 1,914,990</u>	<u>\$ (22,189)</u>	<u>\$ -</u>	<u>\$ 1,892,801</u>	<u>\$ 1,892,801</u>

AGENCY FUNDS

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.

Richmond County
Agency Funds
Combining Balance Sheet
June 30, 2020
(With Comparative Totals as of June 30, 2019)

	Agency							Totals		
	Social Services Fund	Fine and Forfeitures Fund	Motor Vehicle Tax Fund	Truancy Trust Fund	Leath Book Endowment	Workers Compensation	3% DMV Tax	Sheriff's Dept	June 30, 2020	June 30, 2019
Assets										
Cash and cash equivalents	\$ 28,602	\$ -	\$ 50,152	\$ 333	\$ 4,175	\$ 29,630	\$ -	\$ 23,153	\$ 136,045	\$ 158,195
Liabilities										
Miscellaneous liabilities	\$ 28,602	\$ -	\$ -	\$ -	\$ -	\$ 29,630	\$ -	\$ -	\$ 58,232	\$ 70,513
Intergovernmental payable	-	-	50,152	333	4,175	-	-	23,153	77,813	87,682
Total liabilities	<u>\$ 28,602</u>	<u>\$ -</u>	<u>\$ 50,152</u>	<u>\$ 333</u>	<u>\$ 4,175</u>	<u>\$ 29,630</u>	<u>\$ -</u>	<u>\$ 23,153</u>	<u>\$ 136,045</u>	<u>\$ 158,195</u>

Richmond County
Agency Funds
Combining Statement of Changes in Assets and Liabilities
June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
Social Services				
Assets:				
Cash and cash equivalents	\$ 14,980	\$ 181,385	\$ 167,763	\$ 28,602
Liabilities:				
Miscellaneous liabilities	\$ 14,980	\$ 167,763	\$ 181,385	\$ 28,602
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 117,597	\$ 117,597	\$ -
Liabilities:				
Intergovernmental payable	\$ -	\$ 117,597	\$ 117,597	\$ -
Motor Vehicle Tax				
Assets:				
Cash and cash equivalents	\$ 60,899	\$ 662,174	\$ 672,921	\$ 50,152
Liabilities:				
Intergovernmental payables	\$ 60,899	\$ 672,921	\$ 662,174	\$ 50,152
Truancy Trust Fund				
Assets:				
Cash and cash equivalents	\$ 333	\$ -	\$ -	\$ 333
Liabilities:				
Intergovernmental payables	\$ 333	\$ -	\$ -	\$ 333
Leath Book Endowment				
Assets:				
Cash and cash equivalents	\$ 4,175	\$ -	\$ -	\$ 4,175
Liabilities:				
Intergovernmental payables	\$ 4,175	\$ -	\$ -	\$ 4,175
Workers Compensation				
Assets:				
Cash and cash equivalents	\$ 55,533	\$ 35,169	\$ 61,072	\$ 29,630
Liabilities:				
Miscellaneous Liabilities	\$ 55,533	\$ 61,072	\$ 35,169	\$ 29,630
Sheriff's Department				
Assets:				
Cash and cash equivalents	\$ 22,275	\$ 153,479	\$ 152,601	\$ 23,153
Liabilities:				
Intergovernmental Payable	\$ 22,275	\$ 152,601	\$ 153,479	\$ 23,153
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 158,195	\$ 1,149,804	\$ 1,171,954	\$ 136,045
Liabilities:				
Miscellaneous liabilities	\$ 70,513	\$ 228,835	\$ 216,554	\$ 58,232
Intergovernmental payable	87,682	943,119	933,250	77,813
Total liabilities	\$ 158,195	\$ 1,171,954	\$ 1,149,804	\$ 136,045

OTHER SCHEDULES

This section includes additional information on property taxes.

**Richmond County
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2020**

Fiscal Year	Uncollected Balance June 30, 2019	Additions	Collections And Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 28,464,360	\$ 27,600,070	\$ 864,290
2018-2019	849,905	-	382,566	467,339
2017-2018	435,784	-	131,536	304,248
2016-2017	298,351	-	71,327	227,024
2015-2016	243,785	-	46,268	197,517
2014-2015	186,111	-	33,338	152,773
2013-2014	183,880	-	21,568	162,312
2012-2013	177,820	-	15,983	161,837
2011-2012	147,386	-	10,764	136,622
2010-2011	131,577	-	8,341	123,236
Prior Years	118,925	-	118,925	-
	<u>\$ 2,773,524</u>	<u>\$ 28,464,360</u>	<u>\$ 28,440,686</u>	<u>2,797,198</u>
Less: allowance for uncollectible accounts:				
	General Fund			<u>(1,460,018)</u>
Ad valorem taxes receivable - net:				
	General Fund			<u>\$ 1,337,180</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				<u>\$ 28,595,342</u>
Reconciling items:				
	Interest and Penalty collected			(326,305)
	Releases, adjustments, and fees			354,555
	NCVTS Collection Cost			(102,601)
	Taxes Written Off			<u>(80,305)</u>
	Total reconciling items			<u>(154,656)</u>
Total collections and credits				<u>\$ 28,440,686</u>

**Richmond County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2020**

	County - wide		Total Levy			
			Property excluding Registered Motor Vehicles	Registered Motor Vehicles		
	Property Valuation	Rate	Amount of Levy			
Original levy:						
Property taxed at current year's rate:						
Real and personal	\$ 2,318,411,899	0.83	\$ 19,242,823	\$ 19,242,823	\$ -	
Vehicle	329,073,976	0.83	2,731,314	-	2,731,314	
Penalties	-		34,006	34,006		
Total	<u>2,647,485,875</u>		<u>22,008,143</u>	<u>19,276,829</u>	<u>2,731,314</u>	
Public Service Levy						
Real and personal	\$ 779,933,038	0.83	\$ 6,473,444	\$ 6,473,444	\$ -	
Total	<u>779,933,038</u>		<u>6,473,444</u>	<u>6,473,444</u>	<u>-</u>	
Discoveries:						
Current year taxes:						
Real and personal	7,522,169	0.83	62,434	62,434	-	
Penalties	-		2,912	2,912	-	
Total	<u>7,522,169</u>		<u>65,346</u>	<u>65,346</u>	<u>-</u>	
Abatements:						
Current year taxes:						
Real and personal	(9,827,590)	0.83	(81,569)	(81,569)	-	
Penalties	-		(1,004)	(1,004)	-	
Total	<u>(9,827,590)</u>		<u>(82,573)</u>	<u>(82,573)</u>	<u>-</u>	
Total property valuation	<u>\$ 3,425,113,492</u>					
Net levy			28,464,360	25,733,046	2,731,314	
Uncollected taxes at June 30, 2020			<u>864,290</u>	<u>864,290</u>	<u>-</u>	
Current year's taxes collected			<u>\$ 27,600,070</u>	<u>\$ 24,868,756</u>	<u>\$ 2,731,314</u>	
Current levy collection percentage			<u>96.96%</u>	<u>96.64%</u>	<u>100.00%</u>	

Richmond County
Analysis of Current Tax Levy
County - wide Levy
June 30, 2020

Secondary Market Disclosures:

Assessed Valuation:	
Assessment Ratio ¹	99.88%
Real Property	\$ 2,330,382,530
Motor Vehicles	329,073,976
Public Service Companies ²	779,933,038
Less Releases	<u>(9,948,588)</u>
Total Assessed Valuation	3,429,440,956
Tax Rate per \$100	<u>0.83</u>
Levy (includes discoveries, late list penalties, releases and abatements)	<u><u>\$ 28,464,360</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	\$ 14,881
Cordova Fire District	5,119
Northside Fire District	8,272
Northside II Fire District	1,394
Mountain Creek Fire District	2,374
Total	<u><u>\$ 32,040</u></u>

¹ Percentage of appraised value has been established by statute.

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

**Richmond County
Ten Largest Taxpayers
June 30, 2020**

Taxpayer	Type of Business	2019 Assessed Valuation	Percentage of Total Assessed Valuation
Progress Energy Carolinas	Utility	\$ 532,285,869	15.54%
NC Electric Membership Corp.	Utility	115,336,758	3.37%
Enviva Pellets Hamlet, LLC	Manufacturing	75,894,634	2.22%
Piedmont Natural Gas Co. Inc.	Utility	48,656,164	1.42%
Trans Carolina Products LLC	Manufacturing	43,405,287	1.27%
CSX Transportation Inc.	Railroad	33,100,446	0.97%
Perdue Foods LLC	Poultry Processing	31,711,507	0.93%
Pee Dee Electric Membership Corp.	Utility	25,765,727	0.75%
Vulcan Materials Co	Mining	22,533,131	0.66%
Plastek Industries, Inc.	Manufacturing	21,115,278	0.62%
Total		\$ 949,804,801	27.75%

COMPLIANCE SECTION



Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
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, 2020, 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 12, 2020.

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.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 12, 2020



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

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

Independent Auditors' Report

To the Board of County Commissioners
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, 2020. 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 the requirements of laws, regulations, contracts, and grants 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.

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, 2020.

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 a 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-001] that we consider to be significant deficiencies.

Richmond County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Richmond County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 12, 2020



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

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

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

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

Independent Auditors' Report

To the Board of County Commissioners
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, 2020. 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 the requirements of laws, regulations, contracts, and grants 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 with governance. t 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.

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, 2020.

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 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 charges with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-001] that we consider to be significant deficiencies.

Richmond County's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. Richmond County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 12, 2020

Richmond County
Schedule of Findings and Questioned Costs
June 30, 2020

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

U.S. Department of Health and Human Services

Passed through the N.C. Department of Health and Human Services

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

CFDA #: 93.778

Finding: 2020-001

Significant Deficiency

Eligibility

Criteria: The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.

Condition: There was one error discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

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

Context: We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. This finding is being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which affect countable resource and a participant could have been approved for benefits that they were not eligible.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of Responsible official and planned corrective actions: The County agrees with the finding. Supervisors will perform reviews of County transfers. Workers will be retrained on when I-VD referrals need to be made and on which cases.

Section IV - State Award Findings and Questioned Costs

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

CFDA#: 93.778

Significant Deficiency: Finding 2020-001 also applies to State Requirements and State Awards.

RICHMOND COUNTY GOVERNMENT

P.O. BOX 504 / 125 S. HANCOCK ST.
ROCKINGHAM, NC 28380

Phone: 910-997-8200 Fax: 910-997-8208



Corrective Action Plan
June 30, 2020

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding: 2020-001

Name of Contact Person: Darcey Wiggins, Supervisor of Family and Children's Medicaid.

Corrective Action: WebEx meeting held 11/02/2020@ 10:00 am for training purposes and discussion of cited findings in reference to child support error in Family and Children's Medicaid. Worker did not check OVS to gather AP information to send on IV-D, she sent UNK instead. Supervisor, Darcey Wiggins, went over policy MA 3365, NCfast OVS/ACTS, NCfast Person Search, OVS/OLV, In Agency Child support, Compass files, Information the Agency may have for AP details, etc.

Workers will add information in NCFast: four pieces of evidence on NCfast Dashboard (Absent Parent, Child Support Enforcement, Absenteeism, IV-D referral) go to Actions tab and send IV-D Referral if no information is populated to send IV-D go to Client Contact/ Submit to ACTs Notepad.

Procedures are being developed for workers to follow, they will continue to receive training on the newly created "Documentation Policy" and will be reminded to read policy and procedures to practice learning to create a correct IV-D in the application process. In addition, Second Party review will continue to monitor the actual application of the Policy of this issue and modify the controls as needed. The QA Team will assist with these reviews.

Proposed Completion Date: Certain Controls are currently being created and reviewed. Management will continue to monitor the process of this issue and modify as needed.

Section IV - State Award Findings and Questioned Costs

Corrective Action for Finding 2020-001 also applies to the State Award Finding.

Richmond County
Summary Schedule of Prior year Audit Findings
June 30, 2020

None Reported

Richmond County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Asst. Prg.	10.561		\$ 694,829	\$ -	\$ -	\$ 694,829
Passed-through N.C. Dept of Health and Human Services: Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants and Children Total U.S. Dept. of Agriculture	10.557		333,277	-	-	-
			1,028,106	-	-	694,829
<u>U.S. Department of Justice</u>						
Edward Byrne Mem Justice Asset Program	16.738		63,473	-	-	-
Coronavirus Emergency Supplemental Funding Program Total U.S. Department of Justice	16.034		48,128	-	-	-
			111,601	-	-	-
<u>U.S. Department of Transportation</u>						
Passed-through the N.C. Department of Transportation Airport Improvement Program	20.106	36237.3.14.1	228,397	25,378	-	-
Airport Improvement Program Total U. S. Department of Transportation	20.106	36237.3.15.1	87,706	-	-	-
			316,103	25,378	-	-
U.S. Department of Treasury						
Passed-through the Office of State Budget and Management: NC Pandemic Recovery Office Coronavirus Relief Fund Total U.S. Department of Treasury	21.019		1,036,410	-	-	-
			1,036,410	-	-	-
<u>U.S. Dept of Health and Human Services</u>						
Division of Aging and Adult Services						
Passed-through Lumber River Council of Governments						
Special Programs for the Aging Title IIIB Grants for Supportive Services and Senior Centers	93.044		55,543	3,267	-	-
Special Programs for the Aging Title IIIC Nutrition Services	93.045		154,008	9,060	-	-
Nutrition Services Incentive Program Total Aging Cluster	93.053		38,025	-	-	-
			247,576	12,327	-	-
Division of Social Services						
Temporary Assistance Needy Family Cluster TANF - Work First	93.558		727,065	-	-	562,943
Division of Public Health						
TANF - Work First Total TANF Cluster	93.558		11,858	-	-	-
			738,923	-	-	562,943
Foster Care and Adoption Cluster:						
Foster Care - Title IV-E - Administration	93.658		427,458	118,613	-	225,563
Adoption Assistance	93.659		107	-	-	107
Foster Care	N/A		264,140	86,619	-	-
IV-E Adoption	N/A		1,320	-	-	-
Total Foster Care and Adoption Cluster			693,025	205,232	-	225,670
Child Support Enforcement	93.563		680,150	(653)	-	351,034
AFDC Payments & Penalties	93.560		(306)	(84)	-	(84)
Refugee Assistance Administration	93.566		65	-	-	-
Family Preservation	93.556		12,482	-	-	-
Low-Income Home Energy Assistance						
Administration	93.568		58,943	-	-	-
Energy Assistance Payments - Direct Benefit Payments	93.568		351,441	-	-	-
Crisis Intervention Program	93.568		364,878	-	-	-
Total Low-Income Energy Assistance			775,262	-	-	-

Richmond County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
Stephanie Tubbs Jones Child Welfare Services Program Permanency Planning - Families for Kids	93.645		10,663	-	-	3,554
Chafee Foster Care Independence Program	93.674		10,488	1,489	-	-
SSBG - Other Service and Training Division of Aging and Adult Services Division of Social Services	93.667		218,816	-	-	72,938
SSBG -Adult Protective Services	93.667		61,368	-	-	8,762
SSBG -In-Home Services	93.667		387	-	-	55
Passed-through Lumber River Council of Governments Social Services Block Grant (SSBG) - In Home Services	93.667		17,551	501	-	-
Total Social Service Block Grant			298,122	501	-	81,755
Division of Social Services: Subsidized Child Care: Child Care Development Fund - Administration	93.596		72,879	-	-	-
Total Subsidized Child Care Cluster			72,879	-	-	-
Medical Assistance Program - Administration	93.778		1,154,420	1,715	-	490,714
State Children's Insurance Program - N.C. Health Choice	93.767		30,846	(99)	-	1,733
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		31,049	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		27,433	-	-	-
Family Planning Services	93.217		43,710	-	-	-
Immunization Grants	93.268		18,144	-	-	-
Teenage Pregnancy Prevention Program	93.297		139,520	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		20,025	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		13,650	-	-	-
Preventive Health Services_ Sexually Transmitted Diseases Control Grants	93.977		100	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		77,457	41,280	-	-
Total U. S. Department of Health and Human Services			5,126,604	261,708	-	1,717,319
<u>Environmental Protection Agency</u> Brownfields Cleanup Grants	66.818		44,447	-	-	-
Total Environmental Protection Agency			44,447	-	-	-
<u>U.S. Dept. of Homeland Security</u> Passed through the NC Dept. of Public Safety Disaster Grant - Public Assistance	97.036		73,427	24,476	-	-
Hazard Mitigation Grant Program	97.039		73,763	-	-	-
Emergency Management Performance Grant	97.042		17,013	-	-	-
Homeland Security Grant Program	97.067		23,997	-	-	-
Total U.S. Dept. of Homeland Security			188,200	24,476	-	-
<u>U.S. Department of Housing & Urban Development</u> Passed through N.C. Housing Finance Agency: 2016 Single Family Rehab Program	14.239	SFRLP1626	87,385	-	-	-
Total U.S. Department of Housing & Urban Development			87,385	-	-	-
Total Federal Awards			\$ 7,938,856	\$ 311,562	\$ -	\$ 2,412,148

Richmond County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health:						
Food and Lodging Fees			-	11,449	-	-
Aid-to-Counties			-	109,555	-	-
General Communicable Disease Control			-	2,000	-	-
Minority Diabetes Prevention Program			-	194,639	-	-
Child Health			-	7,204	-	-
HIV/STD State			-	500	-	-
Gonorrhea Partner Services			-	294	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	237	-	-
Breast and Cervical Cancer Control			-	3,825	-	-
TPPI - Adol. Pregnancy Prevention Program			-	41,012	-	-
School Nursing Funding Initiative			-	150,000	-	-
Evidence - Based Strategies for MCH			-	496,871	-	-
Family Planning - State			-	12,945	-	-
Maternal Health			-	46,800	-	-
Women Health Service Fund			-	7,184	-	-
TB Control			-	17,936	-	-
Total Division of Public Health			-	1,106,236	-	-
Division of Social Services:						
State Foster Home			-	23,536	-	23,536
Extended FC/MAX Non IV-E			-	2,536	-	-
F/C at Risk Maximization			-	407	-	199
Foster Care at Risk			-	530	-	104
SFHF Maximization			-	16,016	-	16,016
State Child Welfare/CPS/CS LD			-	206,491	-	-
DCD Smart Start			-	7,079	-	-
Energy Assist Private			-	6,924	-	-
County Funded Programs			-	-	-	323,054
AFDC Incent/Program Integrity			-	903	-	-
Non-Allocating County Cost			-	-	-	3,677
Work First Non-Reimbursable			-	-	-	3,184
Total Division of Social Services			-	264,422	-	369,770
Division of Aging and Adult Services:						
90% State Funds Access			-	1,612	-	-
90% State Funds In Home Services			-	143,721	-	-
90% State Funds Home Delivered Meals			-	30,915	-	-
Total Division of Aging and Adult Services			-	176,248	-	-
Total N.C. Dept. Health and Human Services			-	1,546,906	-	369,770
<u>N.C. Dept. of Veterans Affairs</u>						
Veteran Grant		N/A	-	2,182	-	-
Total of N.C. Dept. of Veterans Affairs			-	2,182	-	-
<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 Program		36220.10.9.1	-	81,040	-	-
ROAP Rural General Public Program		36228.22.9.1	-	88,943	-	-
ROAP Work First Transitional - Employment		36236.11.8.1	-	985	-	-
Total ROAP Cluster			-	170,968	-	-
Richmond County Taxiway Lighting Rehabilitation		36244.3.5.2	-	276,678	-	-
Total N.C. Dept. of Transportation			-	447,646	-	-
<u>N.C. Dept. of Public Safety</u>						
Juvenile Justice Service Programs						
JCPC Admin		N/A	-	4,630	-	-
Project Focus		N/A	-	114,997	114,997	19,531
Teen Court		N/A	-	57,554	57,554	10,000
DASH Mentoring		N/A	-	51,175	51,175	-
Total Juvenile Justice Service Programs			-	228,356	223,726	29,531
Total N.C. Dept. of Public Safety			-	228,356	223,726	29,531

Richmond County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed (Direct & Pass-through Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund (Lottery)			-	389,665	-	-
Total N.C. Department of Public Instruction			-	389,665	-	-
Total State Awards			\$ -	\$ 2,614,755	\$ 223,726	\$ 399,301
Total Federal and State Awards			\$ 7,938,856	\$ 2,926,317	\$ 223,726	\$ 2,811,449

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, 2020. 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 5: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Special Supplemental Nutrition Program for Women Infant and	10.557	1,172,326	-
Food and Nutrition Services	10.551	19,840,437	-
Medical Assistance Program	93.778	70,644,761	32,337,901
Children's Health Insurance Program	93.767	1,274,091	93,002
IV-E Adopt & Vendor	93.659	118,231	26,590
TANF Payments & Penalties	93.558	315,726	-
CWS Adopt, Vendor, Guard	N/A	-	38,670
SAA/SAD HB 1030	N/A	-	17
SC/SA Domiciliary Care	N/A	-	316,370

Note 6: Coronavirus Relief Funds

Richmond County received \$979,383 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$870,039 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Richmond County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.