

***ROCKINGHAM COUNTY
NORTH CAROLINA***

**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Prepared By: Finance Department

**Pat Galloway
Director of Financial Services**



**ROCKINGHAM COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
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INTRODUCTORY SECTION



Rockingham County

Governmental Center

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Lance L. Metzler
County Manager

The Board of County Commissioners
Rockingham County, North Carolina
November 13, 2020

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accounts. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Rockingham County for the fiscal year ended June 30, 2020.

This report consists of management's representations concerning the finances of Rockingham County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The County's financial statements have been audited by Elliott Davis, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the County was part of a broader, federal and state mandated, “Single Audit” designed to meet the special needs of federal and state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal and state awards. These compliance letters, along with the schedule of expenditures of Federal and State awards, findings and recommendations, if any, are published in a separate report.

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

PROFILE OF THE COUNTY

Rockingham County was formed in 1785 and is located in the north central area of North Carolina. It has a land area of 568 square miles and a population of 90,690. The County is well located, with major cities and facilities close by. Surrounding counties are Guilford to the south, Caswell to the east and Stokes County to the west. The County is bordered on the north by the State of Virginia. Piedmont Triad International Airport is located 20 miles away and Norfolk Southern has two rail connection lines in the County. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected at-large and serve staggered four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the county manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides a broad range of services that include public safety, health and human services, environmental protections, community and economic development, education, cultural and recreation, planning and zoning, and general administration functions. The County also provides water and wastewater utility services and operates a municipal solid waste landfill. This report encompasses the County’s activities in maintaining these services and includes its financial support to certain separate agencies, boards, and commissions to assist their efforts in serving citizens. Among these are the Rockingham County Schools and Rockingham Community College.

The financial reporting entity includes all funds of the primary government (Rockingham County), as well as all of its component units. Component units are legally separate entities for which the primary government is financially accountable. Discretely presented component units, if applicable, are reported in a separate column in the general purpose financial statements to emphasize that they are legally separate from the primary government and to distinguish their financial positions, results of operations, and cash flows from those of the primary government. The Rockingham County Airport Authority and the Rockingham County Tourism Development Authority (the “TDA”) are reported as discretely presented component units in the financial statements. The Rockingham County Industrial Facility and Pollution Control Financing Authority is also a component unit of Rockingham County however, does not have financial transactions or account balances and are therefore not reported in the financial statements.

The annual budget serves as the foundation for Rockingham County financial planning and control. All agencies of Rockingham County are required to submit requests for appropriation to the County Manager on or before the last of March each year. The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager then presents this proposed budget to the Board of Commissioners for review prior to June 1. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30 each fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety), and department (e.g. sheriff). Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on Exhibit E, part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts with Schedule D-1. Also included in the governmental fund subsection are project length budget to actual comparisons for each governmental fund for which a project length budget has been adopted.

In addition, Rockingham County was given the GFOA's Distinguished Budget Presentation Award for its annual budget document for Fiscal Year 2019-2020. This is the seventh consecutive year the County has received this award. This program was established to encourage and assist state and local governments to prepare budget documents of the very highest quality that reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting and then to recognize individual governments that succeed in achieving that goal.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy.

Fiscal year 2019-2020 has been a year like no other. Rockingham County's local economy started out amazingly strong in all sectors including industry, small business, and tourism. Midway through the third quarter, however, COVID-19 created havoc on our economy, particularly small business and hospitality. Rockingham County's unemployment rate rose to as high as 15.5% in April 2020, nearly 3.5 times higher than the same time last year (4.4%); however, it has steadily dropped since then with a 7.5% unemployment rate reported in August 2020. Many small businesses had no choice but to shut their doors and many of our hotels had several nights with no guests.

Although many Rockingham County industries were laying off the latter part of the fiscal year, new industrial project activity remained strong through the pandemic, paving the way for a financially stronger 2020-2021. Additionally, several businesses and hotels were able to re-open their doors and welcome their guests and patrons back albeit at reduced capacity.

In spite of the uncertain economy, Rockingham County experienced the following economic achievements in 2019-2020:

- Collybrooke, a DR Horton development, has expanded their development by 50 homes because of the County's assistance in expanding water to that area of the county. Additionally, they have also planned a subsequent development, Collybrooke Farm's, which will offer 176 homes vs. 100 due to the availability of water and sewer to increased densities.

- Gildan Yarns, a yarn-spinning company whose headquarters is in Montreal, Canada, began operations in late 2019. They have created 85 new jobs and brought with them a \$5 million investment. The company received a \$250,000 performance-based grant from the One North Carolina Fund which will help facilitate Gildan Yarn's operation in Rockingham County.
- Ontex announced they have chosen Rockingham County's newest industrial park, South Rockingham Business Park for their new manufacturing site. The Ontex project will bring \$93 million in new capital investment with 403 jobs. Ontex is a Belgium born company that specializes in the manufacturing of disposable hygiene products including adult and baby diapers, as well as feminine hygiene products. With manufacturing facilities currently located in 16 countries, this will be their first in the United States.
- Carroll Industrial Development will be constructing a 176,000 square foot spec building in the new South Rockingham Business Park to provide marketable inventory at this site. The new business park is ideally situated next to an Interstate and within minutes from the Piedmont Triad International airport for corporate partners in need of easy logistical access points. The park has access to public water, public sewer, natural gas and fiberoptic.
- Bovone, an Italian manufacturer of machinery and technologies for the second processing of flat glass and natural and synthetic stones, declared Rockingham County as its new North American headquarters. Bovone chose the previously vacant, Harley Davidson dealership building, located on Barnes Street in Reidsville as their new home and will invest in upgrades and renovations to the building to meet their needs.
- Tourism has taken a hit this fiscal year. A year that started out tremendously strong came in just under a 14% (13.93%) decrease in collected occupancy tax revenues from the 2018-2019 fiscal year. The 2018-2019 fiscal year, however, was up over 20% from the previous year, which was unusually high. When compared to 2018-2019, last year's occupancy revenue was up 4.15%.

Rockingham County Government's 2019-2020 Points of Pride

- Per, *Visit North Carolina*, domestic visitors to and within the County spent a record \$75.28 million in 2018, an increase of 5.13% from 2017.
- Commissioners passed a resolution supporting Rockingham County Citizens' Academy, for encouraging positive community engagement and citizen participation in County Government via membership on County boards and agencies and through community involvement.
- County employees and Commissioner's Chairman collected 40 pounds of trash from roadways near the Government Campus for *Adopt A Highway*, in conjunction with NCDOT Fall Sweep, which was coordinated by Engineering & Public Utilities.

- Code Enforcement enforced the Unified Development Ordinance (UDO), Solid Waste Ordinance (SWO), and tried to eliminate eyesores like junk motor vehicles, excessive outdoor storage, illegal dumping, illegal burning, and illegal businesses.
- Commissioners congratulated the 2019 Reidsville Recreation All-Stars Baseball Team for winning the *Dixie Youth World Series - Silver Bracket*.
- The County Quilt Trail's two new squares at MARC and Bee Sweet Orchards, in Wentworth, brought the trail to a total of 33 throughout Rockingham County.
- The Rockingham County Center for Economic Development, Small Business & Tourism launched a new, leading-edge geographic information systems (GIS) property search tool on its website. The County is the first community in NC to use the tool, which helps companies, site selection consultants, and commercial real estate brokers look for properties and find what they need.
- Rockingham County EMS received its first ever 4x4 ambulance, a 2019 Ford F550, to assist in response to patients during periods of hazardous travel and assist after roadways are cleared but driveways are still snow/ice covered.
- Citizens for Economic Development, in partnership with Rockingham County Economic Development, announced a new funding stream for microbusinesses in Rockingham County impacted by the COVID-19 pandemic.
- Per Greensboro Regional REALTORS Association, Rockingham County's 2019 final quarter housing market: 258 home sales (almost 21% increase); 205 pending sales (13.3% increase); average sales price \$152,975 (up 12.7%).
- The new Rockingham County Governmental Public Access Channel, Spectrum 1304, started Jan. 31, 2020, on a 24/7 basis, with governmental issues/information about Rockingham County, Reidsville, Eden, Madison, Mayodan, Wentworth, and Stoneville.
- The county implemented Trakit Land Development Software that migrated Inspections, Planning and Environmental Health into one central electronic solution with the intent to promote the county with an "open for business attitude" to spur growth in the county. The software provides a "one stop shop" for these related services which improves customer relations and will lead to cost-savings with increase efficiencies.
- A credit card solution was rolled out across several county departments to provide the ability to accept credit cards in public facing departments.
- Mobile Data Terminals (MDTs) were implemented in all Sheriff Department patrol units to enable mobile field reporting for officers.

- The county partially closed active landfill cells 1-3 (approximately 23 acres) and constructed a new 11-acre landfill cell that is adjacent to the cells 1-3. Both projects were scheduled to occur at the same time to achieve cost savings on mobilization and placement of soil material during construction. The projects were funded entirely through Landfill Fund reserves accumulated over the life of the existing cells. Planning and revenue forecasting is currently underway for the construction of the next cell(s) to ensure adequate cell space is available for operations.

Long Term Financial Planning.

Rockingham County felt the effects of the 2008 recession for many years. During those years, the county applied strong financial management policies and conservative budgeting practices that enabled the county to provide for the continuing operation of all county government services without increasing the financial burden to its citizens through tax rate increases. The continued application of these strategies enabled the county to see consistent growth in fund balance and achieve an unassigned fund balance in the general fund that exceeded the sixteen percent (16%) balance required by the adopted fund balance policy. With unassigned fund balance in excess of eighteen percent (18%), the county is now able to approve one-time appropriation of funds to projects that improve county facilities or services or that will bring additional economic benefit to the county.

The economy in Rockingham County has stabilized and growth is projected with the announcements of new businesses or expansion of existing businesses in the county that will generate new investment in real and personal property values and creation of new jobs. The county is also experiencing an increase in housing units by means of new or expanded housing developments. With increased confidence in the economy and fund balance available for one-time appropriation, the county finds itself in a position to adopt and fund a formal Capital Improvement Plan (CIP). Management was poised to present a CIP recommendation to the governing body in early spring of 2020 when the COVID19 Pandemic was declared.

In the midst of developing the Fiscal Year 2020-2021 annual budget and preparing a Capital Improvement Plan (CIP) recommendation, the COVID19 Pandemic was declared and the State of North Carolina issued stay at home orders for schools and non-essential businesses. With the uncertainty of both short term and long-term economic impacts of these orders, management took the following actions in the development of the FY 2020-2021 budget:

- Placed a hold on the Capital Improvement Plan so that all unassigned fund balance would be available for county operations and pandemic response activities.
- Removed new position requests and new capital outlay requests that were not critical or part of a routine equipment or vehicle replacement schedule.
- Froze the purchase of approved capital outlay items until after the first quarter of the new fiscal year and contingent upon the revenue position at that time.
- Replaced merit pay increase with a 1.5% Cost of Living Adjustment (COLA) that would remain frozen until at least January 1, 2021 and contingent upon the revenue position at that time.

Several months into the pandemic, all major revenue sources have remained at or near pre-pandemic levels with the exception of sales tax revenue which is seeing a significant increase. The increase in

on-line shopping during the pandemic has directed more sales tax dollars that are allocated based on point of sale to Rockingham County from the surrounding urban counties. Sales tax revenue for the month of June 2020 was 12% higher than June 2019. The increase in sales tax revenue experienced during the first eight months of the fiscal year along with the significant increase in June 2020 enabled the county to exceed the original revenue projections and to recognize a 4.8% increase over the prior fiscal year. Sales tax revenue continues to exceed expectations in early Fiscal Year 2020-2021 with distributions near 20% higher than the same period in the previous fiscal year. The county expects this level of sales tax revenue to continue while on-line shopping remains prevalent during the pandemic.

The State of North Carolina allocated to Rockingham County \$3,497,080 of Coronavirus Relief Funds from the Coronavirus Aid, Relief, and Economic Security Act (the “CARES Act”). Twenty-five percent (25%) of this amount is required to be allocated to the municipalities, leaving \$2,622,810 to assist the county in its response to the pandemic.

The Fiscal Year 2020-2021 General Fund budget of \$92,864,828 levied an ad valorem tax rate of \$0.695 per \$100 of assessed value, based on a total valuation of \$7,663,013,571. \$.0477 of the tax rate is dedicated funding for the various public safety capital projects discussed below. This is the 11th year that the county has adopted a budget with no tax rate increase. Tax collections to date in Fiscal Year 2020-2021 are 1% higher than the same time period in the previous fiscal year; therefore, the county is not projecting a significant impact to tax revenues due to the pandemic.

In fiscal year 2006-2007, the county enacted a 5-cent tax in order to fund several related capital projects which included the design and construction of a new Courthouse, Jail, Sheriff Office, Emergency Operation Center, Communications Tower, Emergency Medical Base and the development of a 800 megahertz emergency radio communication system. This tax was adjusted to a revenue neutral rate of 4.77 cents in fiscal year 2011-2012, the year the county’s real property was revalued. The county intends to adopt this additional tax each year that debt service payments are due on this project financing and use the amount in excess of existing debt service payments to help fund the Capital Improvement Plan.

In 2017-2018, the citizens of the county passed a referendum supporting a quarter cent sales tax increase to fund work force development at Rockingham Community College. Projections are that the sales tax will provide \$1.9 million in FY 2020-2021 revenue to the college with a conservative 1% annual increase projected in future years. The college anticipates construction to begin in November 2021 of a \$19,000,000 workforce development center with state-of-the-art manufacturing technology that will prepare a workforce to meet the needs of the county’s employers. Current sales tax revenue will fund the preliminary design and engineering costs of the project and county issued debt will fund the construction and equipment costs with future quarter cent sales tax revenue used to cover debt service payments.

Recognizing the growth occurring in the southwest portion of the county and the potential for future development with the completion of the I-73 Corridor that runs through the county in that same area, the county was allocated \$10,911,735 from the NC General Assembly in 2017 to expand the county water system in that portion of the county. The project was divided into three phases. Phase 1 was completed in February 2019, Phase 2 was substantially completed in August 2020, Phase 3 bids were

received in October 2020 and the Notice to Proceed is expected in the first quarter of calendar year 2021.

Further expansion of water and sewer services in the southwest portion of the county was approved after the announcement of Ontex Group's decision to build a manufacturing facility in the county's new industrial park. Rockingham County has been awarded \$2,200,000 in grant funds from the Golden Leaf Foundation to construct a 500,000-gallon elevated water tank and \$2,300,000 in Community Development Block Grant (CDBG) funds for wastewater infrastructure construction.

The county began analyzing outstanding long-term debt in June 2020 for potential savings after the interest rate drop during the economic downturn of the COVID19 Pandemic. Three tax exempt loans with an outstanding balance of \$3,258,317 were refinanced with a rate of 1.17% and a net present value savings over the remaining life of the loan of \$338,027. One taxable loan with an outstanding balance of \$1,221,000 was refinanced at a rate of 1.62% and a net present value savings over the remaining life of the loan of \$141,513. The refinanced debt was completed on September 9, 2020.

Recognizing the importance of a Capital Improvement Plan to help guide the allocation of limited resources that are anticipated to be available to meet future capital needs, the county adopted a Debt Financial Policy in fiscal year 2014-2015 which requires the county to implement a formal Capital Improvement Plan and to annually review and update the plan. The first plan is anticipated to be adopted during the current fiscal year.

The adopted Debt Financial Policy also defines when the issuance of debt is appropriate and which debt instruments will be permissible for the county. The policy also sets certain financial limitations such as Net Direct Debt as a percentage of assessed valuation must be below 3%; Net Direct Debt per capita will not exceed \$1,200 and Net Direct Debt Service as a percentage of total governmental fund noncapital expenditures will not exceed 15%. Debt structure, debt management process and special situations are addressed in the policy as well.

In fiscal year 2014-2015, the county adopted a Fund Balance Policy stating the reasons to maintain fund balance, setting a minimum unassigned fund balance threshold of 16%, authorizing the uses for unassigned fund balance if the balance is in excess of 18% and detailing the timing and method to replenish unassigned fund balance if it drops below the 16% threshold.

The county adopted an Investment Policy in fiscal year 2014-2015 that details the purpose, scope and objectives of the county's investments. To limit credit risk, the policy provides clear guidance on authorized investments, which is more restrictive than those permissible under North Carolina General Statute 159-30(c). To limit concentration and interest rate risk, guidelines on diversification and maximum maturities are provided.

Performance Measurement.

The Performance Measurement Program began in FY 2006-07. The program is designed to reward high performing departments with monetary incentives that can then be used with increased discretion by the participating department. Departments track and report measures of effectiveness designed to help decision makers manage resources and outcomes. This program has grown from only 9 program participants tracking 37 objectives when it began to now including virtually all County programs tracking approximately 300 objectives.

AWARDS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Rockingham County for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports and the County has received this award for 29 years.


In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. Rockingham County has received the Certificate of Achievement for the last twenty-six consecutive years. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgements

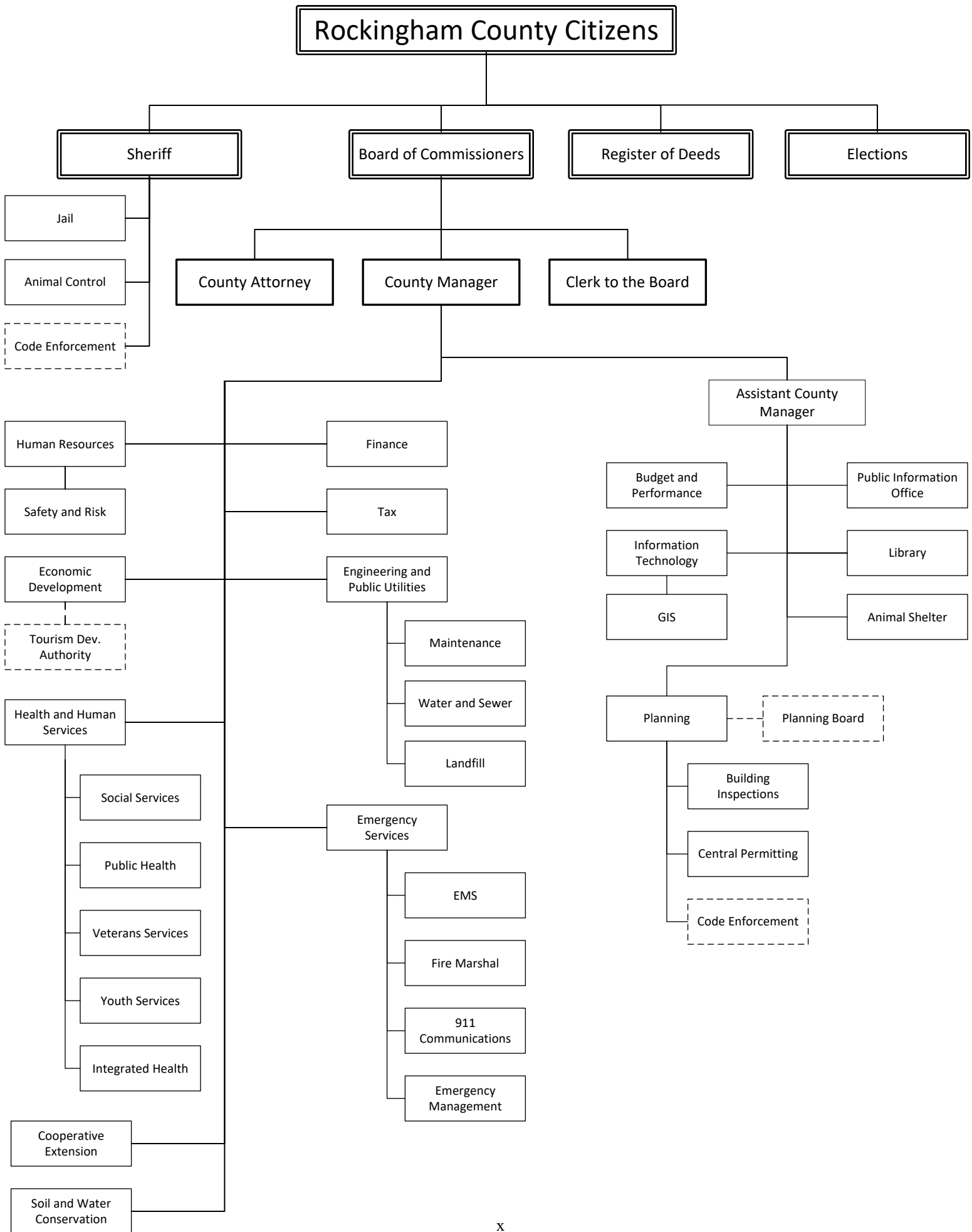
Preparation of this report would not have been possible without the dedicated efforts of the entire staff of the Finance Department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. The report cover photo is courtesy of Robert Cardwell, retired Fire Marshal. We also thank the members of the Board of Commissioners for their continued support throughout the past year.

Respectably submitted,


Lance L. Metzler
County Manager


Patricia P. Galloway
Director of Financial Services





Rockingham County
List of Principal Officials
June 30, 2020

Board of County	Mark F. Richardson, Chairman Commissioners	
	Charles G. Hall, Vice Chairman	
	A. Reece Pyrtle	
	T. Craig Travis	
	Kevin Berger	
County Officials	Lance Metzler	County Manager
	Pat Galloway	Director of Financial Services
	John Morris	County Attorney
	Jennifer Woods	Clerk of the Board
	Renee Perry	Human Resources Director
	Paul Murray	Strategic Management Director
	Leigh Cockram	Economic Development Director
	Mark McClintock	Tax Administrator
	Mable Scott	Public Information Director
	Derek Southern	IT Director
	Felissa Ferrell	Human Services Director
	Sam Page	Sheriff
	Ben Curtis	Register of Deeds



Government Finance Officers Association

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**Rockingham County
North Carolina**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO





Independent Auditor's Report

To the Board of Commissioners
Rockingham County
Wentworth, 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, the aggregate discretely presented component units, and the aggregate remaining fund information of Rockingham County, North Carolina (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Rockingham County Airport Authority, which represents 98%, 98%, and 87% of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. Those financial statements were audited by another auditor whose report has been furnished to us and, our opinion, insofar as it relates to the amounts included for the Rockingham County Airport Authority, is based solely on the report of the other auditor. 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 and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund, the aggregate discretely presented component units, and the aggregate remaining fund information of Rockingham County, North Carolina, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows 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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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, the Schedule of Changes in the Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the Proportionate Share of Net Pension Liability and Schedule of Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the Proportionate Share of the Net Pension Asset and Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual fund financial statements, budget and actual comparisons, schedule of cash investment balances, schedule of ad valorem taxes receivable, analysis of current tax levy, and the Rockingham County Tourism Development Authority balance sheet, the introductory section and the statistical section as listed in the Table of Contents are presented for the purpose of additional analysis and are not a required part of the financial statements.

The combining and individual fund financial statements, budget and actual comparisons, schedule of cash investment balances, schedule of ad valorem taxes receivable, analysis of current tax levy, and the Rockingham County Tourism Development Authority balance sheet 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of other auditors, the combining and individual fund financial statements, budget and actual comparisons, schedule of cash investment balances, schedule of ad valorem taxes receivable, analysis of current tax levy, and the Rockingham County Tourism Development Authority balance sheet are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory information and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 13, 2020 on our consideration of Rockingham County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Rockingham County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
November 13, 2020

Management's Discussion and Analysis

As management of Rockingham County, we offer readers of Rockingham County's financial statements this narrative overview and analysis of the financial activities of Rockingham 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

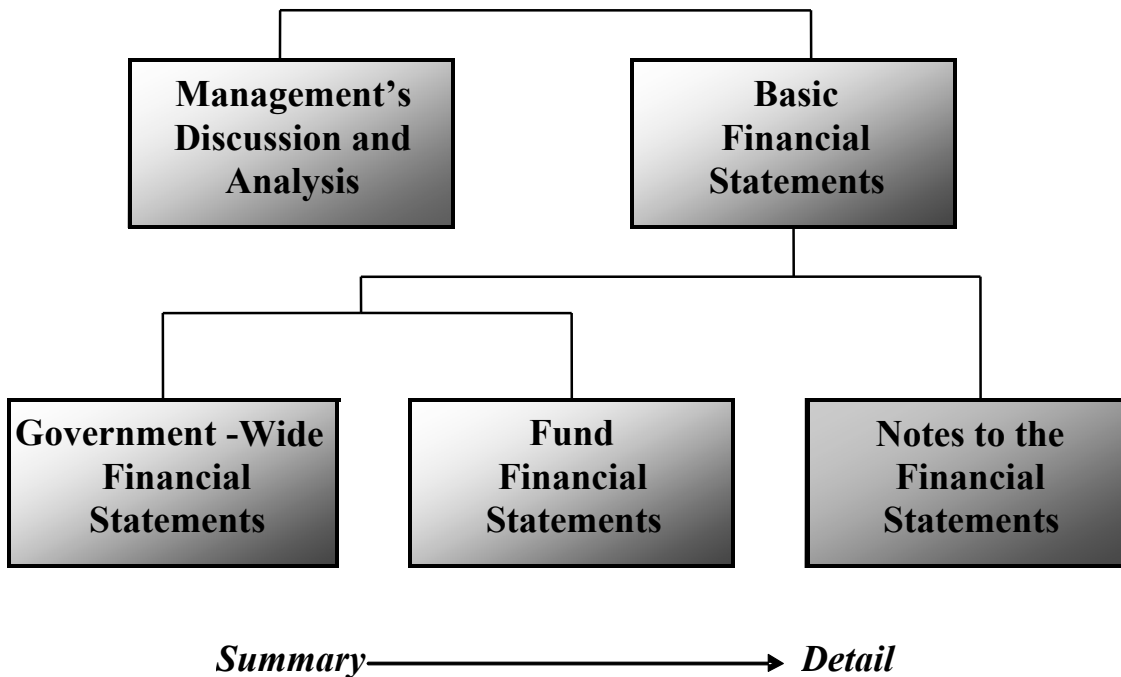
- The assets and deferred outflows of resources of Rockingham County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$12,111,811 (*net position*).
- The government's total net position increased by \$5,475,117.
- As of the close of the current fiscal year, Rockingham County's governmental funds reported combined ending fund balances of \$47,341,952, an increase of \$6,084,539 in comparison with the prior year. Approximately 49.50% of this total amount, or \$23,435,876, is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$24,249,113, or 27.90% of total General Fund expenditures for the fiscal year.
- Rockingham County's total long-term obligations decreased by \$6,321,580 during the current fiscal year, which is due primarily to the repayment of existing debt.
- The County holds a bond rating for its limited obligation bonds and certificates of participation of Aa2 with Moody's Investor Services and Aa with Standard and Poor's bond rating agency.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Rockingham 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 Rockingham County.

Required Components of Annual Financial Report

Figure 1



The first two statements (Exhibits A and B) 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 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 and agency fund statements.

The final 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.

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as public safety, parks and recreation, and general administration. Property taxes and State and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water, sewer, and landfill services offered by Rockingham County. The final category is the component units. The Rockingham County Airport is a public airport operated by an authority that is financially dependent on the County for support. The County appoints the members of the Airport Authority. The Rockingham County Tourism Authority is operated by an authority that is financially dependent on the County for support and the County appoints the member of the authority.

The government-wide financial statements are on Exhibits A and B 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. Rockingham 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 Rockingham County can be divided into three categories: governmental, proprietary, 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*, which provides 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 governmental 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.

Rockingham 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.

Proprietary Funds – Rockingham 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. Rockingham County uses enterprise funds to account for its water and sewer activity and for its solid waste operations. These funds are the same as those functions 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. Rockingham County has two fiduciary funds and several agency funds. The fiduciary funds financial statements can be found beginning on page 28 of this report.

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 on page 30 of this report.

Supplementary Information – The addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Rockingham County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 77 of this report.

Government-Wide Financial Analysis

Rockingham County's Net Position

Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 60,905,466	\$ 53,301,463	\$ 19,077,292	\$ 24,444,654	\$ 79,982,758	\$ 77,746,117
Capital assets	54,544,650	57,457,310	26,692,198	23,448,425	81,236,848	80,905,735
Total assets	<u>115,450,116</u>	<u>110,758,773</u>	<u>45,769,490</u>	<u>47,893,079</u>	<u>161,219,606</u>	<u>158,651,852</u>
Deferred outflows of resources	<u>13,124,238</u>	<u>14,784,048</u>	<u>248,594</u>	<u>300,807</u>	<u>13,372,832</u>	<u>15,084,855</u>
Long-term liabilities outstanding	123,978,785	139,040,750	10,833,974	13,603,959	134,812,759	152,644,709
Other liabilities	5,904,801	4,150,399	3,835,441	970,281	9,740,242	5,120,680
Total liabilities	<u>129,883,586</u>	<u>143,191,149</u>	<u>14,669,415</u>	<u>14,574,240</u>	<u>144,553,001</u>	<u>157,765,389</u>
Deferred inflows of resources	<u>17,559,926</u>	<u>9,137,069</u>	<u>367,700</u>	<u>197,555</u>	<u>17,927,626</u>	<u>9,334,624</u>
Net position:						
Investment in capital assets	18,458,285	18,648,542	23,820,086	20,152,289	42,278,371	38,800,831
Restricted	15,097,269	12,452,336	-	-	15,097,269	12,452,336
Unrestricted	(52,424,712)	(57,886,275)	7,160,883	13,269,802	(45,263,829)	(44,616,473)
Total net position	<u>\$ (18,869,158)</u>	<u>\$ (26,785,397)</u>	<u>\$ 30,980,969</u>	<u>\$ 33,422,091</u>	<u>\$ 12,111,811</u>	<u>\$ 6,636,694</u>

Net position may serve over time as one useful indicator of a government's financial condition as shown in Figure 2. The assets and deferred outflows of resources of Rockingham County was greater than liabilities and deferred inflows of resources by \$12,111,811 as of June 30, 2020. Net position for the County is reported in three categories: net invested in capital assets of \$42,278,371, restricted assets of \$15,097,269, and unrestricted assets of (\$45,263,829).

The largest portion reflects the County's investment in capital assets (e.g. land, buildings, machinery, and equipment); less any related debt still outstanding that was issued to acquire those items. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Rockingham 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.

The restricted portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The other category of net position is unrestricted net position. At June 30, 2020, the net deficit is comprised of the portion of the County's outstanding debt incurred for the school system within the governmental activities. Under North Carolina law, the County is responsible for providing capital funding for the school system. The County has chosen to meet its legal obligation to provide the school system capital funding by using a mixture of County funds and installment financings. The assets funded by the County, however, are titled to, and

utilized by the school system. Since the County, as the issuing government, acquires no assets, the County has incurred a liability without a corresponding increase in assets.

The breakdown of the unrestricted portion of the net position is defined as follows:

School system debt	\$(15,158,086)
OPEB	(57,059,142)
All other	<u>26,953,399</u>
Total unrestricted (deficit)	<u>\$(45,263,829)</u>

The amount reported in the total unrestricted category increased from \$(44,616,473) as of June 30, 2019 to \$(45,263,829) as of June 30, 2020.

The County's net position increased by \$5,475,117 during the current fiscal year.

Rockingham County Changes in Net Position

Figure 3

	Governmental		Business-Type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 10,381,071	\$ 11,434,532	\$ 5,596,981	\$ 5,498,861	\$ 15,978,052	\$16,933,393
Operating grants and contributions	14,299,664	15,008,269	186,531	9,013	14,486,195	15,017,282
Capital grants and contributions	3,401,884	2,090,456	-	-	3,401,884	2,090,456
General revenues:						
Property taxes	58,107,855	55,932,532	-	-	58,107,855	55,932,532
Other taxes	16,792,667	15,562,261	-	-	16,792,667	15,562,261
Other	1,267,679	1,038,725	318,701	388,412	1,586,380	1,427,137
Total revenues	<u>104,250,820</u>	<u>101,066,775</u>	<u>6,102,213</u>	<u>5,896,286</u>	<u>110,353,033</u>	<u>106,963,061</u>
Expenses:						
General government	12,433,484	12,194,078	-	-	12,433,484	12,194,078
Public safety	29,925,615	28,908,026	-	-	29,925,615	28,908,026
Economic and physical development	4,022,835	4,035,653	-	-	4,022,835	4,035,653
Human services	22,214,091	22,509,817	-	-	22,214,091	22,509,817
Cultural and recreation	2,078,207	2,129,407	-	-	2,078,207	2,129,407
Education	22,419,637	21,018,058	-	-	22,419,637	21,018,058
Interest on long-term debt	2,008,408	2,361,711	-	-	2,008,408	2,361,711
Landfill	-	-	8,224,349	4,802,448	8,224,349	4,802,448
Water and sewer	-	-	1,551,290	1,428,738	1,551,290	1,428,738
Total expenses	<u>95,102,277</u>	<u>93,156,750</u>	<u>9,775,639</u>	<u>6,231,186</u>	<u>104,877,916</u>	<u>99,387,936</u>
Increase in net position before transfers	9,148,543	7,910,025	(3,673,426)	(334,900)	5,475,117	7,575,125
Transfers	<u>(1,232,304)</u>	<u>(424,132)</u>	<u>1,232,304</u>	<u>424,132</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	7,916,239	7,485,893	(2,441,122)	89,232	5,475,117	7,575,125
Net position, beginning	<u>(26,785,397)</u>	<u>(34,271,290)</u>	<u>33,422,091</u>	<u>33,332,859</u>	<u>6,636,694</u>	<u>(938,431)</u>
Net position, June 30	<u><u>\$(18,869,158)</u></u>	<u><u>\$(26,785,397)</u></u>	<u><u>\$30,980,969</u></u>	<u><u>\$33,422,091</u></u>	<u><u>\$ 12,111,811</u></u>	<u><u>\$ 6,636,694</u></u>

Governmental Activities. Governmental activities increased net position by \$7,916,239. Primary elements of this increase are an increase in ad valorem tax revenue due to higher taxable property values than projected, sales tax revenues higher than projected, and reduction in long-term debt outstanding.

Business-Type Activities. Business-type activities decreased Rockingham County's net position by \$2,441,122, consisting of increase of \$791,078 in the Water Fund, \$355,482 increase in the Sewer Fund, and \$3,587,682 decrease in the Landfill Fund, respectively. The increase in Water Fund and Sewer Fund is due to higher operating revenues than anticipated. The reduction in the Landfill Fund is due to the construction of a new landfill cell and partial closure of previously active cells.

Financial Analysis of the County's Funds

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

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

General Fund - The General Fund is the chief operating fund of Rockingham County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$24,249,113, while total fund balance reached \$41,635,768. As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28% of total General Fund expenditures, while total fund balance represents 48% of that same amount.

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned for specific purposes within the General Fund. The total fund balance of the General Fund was \$41,635,768 and subtracting the long-term receivables of \$399,665 and State statute stabilization of \$4,908,945 leaves an available fund balance of \$36,327,158. Assigned fund balance in the General Fund totals \$7,615,686 for subsequent year's expenditures.

The Debt Service Fund increased \$5,256 and at the end of the year had a total fund balance of \$81,091. Capital project funds net change in fund balance was an increase of \$1,727,733 resulting in a fund balance of \$3,825,446 at year end. The primary capital project fund is the capital reserve fund (\$3,467,806). Additionally, the net change in fund balance for special revenue funds was a decrease of \$20,602 resulting in a fund balance of \$1,799,647. The primary special revenue funds are the fire districts (\$858,786), the emergency telephone fund (\$567,890), and the Vera Holland Stoneville Library Fund (\$365,111).

At June 30, 2020, the governmental funds of Rockingham County reported a combined fund balance of \$47,341,952, an increase over last year of \$6,084,539.

Proprietary Funds. Rockingham 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 Landfill Fund at the end of the fiscal year amounted to \$5,145,976, the Water Fund equaled \$1,410,311, and the Sewer Fund equaled \$604,596. The total change in net position for each fund was \$(3,587,682) - Landfill, \$791,078 - Water, and \$355,482 - Sewer, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of Rockingham County's business-type activities.

General Fund Budgetary Highlights. During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$1,159,344, or 1%. The majority of the amendments were due to additional federal and State grants.

The actual operating revenues of the General Fund were more than final budgeted amounts by \$881,348. As discussed in the financial highlights section of this document, additional revenues were collected in ad valorem and the additional quarter cent sales tax during the fiscal year. Actual operating expenditures for the General Fund were \$13,387,093 less (14.24% less) than the final amount budgeted for 2019/20 fiscal year.

Capital Asset and Debt Administration

Capital Assets. Rockingham County's investment in capital assets for its governmental and business-type activities as of June 30, 2020, totals \$81,236,847 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment and vehicles.

Major capital asset transactions during the year include:

- Hyundai HX260L Excavator
- 2020 Caterpillar Model D6 Waste Handler Dozer
- 14 Scada Alarm Systems at the lift stations
- Installed new boiler at the Judicial Center
- Installed a dehumidification system at the animal shelter
- Completed Phase 1 & Phase 2 of the Regional Water System
- Completed construction on phase IV new landfill cell
- Continued Information Services Core Infrastructure Replacement
- Purchase of 1 new ambulance, 1 remount ambulance, and 2 new stretchers
- Purchase of 8 vehicles for the Sheriff Department
- Purchase of 7 vehicles for Social Services

Rockingham County's Capital Assets

Figure 4

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 2,611,803	\$ 2,611,803	\$ 898,015	\$ 898,015	\$ 3,509,818	\$ 3,509,818
Buildings and system	46,708,063	49,149,510	20,816,616	14,483,574	67,524,679	63,633,084
Vehicles and equipment	5,144,495	5,687,898	3,124,374	2,870,594	8,268,869	8,558,492
Construction in progress	80,289	8,099	1,853,192	5,196,242	1,933,481	5,204,341
Total	<u>\$ 54,544,650</u>	<u>\$ 57,457,310</u>	<u>\$ 26,692,197</u>	<u>\$ 23,448,425</u>	<u>\$ 81,236,847</u>	<u>\$ 80,905,735</u>

Additional information on the County's capital assets can be found in Note II of the basic financial statements.

Long-Term Debt. As of June 30, 2020, Rockingham County had no bonded debt outstanding. The County had installment purchase debt of \$15,209,760 and limited obligation refunding bonds of \$39,793,390 (including unamortized premium).

Rockingham County's Outstanding Debt

Figure 5

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Bonds	\$ 39,407,552	\$ 43,601,909	\$ 385,838	\$ 492,226	\$ 39,793,390	\$ 44,094,135
Installment	12,569,768	14,259,527	2,639,992	2,971,068	15,209,760	17,230,595
Revolving loan	-	-	-	-	-	-
Total	<u>\$ 51,977,320</u>	<u>\$ 57,861,436</u>	<u>\$ 3,025,830</u>	<u>\$ 3,463,294</u>	<u>\$ 55,003,150</u>	<u>\$ 61,324,730</u>

Rockingham County's long-term debt decreased by \$6,321,580 during the past fiscal year mainly due to payments made on the existing debt and the fact that no new debt was issued.

As mentioned in the financial highlights section of this document, Rockingham County holds Aa2 rating from Moody's Investor Services and Aa from Standard and Poor's Corporation for the limited obligation bonds and the certificates of participation. The county has no general obligation bonds issued. This bond rating is a clear indication of the sound financial condition of Rockingham County and 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% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Rockingham County is approximately \$559,210,920. The County has no bonds authorized, but unissued at June 30, 2020.

Additional information regarding Rockingham County's long-term debt can be found in Note II of the basic financial statements.

Economic Factors

The following key indicators reflect the economic conditions of the County:

- Personal income for the County was up to \$3,367,943.
- The annual labor force decreased to 36,495, compared with 40,944 in 2019.
- The County's unemployment rate for 2020 was 15.8% compared to the 2019 year of 4.0%.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities. The Board approved a General Fund budget of \$92,864,828 for the fiscal year ending June 30, 2021, an increase of \$1,488,678 from the current year. The operating property tax rate is \$.6473 per \$100 assessed value. The County continued the capital improvement tax rate of \$.0477 per \$100 implemented during the 2006/07 budget year. The budget reflects a hold-the-line approach for all County departments.

Priorities for the 2020/21 budget year are to maintain the current tax rate, maintain expense levels at previous year level to give staff time to review the economic impact of COVID 19, and continuing to set aside funds in preparation for future building renovation or construction.

Business-Type Activities. The water and sewer funds did budget increases in the fees charged for the 2020/21 fiscal year. The Landfill Fund budgeted for a Mack roll-off truck to replace a 2005 truck and an automatic tarp machine to cover trash for the new cell. Both the Water Fund and the Sewer Fund continue to be subsidized by the General Fund.

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 report information or requests for additional information should be directed to the Director of Finance, Rockingham County, P.O. Box 41, Wentworth, NC 27375, or at the website at www.rockingham.nc.us.



ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total Primary Government	Airport Authority	Tourism Development Authority
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 42,070,267	\$ 16,009,574	\$ 58,079,841	\$ 303,891	\$ 295,066
Taxes receivable, net	1,292,757	-	1,292,757	-	-
Accounts receivable, net	8,273,958	604,778	8,878,736	11,363	20,596
Notes receivable	17,781	-	17,781	-	-
Inventory	-	-	-	29,083	-
Prepaid expenses	-	-	-	2,030	-
Restricted cash and cash equivalents	687,160	153,718	840,878	115,040	-
Restricted accounts receivable, net	-	-	-	934,978	-
Total current assets	52,341,923	16,768,070	69,109,993	1,396,385	315,662
Non-current Assets:					
Investments	8,030,100	2,309,222	10,339,322	-	-
Notes receivable	381,884	-	381,884	-	-
Net pension asset - Register of Deeds	151,559	-	151,559	-	-
Capital Assets:					
Land and construction in progress	2,692,092	2,751,208	5,443,300	7,934,710	-
Other capital assets, net of depreciation	51,852,558	23,940,990	75,793,548	5,178,468	-
Total non-current assets	63,108,193	29,001,420	92,109,613	13,113,178	-
Total assets	115,450,116	45,769,490	161,219,606	14,509,563	315,662
Deferred Outflows of Resources					
Deferred charges on refunding	2,753,588	-	2,753,588	-	-
Pension deferrals - LGERS	6,286,705	174,451	6,461,156	-	-
Pension deferrals - LEOSSA	538,724	-	538,724	-	-
Pension deferrals - ROD	20,115	-	20,115	-	-
OPEB Deferrals	3,525,106	74,143	3,599,249	-	-
Total deferred outflows	13,124,238	248,594	13,372,832	-	-
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	5,305,569	1,275,087	6,580,656	933,853	68
Accrued interest	585,070	11,146	596,216	-	-
Unearned revenues	14,162	2,549,208	2,563,370	131,936	-
Total current liabilities	5,904,801	3,835,441	9,740,242	1,065,789	68
Long-Term Liabilities:					
Net pension liability - LGERS	10,646,818	295,440	10,942,258	-	-
Total pension liability - LEOSSA	3,272,971	-	3,272,971	-	-
Total OPEB liability	55,826,665	1,232,477	57,059,142	-	-
Due in less than one year	7,286,954	466,807	7,753,761	27,147	-
Due in more than one year	46,945,377	8,839,250	55,784,627	385,501	-
Total long-term liabilities	123,978,785	10,833,974	134,812,759	412,648	-
Total liabilities	129,883,586	14,669,415	144,553,001	1,478,437	68
Deferred Inflows of Resources					
Pension deferrals - LGERS	284,137	7,885	292,022	-	-
Pension deferrals - LEOSSA	83,486	-	83,486	-	-
Pension deferrals - ROD	9,920	-	9,920	-	-
OPEB Deferrals	17,107,061	359,815	17,466,876	-	-
Prepaid taxes	75,322	-	75,322	-	-
Total deferred inflows	17,559,926	367,700	17,927,626	-	-

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION

JUNE 30, 2020

	Primary Government			Component Units	
	Governmental Activities	Business-Type Activities	Total Primary Government	Airport Authority	Tourism Development Authority
Net Position:					
Net investment in capital assets	18,458,285	23,820,086	42,278,371	-	-
Restricted for:					
Stabilization by State statute	6,596,413	-	6,596,413	-	-
Register of Deeds	131,002	-	131,002	-	-
Register of Deeds' pension plan	151,559	-	151,559	-	-
Sheriff	41,122	-	41,122	-	-
Fire protection	858,786	-	858,786	-	-
Emergency Telephone System Fund (NC 911)	445,085	-	445,085	-	-
Economic and physical development	7,857	-	7,857	-	-
Library	365,111	-	365,111	-	-
LEO Separation allowance	452,433	-	452,433	-	-
Capital outlays	2,159,613	-	2,159,613	-	-
Debt service	70,854	-	70,854	-	-
Public health	3,817,434	-	3,817,434	-	-
Airport Authority	-	-	-	13,031,126	-
Tourism promotion	-	-	-	-	315,594
Unrestricted	(52,424,712)	7,160,883	(45,263,829)	-	-
Total net position (deficit)	<u>\$ (18,869,158)</u>	<u>\$ 30,980,969</u>	<u>\$ 12,111,811</u>	<u>\$ 13,031,126</u>	<u>\$ 315,594</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs:	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental Activities:				
General government	\$ 12,433,484	\$ 2,649,600	\$ 758,165	\$ -
Public safety	29,925,615	5,916,813	481,067	488,552
Economic and physical development	4,022,835	101,070	2,124,686	1,808,561
Human services	22,214,091	1,687,668	10,780,949	-
Cultural and recreational	2,078,207	25,920	154,797	(7,091)
Education	22,419,637	-	-	1,111,862
Debt service - interest and fees	2,008,408	-	-	-
Total governmental activities	<u>95,102,277</u>	<u>10,381,071</u>	<u>14,299,664</u>	<u>3,401,884</u>
Business-Type Activities:				
Water	729,641	602,041	178,726	-
Sewer	821,649	607,466	-	-
Landfill	8,224,349	4,387,474	7,805	-
Total business-type activities	<u>9,775,639</u>	<u>5,596,981</u>	<u>186,531</u>	<u>-</u>
Total primary government	<u>\$ 104,877,916</u>	<u>\$ 15,978,052</u>	<u>\$ 14,486,195</u>	<u>\$ 3,401,884</u>
Component Units:				
Airport Authority	\$ 619,497	\$ 358,239	\$ 70,000	\$ 1,893,470
Tourism Development Authority	<u>334,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total component units	<u>\$ 954,447</u>	<u>\$ 358,239</u>	<u>\$ 70,000</u>	<u>\$ 1,893,470</u>

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs:	Net (Expense) Revenue and Changes in Net Position			Component Units	
	Primary Government				
	Governmental Activities	Business-Type Activities	Total Primary Government	Airport Authority	Tourism Development Authority
Primary Government:					
Governmental Activities:					
General government	\$ (9,025,719)	\$ -	\$ (9,025,719)	\$ -	\$ -
Public safety	(23,039,183)	-	(23,039,183)	-	-
Economic and physical development	11,482	-	11,482	-	-
Human services	(9,745,474)	-	(9,745,474)	-	-
Cultural and recreational	(1,904,581)	-	(1,904,581)	-	-
Education	(21,307,775)	-	(21,307,775)	-	-
Debt service - interest and fees	(2,008,408)	-	(2,008,408)	-	-
Total governmental activities	(67,019,658)	-	(67,019,658)	-	-
Business-Type Activities:					
Water	-	51,126	51,126	-	-
Sewer	-	(214,183)	(214,183)	-	-
Landfill	-	(3,829,070)	(3,829,070)	-	-
Total business-type activities	-	(3,992,127)	(3,992,127)	-	-
Total primary government	(67,019,658)	(3,992,127)	(71,011,785)	-	-
Component Units:					
Airport Authority	-	-	-	1,702,212	-
Tourism Development Authority	-	-	-	-	(334,950)
Total component units	-	-	-	1,702,212	(334,950)
General Revenues:					
Taxes:					
Ad valorem taxes	58,107,855	-	58,107,855	-	-
Sales tax	16,792,667	-	16,792,667	59,270	-
Occupancy tax	-	-	-	-	353,729
Other taxes and licenses	80,806	-	80,806	-	-
Unrestricted intergovernmental	329,884	-	329,884	-	-
Miscellaneous	22,530	39,175	61,705	8,975	-
Gain (loss) on disposal of assets	-	-	-	10,650	-
Investment earnings	834,459	279,526	1,113,985	1,599	4,745
Total general revenues	76,168,201	318,701	76,486,902	80,494	358,474
Transfers	(1,232,304)	1,232,304	-	-	-
Total general revenues and transfers	74,935,897	1,551,005	76,486,902	80,494	358,474
Change in net position	7,916,239	(2,441,122)	5,475,117	1,782,706	23,524
Net Position:					
Beginning of year - July 1	(26,785,397)	33,422,091	6,636,694	11,248,420	292,070
End of year - June 30	\$ (18,869,158)	\$ 30,980,969	\$ 12,111,811	\$ 13,031,126	\$ 315,594

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

ROCKINGHAM COUNTY, NORTH CAROLINA

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2020

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Assets:				
Cash and cash equivalents	\$ 32,045,074	\$ 81,091	\$ 5,003,117	\$ 37,129,282
Investments	6,903,863	-	122,805	7,026,668
Taxes receivable, net	1,196,037	-	96,720	1,292,757
Accounts receivable, net	6,471,495	-	1,564,660	8,036,155
Notes receivable	399,665	-	-	399,665
Restricted cash and cash equivalents	687,160	-	-	687,160
Total assets	<u>\$ 47,703,294</u>	<u>\$ 81,091</u>	<u>\$ 6,787,302</u>	<u>\$ 54,571,687</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,144,450	\$ -	\$ 1,065,489	\$ 4,209,939
Unearned revenues	14,162	-	-	14,162
Total liabilities	<u>3,158,612</u>	<u>-</u>	<u>1,065,489</u>	<u>4,224,101</u>
Deferred Inflows of Resources	<u>2,908,914</u>	<u>-</u>	<u>96,720</u>	<u>3,005,634</u>
Fund Balances:				
Non-spendable, not in spendable form:				
Notes receivable	399,665	-	-	399,665
Restricted:				
Stabilization by State statute	4,908,945	-	1,687,468	6,596,413
Restricted, all other	4,462,359	70,854	3,816,084	8,349,297
Committed	-	-	934,778	934,778
Assigned	7,615,686	10,237	-	7,625,923
Unassigned	24,249,113	-	(813,237)	23,435,876
Total fund balances	<u>41,635,768</u>	<u>81,091</u>	<u>5,625,093</u>	<u>47,341,952</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,703,294</u>	<u>\$ 81,091</u>	<u>\$ 6,787,302</u>	<u>\$ 54,571,687</u>

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

ROCKINGHAM COUNTY, NORTH CAROLINA

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

June 30, 2020

Ending fund balance for Governmental Funds	\$ 47,341,952
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	54,544,650
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Net pension asset - ROD	151,559
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Net pension liability - LGERS	(10,646,818)
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Total pension liability - LEOSSA	(3,272,971)
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Total OPEB liability	(55,826,665)
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Pension related deferrals	3,877,647
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OPEB related deferrals	(13,581,955)
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Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources or the Statement of Net Position	134,442
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Contributions to pension plans in the current fiscal year are deferred outflows of resources on the Statement of Net Position.	2,455,912
--	-----------

Accrued interest on debt is not due and payable in the current period and, therefore, is not reported in the funds.	(585,070)
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Long-term liabilities and compensated absences are not due and payable in the current period and, therefore are not reported in the funds.	(54,232,331)
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Charges related to advance refunding bond issue	2,753,588
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Deferred inflows of resources unavailable revenues	
Taxes	1,292,757
Other	1,637,555

Internal service funds are used by management to charge insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	<u>5,086,590</u>
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Net position of governmental activities per Exhibit A	<u>\$ (18,869,158)</u>
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The notes to the financial statements are an integral part of the financial statements.

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Revenues:				
Ad valorem taxes	\$ 53,741,887	\$ -	\$ 4,385,585	\$ 58,127,472
Other taxes and licenses	13,036,064	-	4,091,051	17,127,115
Unrestricted intergovernmental	261,154	-	-	261,154
Restricted intergovernmental	13,389,965	-	5,099,913	18,489,878
Permits and fees	1,085,773	-	-	1,085,773
Sales and services	7,071,280	-	-	7,071,280
Investment earnings	680,966	3,593	52,205	736,764
Miscellaneous	974,839	143,971	7,548	1,126,358
Total revenues	<u>90,241,928</u>	<u>147,564</u>	<u>13,636,302</u>	<u>104,025,794</u>
Expenditures:				
Current:				
General government	10,123,314	-	-	10,123,314
Public safety	20,510,746	-	6,452,377	26,963,123
Economic and physical development	2,072,565	-	1,878,619	3,951,184
Human services	21,478,521	-	-	21,478,521
Cultural and recreational	1,944,297	-	18,100	1,962,397
Education	22,419,637	-	-	22,419,637
Capital outlay	2,072,538	-	-	2,072,538
Debt service:				
Principal	-	5,499,909	-	5,499,909
Interest and fees	-	2,231,257	-	2,231,257
Total expenditures	<u>80,621,618</u>	<u>7,731,166</u>	<u>8,349,096</u>	<u>96,701,880</u>
Revenues over (under) expenditures	<u>9,620,310</u>	<u>(7,583,602)</u>	<u>5,287,206</u>	<u>7,323,914</u>
Other Financing Sources (Uses):				
Transfers in	1,053,168	7,588,858	4,129,660	12,771,686
Transfers out	<u>(6,301,326)</u>	<u>-</u>	<u>(7,709,735)</u>	<u>(14,011,061)</u>
Total other financing sources (uses)	<u>(5,248,158)</u>	<u>7,588,858</u>	<u>(3,580,075)</u>	<u>(1,239,375)</u>
Net change in fund balances	<u>4,372,152</u>	<u>5,256</u>	<u>1,707,131</u>	<u>6,084,539</u>
Fund Balances:				
Beginning of year - July 1	<u>37,263,616</u>	<u>75,835</u>	<u>3,917,962</u>	<u>41,257,413</u>
End of year - June 30	<u>\$ 41,635,768</u>	<u>\$ 81,091</u>	<u>\$ 5,625,093</u>	<u>\$ 47,341,952</u>

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

ROCKINGHAM COUNTY, NORTH CAROLINA**RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Net change in fund balances - total governmental funds	\$ 6,084,539
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, capital outlay is not an expense, rather it is an increase in capital assets.	2,002,861
Depreciation expense allocates the costs of capital assets over their estimated useful lives. It is not reported as an expenditure in the governmental funds statement.	(4,595,331)
The sale/disposal of capital assets is reported as a revenue in the governmental funds statement without subtracting the net book value of the capital asset sold.	(320,190)
Expenses related to compensated absences, other post-employment benefits, net pension obligation, and pension expense that do not require current financial resources and are not reported as expenditures in the governmental funds statement.	(3,159,650)
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	2,455,912
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position.	(2,562)
The change in accrued interest on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported in the governmental funds.	35,328
The issuance of long-term debt (e.g. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related accounts.	
Amortization of current year debt premium	384,206
Principal payments	5,499,910
Deferred charge on refunding	(196,685)
Tax, ambulance, and other revenues in the fund statements that do not represent revenues earned in the current period are not recorded as revenues in the Statement of Activities.	127,330
The net revenue of certain activities of the Internal Service Fund is reported with governmental activities.	<u>(399,429)</u>
Change in net position of governmental activities	<u>\$ 7,916,239</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Budgeted Amounts			Variance with
	Original Budget	Final Budget	Actual	Final Budget Over/Under
Revenues:				
Ad valorem taxes	\$ 52,579,019	\$ 52,579,019	\$ 53,741,887	\$ 1,162,868
Other taxes and licenses	12,455,340	12,455,340	13,036,064	580,724
Unrestricted intergovernmental	265,000	265,000	261,154	(3,846)
Restricted intergovernmental	13,662,071	14,880,413	13,389,965	(1,490,448)
Permits and fees	972,600	972,600	1,085,773	113,173
Sales and services	6,922,166	6,807,166	7,071,280	264,114
Investment earnings	381,108	386,910	680,966	294,056
Miscellaneous	963,932	1,014,132	974,839	(39,293)
Total revenues	<u>88,201,236</u>	<u>89,360,580</u>	<u>90,241,928</u>	<u>881,348</u>
Expenditures:				
Current:				
General government	10,795,978	12,353,150	10,123,314	2,229,836
Public safety	23,205,979	24,256,234	20,510,746	3,745,488
Economic and physical development	2,104,866	3,274,987	2,072,565	1,202,422
Human services	23,682,781	24,824,999	21,478,521	3,346,478
Cultural and recreational	2,056,746	2,099,817	1,944,297	155,520
Education	20,990,929	23,991,116	22,419,637	1,571,479
Capital outlay	2,681,515	2,992,282	2,072,538	919,744
Contingency	<u>250,000</u>	<u>216,126</u>	<u>-</u>	<u>216,126</u>
Total expenditures	<u>85,768,794</u>	<u>94,008,711</u>	<u>80,621,618</u>	<u>13,387,093</u>
Revenues over (under) expenditures	<u>2,432,442</u>	<u>(4,648,131)</u>	<u>9,620,310</u>	<u>14,268,441</u>
Other Financing Sources (Uses):				
Transfers out	(5,854,682)	(6,301,327)	(6,301,326)	1
Transfers in	525,016	2,452,621	1,053,168	(1,399,453)
Appropriated fund balance	<u>2,897,224</u>	<u>8,496,837</u>	<u>-</u>	<u>(8,496,837)</u>
Total other financing sources (uses)	<u>(2,432,442)</u>	<u>4,648,131</u>	<u>(5,248,158)</u>	<u>(9,896,289)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>4,372,152</u>	<u>\$ 4,372,152</u>
Fund Balance:				
Beginning of year - July 1			<u>37,263,616</u>	
End of year - June 30			<u>\$ 41,635,768</u>	

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund	Total	
Assets:					
Current Assets:					
Cash and cash equivalents	\$ 4,307,705	\$ 753,505	\$ 10,948,364	\$ 16,009,574	\$ 4,940,985
Accounts receivable, net	133,778	24,937	446,063	604,778	237,803
Restricted cash and cash equivalents	119,900	33,818	-	153,718	-
Total current assets	4,561,383	812,260	11,394,427	16,768,070	5,178,788
Non-current Assets:					
Investments	-	-	2,309,222	2,309,222	1,003,432
Land and construction in progress	1,292,509	602,468	856,231	2,751,208	-
Capital assets, net of depreciation	10,900,185	5,780,584	7,260,221	23,940,990	-
Total non-current assets	12,192,694	6,383,052	10,425,674	29,001,420	1,003,432
Total assets	16,754,077	7,195,312	21,820,101	45,769,490	6,182,220
Deferred Outflows of Resources					
Pension deferrals - LGERS	12,276	12,276	149,899	174,451	-
OPEB deferrals	5,398	5,398	63,347	74,143	-
Total deferred outflows	17,674	17,674	213,246	248,594	-
Liabilities, Deferred Inflows of Resources, and Net Position:					
Liabilities:					
Current Liabilities:					
Accounts payable and accrued liabilities	336,286	31,960	906,841	1,275,087	1,095,630
Accrued interest	7,469	3,677	-	11,146	-
Deferred revenue	2,549,208	-	-	2,549,208	-
Current portion of accrued vacation	4,224	4,224	22,720	31,168	-
Current portion of long-term debt	280,258	155,381	-	435,639	-
Total current liabilities	3,177,445	195,242	929,561	4,302,248	1,095,630
Non-current Liabilities:					
Net pension liability	20,790	20,790	253,860	295,440	-
Accrued landfill closure and post-closure care costs	-	-	6,238,670	6,238,670	-
Total OPEB Liability	102,706	102,706	1,027,065	1,232,477	-
Non-current portion of accrued vacation	1,408	1,408	7,573	10,389	-
Non-current portion of long-term debt	1,775,642	814,549	-	2,590,191	-
Total non-current liabilities	1,900,546	939,453	7,527,168	10,367,167	-
Total liabilities	5,077,991	1,134,695	8,456,729	14,669,415	1,095,630
Deferred Inflows of Resources					
Pension deferrals - LGERS	555	555	6,775	7,885	-
OPEB deferrals	26,200	26,200	307,415	359,815	-
Total deferred inflows	26,755	26,755	314,190	367,700	-
Net Position:					
Net investment in capital assets	10,256,694	5,446,940	8,116,452	23,820,086	-
Unrestricted net position	1,410,311	604,596	5,145,976	7,160,883	5,086,590
Total net position	\$ 11,667,005	\$ 6,051,536	\$ 13,262,428	\$ 30,980,969	\$ 5,086,590

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund	Total	
Operating Revenues:					
Charges for services	\$ 550,298	\$ 607,466	\$ 4,185,567	\$ 5,343,331	\$ 9,847,616
Other operating revenue	51,743	-	201,907	253,650	445,568
Total operating revenues	602,041	607,466	4,387,474	5,596,981	10,293,184
Operating Expenses:					
Personnel expenses	60,872	69,009	874,167	1,004,048	-
Operating expenses	152,999	325,750	732,238	1,210,987	-
Professional expenses	14,461	14,025	798,465	826,951	-
Supplies	6,074	6,941	208,862	221,877	-
Closure and post-closure care cost	-	-	1,189,625	1,189,625	-
Insurance claims and expenses	106,389	119,182	207,852	433,423	10,797,376
Depreciation	322,741	258,176	3,932,850	4,513,767	-
Administrative	-	-	280,290	280,290	-
Total operating expenses	663,536	793,083	8,224,349	9,680,968	10,797,376
Operating income (loss)	(61,495)	(185,617)	(3,836,875)	(4,083,987)	(504,192)
Non-Operating Revenues (Expenses):					
Government grants	178,726	-	7,805	186,531	-
Investment earnings	44,673	21	234,832	279,526	97,692
Interest and fees	(66,105)	(28,566)	-	(94,671)	-
Other	(65,961)	105,136	-	39,175	-
Total non-operating revenues (expenses)	91,333	76,591	242,637	410,561	97,692
Income (loss) before transfers	29,838	(109,026)	(3,594,238)	(3,673,426)	(406,500)
Transfers:					
Transfers in (out)	761,240	464,508	6,556	1,232,304	7,071
Total transfers net	761,240	464,508	6,556	1,232,304	7,071
Change in net position	791,078	355,482	(3,587,682)	(2,441,122)	(399,429)
Net Position:					
Beginning of year - July 1	10,875,927	5,696,054	16,850,110	33,422,091	5,486,019
End of year - June 30	\$ 11,667,005	\$ 6,051,536	\$ 13,262,428	\$ 30,980,969	\$ 5,086,590

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund	Total	
Operating Activities:					
Cash received from customers	506,259	\$ 617,218	\$ 4,106,710	\$ 5,230,187	\$ -
Cash received from user departments	-	-	-	-	9,746,997
Other operating revenues (expenses)	(14,218)	68,636	201,907	256,325	445,568
Cash paid to suppliers for goods and services	(258,077)	(471,533)	(2,283,235)	(3,012,845)	(10,389,805)
Cash paid to employees for services	(66,520)	(74,657)	(861,157)	(1,002,334)	-
Closure and postclosure care cost	-	-	(3,301,503)	(3,301,503)	-
Net cash provided by (used for) operating activities	<u>167,444</u>	<u>139,664</u>	<u>(2,137,278)</u>	<u>(1,830,170)</u>	<u>(197,240)</u>
Non-Capital Financing Activities:					
Transfers in	761,240	464,508	6,556	1,232,304	19,676
Advance from other funds	-	-	-	-	(12,605)
Government grants	<u>178,726</u>	<u>-</u>	<u>7,805</u>	<u>186,531</u>	<u>-</u>
Net cash provided by (used for) non-capital financing activities	<u>939,966</u>	<u>464,508</u>	<u>14,361</u>	<u>1,418,835</u>	<u>7,071</u>
Capital and Related Financing Activities:					
Acquisition and construction of capital assets	(2,895,588)	(288,060)	(4,192,805)	(7,376,453)	-
Principal paid on bond maturities	(273,789)	(152,136)	-	(425,925)	-
Interest paid on bond maturities	(74,343)	(33,694)	-	(108,037)	-
Proceeds from sale of capital assets	-	-	12,510	12,510	-
Government grants	<u>2,549,208</u>	<u>-</u>	<u>-</u>	<u>2,549,208</u>	<u>-</u>
Net cash used for capital and related financing activities	<u>(694,512)</u>	<u>(473,890)</u>	<u>(4,180,295)</u>	<u>(5,348,697)</u>	<u>-</u>
Investing Activities:					
Interest on investments	44,673	21	234,832	279,526	97,692
Purchase of investments	-	-	(334,263)	(334,263)	(412,515)
Net cash provided by (used for) investing activities	<u>44,673</u>	<u>21</u>	<u>(99,431)</u>	<u>(54,737)</u>	<u>(314,823)</u>
Net increase (decrease) in cash and cash equivalent	457,571	130,303	(6,402,643)	(5,814,769)	(504,992)
Cash and Cash Equivalents:					
Beginning of year - July 1	<u>3,970,034</u>	<u>657,020</u>	<u>17,351,007</u>	<u>21,978,061</u>	<u>5,445,977</u>
End of year - June 30	<u>\$ 4,427,605</u>	<u>\$ 787,323</u>	<u>\$ 10,948,364</u>	<u>\$ 16,163,292</u>	<u>\$ 4,940,985</u>

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Enterprise Funds				Internal Service Fund
	Water Fund	Sewer Fund	Landfill Fund	Total	
Reconciliation of Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities:					
Operating income (loss)	(127,456)	\$ (116,981)	\$ (3,836,875)	\$ (4,081,312)	\$ (504,192)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	322,741	258,176	3,932,850	4,513,767	-
Change in assets and liabilities:					
Accounts receivable	(44,039)	9,752	(78,857)	(113,144)	(106,438)
Accounts payable	21,846	(5,635)	(55,528)	(39,317)	413,390
Accrued closure and post-closure care costs	-	-	(2,111,878)	(2,111,878)	-
Deferred outflows	4,778	4,778	42,657	52,213	-
Net pension liability	789	789	13,851	15,429	-
Deferred inflows	10,319	10,319	149,507	170,145	-
Accrued vacation payable	(2,532)	(2,532)	(2,991)	(8,055)	-
Total OPEB liability	(19,002)	(19,002)	(190,014)	(228,018)	-
Total adjustments	294,900	256,645	1,699,597	2,251,142	306,952
Net cash provided by (used for) operating activities	\$ 167,444	\$ 139,664	\$ (2,137,278)	\$ (1,830,170)	\$ (197,240)
Reconciliation of Cash & Cash Equivalents to the Statement of Net Position					
Cash and cash equivalents at end of year	\$ 4,427,605	\$ 787,323	\$ 10,948,364	\$ 16,163,292	\$ 4,940,985
Cash and cash equivalents	\$ 4,307,705	\$ 753,505	\$ 10,948,364	\$ 16,009,574	\$ 4,940,985
Restricted cash related to unspent bond proceeds	119,900	33,818	-	153,718	-
Total cash and investments at end of year	\$ 4,427,605	\$ 787,323	\$ 10,948,364	\$ 16,163,292	\$ 4,940,985
Non-Cash Investing, Capital, and Financing Activities:					
Change in fair value of long-term investments	\$ -	\$ -	\$ 44,258	\$ 44,258	\$ -

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	Private Purpose	
	Library Memorial Fund	Agency Funds
Assets:		
Cash and cash equivalents	\$ 122,328	500
Restricted cash	-	150,327
Total assets	<u>\$ 122,328</u>	<u>\$ 150,827</u>
Liabilities:		
Accounts payable and accrued liabilities	199	150,827
Total liabilities	<u>199</u>	<u>150,827</u>
Net Position:		
Held in trust for:		
Library	122,129	-
Total net position	<u>\$ 122,129</u>	<u>\$ -</u>

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

ROCKINGHAM COUNTY, NORTH CAROLINA

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION FIDUCIARY FUNDS FOR THE YEAR ENDED JUNE 30, 2020

	Private Purpose <hr/> Library Memorial Fund <hr/>
Additions:	
Rent	\$ 2,250
Contributions	4,064
Investment earnings	<hr/> 1,894
Total additions	<hr/> 8,208 <hr/>
Deductions:	
Other expenses	<hr/> 8,713
Total deductions	<hr/> 8,713 <hr/>
Change in net position	(505)
Net Position:	
Beginning of year - July 1	<hr/> 122,634
End of year - June 30	<hr/> \$ 122,129 <hr/>

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



ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

I. Summary of Significant Accounting Policies

The accounting policies of Rockingham County, North Carolina (the “County”) and its discretely presented component units conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a five-member Board of Commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by accounting principles generally accepted in the United States of America, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The Government Accounting Standards Board (“GASB”) defines component units as legally separate organizations for which the elected officials of the primary government are financially accountable if it appoints a voting majority of the organization’s governing body and a) it is able to impose its will on that organization or b) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens upon, the primary government.

This statement provides two methods for reporting component units in the financial statements of the primary government: discrete presentation and blending. Discrete presentation means that data will be presented in one or more separate columns to the right of the primary government data columns. Blending means that the component unit’s financial data is reported as though the unit is part of the primary government. If the units provide services or benefits exclusively, or almost exclusively, to the primary government, or if the component units and the primary government have “substantively identical boards,” the legally separate component units should be incorporated by blending. If the units do not meet these criteria, their data should be incorporated by discrete presentation.

Based on evaluating these characteristics, the following is a brief review of the component units in the County’s reporting entity:

Discretely Presented Component Unit:

Rockingham County Airport Authority

The Rockingham County Airport Authority (the “Airport Authority”) exists to provide airline services for the citizens of the County. The members of the Airport Authority’s governing board are appointed by the County Commissioners. The Airport Authority is financially dependent on the County to provide sufficient funds for operation.

Complete financial statements for the Airport Authority may be obtained from the entity’s administrative offices at Rockingham County Airport Authority, P.O. Box 12, Wentworth, North Carolina 27375.

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Discretely Presented Component Unit, continued:

Rockingham County Tourism Development Authority

The Rockingham County Tourism Development Authority (the ‘TDA’) is a corporate body with powers outlined by the North Carolina General Statutes. The TDA’s Board is appointed by the County Commissioners. The TDA is fiscally dependent on the County due to the County providing the administrative and finance functions relating to the TDA’s operations. The TDA is funded via an occupancy tax levied pursuant to Session Law 105-164.4(a)(3) of the North Carolina General Assembly. The TDA is authorized to expend these funds to promote tourism in the County.

The TDA has a June 30 year-end. The TDA does not issue separate financial statements.

Rockingham County Industrial Facility and Pollution Control Financing Authority

The Rockingham County Industrial Facility and Pollution Control Financing Authority (the ‘Authority’) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority is governed by a seven-member Board of Commissioners, all of whom are appointed by the County Commissioners. The County can remove any commissioner of the Authority with or without cause. The Authority had no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Authority does not issue separate financial statements.

B. Basis of Presentation

Government-Wide Statements. The Statement of Net Position and the Statement of Activities display information about the primary government’s net position (the ‘County’) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. 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.

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Fund Financial Statements. The fund financial statements provide information about the County's funds, including its fiduciary funds and blended component units. 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 nonmajor 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 and investment earnings, result from non-exchange transactions or ancillary activities.

The County reports the following major governmental funds:

General Fund. The General Fund is the general operating fund of the County. The General Fund accounts for all financial resources except those that are required to be accounted for in another fund.

Debt Service Fund. This fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The County reports the following nonmajor governmental funds:

Special Revenue Funds. Special revenue funds account for specific revenue sources that are legally restricted to expenditures for specified purposes. The County maintains six special revenue funds: Fire Districts Fund, Emergency Telephone System Fund, CDBG Grant Fund, Vera Holland Stoneville Library Fund, Economic Development Projects Fund and the Coronavirus Relief Fund.

Capital Reserve Capital Project Fund. This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for major capital purchases. These resources are transferred to other funds when needed.

Airport Capital Project Fund. This fund is used to account for runway and taxi-way improvements at the local airport.

Enterprise Resource Planning/Document Imaging Project Fund (ERP). This fund is used to account for purchasing, licensing and implementation of a new ERP system and document imaging system for finance, human resources, and community development.

The County reports all of its enterprise funds as major:

Water Fund. This fund is used to account for the operations of the County's water line system.

Sewer Fund. This fund is used to account for the operations of the County's sewer collection system and contracted sewer treatment services.

The County has three enterprise funds, the Water and Wastewater Infrastructure Project Fund, the Regional Water Fund, and the South Rockingham Corporate Park Water & Wastewater

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Capital Projects Fund, that are consolidated into the Water Fund and Sewer Fund for reporting purposes.

Landfill Fund. This fund is used to account for the operations of the County's solid waste activities. County has one enterprise fund, the Landfill Expansion Project Fund, that is consolidated into the Landfill fund for reporting purposes.

The County reports the following fund types:

Internal Service Funds. Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County on a cost reimbursement basis. The County maintains four internal service funds: General Insurance Deductible Fund, Workman's Compensation Fund, Health Insurance Fund, and Cafeteria Plan Fund.

Agency Funds. Agency funds are custodial in nature and do not involve measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains three agency funds: Social Services Fund, which accounts for monies deposited with the Social Services Department for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Rockingham County Board of Education; and the Airport Authority Fund, which accounts for grants received and administered on behalf of the Airport Authority.

Private Purpose Fund. The Private Purpose Fund accounts for the Library Memorial Fund donor restricted funds received by the County Library Department. These funds are to be used for the benefit of individuals other than the primary government.

C. Measurement Focus and Basis of Accounting

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.

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. 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 the fiscal year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable are materially past due and are not considered to be an available resource to finance the operations of the current fiscal year. As of September 1, 2013, State law altered the procedures for the assessment and collection of property taxes on registered motor vehicles in North Carolina. Effective with this change in the law, the State of North Carolina is responsible for billing and collecting the property taxes on all registered motor vehicles on behalf of all municipalities and special tax districts. Property taxes are due when vehicles are registered. The billed taxes are applicable to the fiscal year in which they are received. Uncollected taxes that were billed in periods prior to September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

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

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

D. Budgetary Data

The County's budgets are adopted as required by North Carolina General Statutes. An annual budget is adopted for the General Fund, the Capital Reserve Capital Project Fund, the Fire Districts Special Revenue Fund, the Emergency Telephone System Special Revenue Fund, the

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Vera Holland Stoneville Library Special Revenue Fund, Coronavirus Relief Fund, the Debt Service Fund, the enterprise funds, and the internal service funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the CDBG Grant Special Revenue Fund, Economic Development Projects Special Revenue Fund, and the capital projects funds except for the Capital Reserve Fund. The Enterprise Capital Project Fund is consolidated with the Water and Sewer Funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for all annually budgeted funds. Transfers of appropriations between funds may be made only by the Board. Transfers of appropriations between functional areas in a fund or from contingency shall be approved by the Board, but may be approved by the County Manager or Finance Officer if they are consistent with operational needs and any Board approved goals and do not exceed \$50,000. Transfers from contingency cannot exceed \$50,000, except this limit may be exceeded if the County Manager determines that an emergency exists. All such transfers approved by the County Manager or Finance Officer must be presented to the Board at its next regular meeting. During the year, several amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the Board must adopt an interim budget that covers that time until the annual ordinance can be adopted.

E. Assets, Liabilities, Deferred Inflows and Outflows, and Fund Equity

1. Deposits and Investments

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

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

The County's and the TDA's investments are generally reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is bond fund, has no rating and is measured at fair value. As of June 30, 2020, The Term portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

The County's investments with maturity of more than three months at acquisition and non-money market investments are carried at fair value as determined by quoted market prices

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

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

demand deposits and are considered cash and cash equivalents. The County considers demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Unexpended installment debt proceeds for the General Fund and governmental capital projects are classified as restricted assets within the applicable governmental funds because their use is completely restricted to the purpose for which the installment debt was originally issued. Consistent with a loan resolution with the USDA rural development, the County is required to fund and maintain a reserve account in the amount equal to one annual payment. These funds can be established as restricted cash for USDA reserve in annual deposits equal to ten percent of the annual payment until the reserve has an amount equal to one year's debt service. The unexpended debt proceeds for the Water Fund and Sewer Fund are classified as restricted assets because its use is completely restricted to the purpose for which the proceeds were originally issued.

Restricted cash at June 30, 2020 consisted of the following:

Restricted Cash

Governmental Activities:

General Fund	Grant funds	\$ 666,792
General Fund	Unexpended debt proceeds	<u>20,368</u>
Total governmental activities		<u>687,160</u>

Business-Type Activities:

Water Fund	Unexpended debt proceeds	119,900
Sewer Fund	Unexpended debt proceeds	<u>33,818</u>
Total business-type activities		<u>153,718</u>

Total restricted cash		<u>\$ 840,878</u>
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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 September 1 (lien date); however, penalties and interest do not accrue until the following January 6th. 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. Capital Assets

Purchased or constructed assets are reported at historical cost. Donated capital assets received prior to June 30, 2015 are recorded at their estimated fair value at the date of

ROCKINGHAM COUNTY, NORTH CAROLINA
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donation. Donated capital assets received after June 30, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. Minimum capitalization costs are \$2,500 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. The County's governmental activities do not report any infrastructure.

The County holds title to certain Rockingham County Board of Education properties and Rockingham Community College properties that have not been included in capital assets. The properties have been deeded to the County to permit certificates of participation financing of acquisition and construction costs. Agreements between the County and the Board of Education and the County and Rockingham Community College give the Board of Education and Rockingham Community College 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 and to Rockingham Community College, 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 Rockingham County Board of Education and Rockingham Community College.

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

<u>Asset</u>	<u>Estimated Useful Lives</u>
Buildings and improvements	20-30 years
Vehicles	5 years
Equipment	7-15 years

In accordance with GASB 18, Accounting for Municipal Solidwaste Landfill Closure and Postclosure Care Cost, certain capital assets held by the Landfill fund are depreciated based on the consumption of the landfill as determined by an engineer. These assets will be fully depreciated by the date the landfill stops accepting solid waste.

7. Deferred Inflows/Outflows of Resources

In addition to assets, the Statement of Net 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 four items that meet this criteria – deferred charges on refunding, pension related deferrals, contributions made to the pension plan in the current fiscal year, and other post-employment benefit (OPEB) deferrals. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has five items that meet the criteria for this category - prepaid taxes, taxes receivable, other receivables, other pension related deferrals, and other OPEB related deferrals.

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8. Long-Term Debt

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 in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expensed over the life of the debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

9. 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 externally imposed by creditors, grantors, contributors, laws or regulations of other governments, or 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:

Non-Spendable 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.

Long-Term Receivable - portion of fund balance that is not an available resource because it represents the amount not expected to be converted to cash during the subsequent fiscal year.

Restricted Fund Balance

This classification includes amounts that are restricted to specific purposes externally imposed by creditors or imposed by law.

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Stabilization by State Statute - portion of fund balance that is not an available resource for appropriation in accordance with State law [G.S. 159-8(a)].

Restricted for Register of Deeds - portion of fund balance restricted by State statute for automation enhancement (software) improvements.

Restricted for Register of Deeds' pension plan - portion of fund balance that will be used for the Register of Deeds' pension obligations.

Restricted for Sheriff - portion of fund balance restricted by revenue source for sheriff related activities.

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

Restricted for Emergency Telephone System Fund (NC911) - portion of fund balance restricted by revenue source for emergency telephone system (911) related activities.

Restricted for Economic and Physical Development - portion of fund balance restricted by revenue source for economic development incentives and projects.

Restricted for Library - portion of fund balance that will be used for the V. Holland-Stoneville library.

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

Restricted for Capital Outlays – portion of fund balance restricted by revenue source to be used for capital related purposes. Certain amounts presented in this category represent unspent debt proceeds. State law only permits the issuance of debt for capital related purposes.

Restricted for Debt Services - portion of fund balance that is restricted by loan resolution with the USDA for future debt service.

Restricted for Public Health - portion of fund balance restricted by revenue source for Public Health related programs and activities.

Restricted fund balance at June 30, 2020 is as follows:

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Purpose	General Fund	Debt Service Fund	Other Governmental Funds	Total
Restricted, all other:				
Register of Deeds	\$ 131,002	\$ -	\$ -	\$ 131,002
Sheriff	41,122	-	-	41,122
Fire protection	-	-	858,786	858,786
Emergency Telephone System Fund (NC911)	-	-	445,085	445,085
Economic and physical development	-	-	7,857	7,857
Library	-	-	365,111	365,111
LEO Separation Allowance	452,433	-	-	452,433
Capital outlays	20,368	-	2,139,245	2,159,613
Debt service	-	70,854	-	70,854
Public Health	3,817,434	-	-	3,817,434
Total	\$ 4,462,359	\$ 70,854	\$ 3,816,084	\$ 8,349,297

Restricted fund balance amounts per Exhibit A differ from amounts presented on Exhibit C due to restricted for Register of Deeds' pension plan of \$151,559.

Committed Fund Balance

Portion of fund balance that can only be used for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Commissioners is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Committed for Capital Outlays - represents the portion of fund balance committed by the governing body for future capital related purposes.

Committed fund balance at June 30, 2020 is as follows:

Purpose	Other Governmental Funds	Total
Capital outlays	\$ 934,778	\$ 934,778
Total	\$ 934,778	\$ 934,778

Assigned Fund Balance

Assigned fund balance is the portion of fund balance that Rockingham County intends to use for specific purposes. The County's governing body has the authority to assign fund

ROCKINGHAM COUNTY, NORTH CAROLINA
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balance. The Manager and Finance Officer, as granted in the officially adopted budget ordinance, have been granted limited authority to assign fund balance.

Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however, the budget ordinance authorizes the Manager and Finance Officer to make certain modifications without requiring Board approval.

Assigned for Debt Service - portion of fund balance budgeted by the Board for making future debt payments.

Assigned fund balance at June 30, 2020 is as follows:

<u>Purpose</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>
Subsequent year's expenditures	\$ 7,615,686	\$ -	\$ 7,615,686
Debt service	-	10,237	10,237
Total assigned fund balance	<u>\$ 7,615,686</u>	<u>\$ 10,237</u>	<u>\$ 7,625,923</u>

Unassigned Fund Balance

Unassigned fund balance represents the portion of fund balance that has not been assigned to another fund or is not restricted, committed, or assigned to specific purposes within the General Fund. Only the General Fund may report a positive unassigned fund balance.

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

The County has adopted a minimum fund balance policy for the General Fund, which instructs management to conduct the business of the County in such a manner that unassigned fund balance is at least equal to or greater than 16% of the total actual expenditures. Unassigned fund balance may be purposefully drawn down below the minimum required percentage of 16% for emergencies and excess above 18%, calculated at the previous fiscal year-end, may be drawn down of non-recurring expenditures. If unassigned fund balance falls below the minimum required percentage for two consecutive fiscal years, the County will replenish funds by direct appropriation beginning in the following year.

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

ROCKINGHAM COUNTY, NORTH CAROLINA
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Total fund balance - General Fund	\$ 41,635,768
Less:	
Long-term receivable	399,665
Restricted, all other	4,462,359
Stabilization by State statute	4,908,945
Assigned fund balance	<u>7,615,686</u>
Total available fund balance	<u>\$ 24,249,113</u>

F. Revenues, Expenditures, and Expenses

1. Other Resources

The General Fund provides the basis of local resources for other governmental funds. These transactions are recorded as “transfers-out” in the General Fund and “transfers-in” in the receiving fund.

2. Compensated Absences

The vacation policies of the County provide 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 a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The County’s sick leave policy 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 the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

G. Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

H. Defined Benefit Pension and OPEB Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees’ Retirement System (LERS) and the Register of Deeds’ Supplemental Pension Fund (RODSPF) (collectively, the “State-administered defined benefit pension plans”), and one other postemployment benefit plan (OPEB). For the purposes of measuring the net pension asset (liability), 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

ROCKINGHAM COUNTY, NORTH CAROLINA
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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.

I. New Pronouncements

New pronouncements - During the fiscal year ended June 30, 2020 and beyond, the County has or will implement several new pronouncements of the GASB. These pronouncements are as follows:

GASB Statement No. 84 "Fiduciary Activities"

The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. Greater consistency and comparability enhances the value provided by the information reported in financial statements for assessing government accountability and stewardship. The requirements of this Statement will take effect for financial statements starting with reporting periods beginning after December 15, 2019. The County is currently evaluating the effect this statement will have on the County's financial position or results of operations.

GASB Statement No. 87 "Leases"

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2022. The County is currently evaluating the effect this statement will have on the County's financial position or results of operations.

GASB Statement No. 88 "Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements"

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle. The requirements of this Statement will take effect for financial statements starting with reporting periods beginning after June 15, 2019. The County has adopted the statement as of July 1, 2019.

GASB Statement No. 89 "Accounting for Interest Cost Incurred Before The End Of A Construction Period"

The objectives of this Statement are: (1) to enhance the relevance and comparability information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2021. Earlier application is encouraged. The requirements of this

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Statement should be applied prospectively. The County adopted the statement as of July 1, 2018.

GASB Statement No. 90 "Majority Equity Interests—an amendment of GASB Statements No. 14 and No. 61"

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. The requirements of this Statement will take effect for financial statements starting with reporting periods beginning after December 15, 2019. The County is currently evaluating the effect this statement will have on the County's financial position or results of operations.

GASB Statement No. 91 "Conduit Debt Obligations"

The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2022. Earlier application is encouraged. The County is currently evaluating the effect this statement will have on the County's financial position or results of operations.

II. Detail Notes On All Funds

A. Assets

1. Deposits

All of the County's and its component units 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 and its component unit's agents in their respective names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County and its component units these deposits are considered to be held by their agents in the County's or its component unit'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 its component units 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 under collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces

ROCKINGHAM COUNTY, NORTH CAROLINA
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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 and its component units rely on the State Treasurer to monitor those financial institutions. The County and its component units analyze the financial soundness of any other financial institution used by the County or its component units. The County and its component units comply with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and its component units have no policy regarding custodial credit risk for deposits.

At June 30, 2020, the County's deposits had a carrying amount of \$9,992,632 and a bank balance of \$11,476,011. Of the bank balance, \$750,000 was covered by federal depository insurance and the remainder by collateral held under the Pooling Method. The County had cash on hand of \$6,965 at June 30, 2020.

At June 30, 2020, the Tourism Development Authority's deposits had a carrying amount of \$295,066. The Tourism Development Authority's deposits are pooled in the County's Central Depository Account. All of the bank balance was covered by federal depository insurance. The Tourism Development Authority's cash and cash equivalents consist completely of investments.

At June 30, 2020, the Airport Authority's deposits had a carrying amount of \$303,891 and a bank balance of \$302,745. Of the bank balance, \$250,000 was covered by federal depository insurance and the remainder by collateral held under the Pooling Method.

2. Investments

At June 30, 2020, the County had the following investments and maturities:

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Investment Type	Valuation Measurement Method	Book Value	Less Than 6 Months	6-12 months	1-3 years
North Carolina Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 21,749,737	\$ -	\$ -	\$ -
North Carolina Capital Management Trust - Term Portfolio*	Fair Value - Level 1	7,879,472	7,879,472	-	-
Government Agency:					
FHLB bond	Fair Value - Level 2	4,054,069	1,510,267	-	2,543,801
FFCB bond	Fair Value - Level 2	3,805,106	1,517,017	252,840	2,035,248
FHLMC bond	Fair Value - Level 2	4,005,565	-	-	4,005,565
FNMA bond	Fair Value - Level 2	1,501,868	-	1,001,107	500,760
Money Market	Fair Value - Level 2	4,044,572	4,044,572	-	-
Commercial Paper:					
Toyota	Fair Value - Level 2	1,999,503	1,999,503	-	-
Columbia University	Fair Value - Level 2	499,302	499,302	-	-
CSFBNY-Credit Suisse	Fair Value - Level 2	2,996,306	2,996,306	-	-
Exxon Mobile	Fair Value - Level 2	2,999,461	2,999,461	-	-
JP Morgan	Fair Value - Level 2	499,987	499,987	-	-
MUFG Bank Ltd	Fair Value - Level 2	2,499,375	2,499,375	-	-
Natixis	Fair Value - Level 2	999,278	999,278	-	-
Total		<u>\$ 59,533,599</u>	<u>\$ 27,444,540</u>	<u>\$ 1,253,947</u>	<u>\$ 9,085,375</u>

As of June 30, 2020, the NCCMT Term Portfolio had a duration of 0.15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

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

Level of fair value hierarchy: Level 1: debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Interest Rate Risk. The County has a formal investment policy that specifically limits investment maturities as a means of managing its exposure to fair value losses arising from rising interest rates. Beyond purchase of investments to match anticipated cash flow requirements, investments will be purchased so that maturities are staggered with no security maturing more than three years from the date of purchase. Reserve funds and other funds with longer-term investment horizons may be invested in securities exceeding three years if the maturity of such investments is made to coincide with the expected use of funds. The TDA has no formal policy regarding interest rate risk.

Credit Risk. The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). As of June 30,

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2020, the County's investments in commercial paper were rated P1 by Standard & Poor's and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended. The County's investment in FHLB bond, FFCB bond, FHLMC bond, and FBNA bond were rated AA+ by Standard and Poor's and AAA by Moody's Investors Service as of June 30, 2020. The TDA has no formal policy regarding credit risk.

Concentration of Credit Risk. The County limits the amount that may be invested in one particular security type to 35% of total investments, excluding investments in United State treasury securities and the NCCMT. In addition total investment in commercial paper shall not exceed 30% of the County's total investment portfolio and the investment in commercial paper of a single issuer shall not exceed \$3,500,000. More than 20% of the County's investments are collectively in Toyota, CACPNY, CSFBNY-Credit Suisse, JP Morgan, Natixis, MUFG Bank and ING US Funding commercial paper. These investments are 1.7%, 4.4%, 1.7%, 3.5%, 3.5%, 4.3% and 3.5% of the County's total investments. Any investment held as of June 15, 2016 that does not meet the guidelines of the newly adopted policy shall be exempted from the requirements of this policy. At maturity, such monies shall be reinvested only as provided by the current policy.

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

In accordance with the General Statutes, agriculture, horticulture, and forest land may be taxed at present use-value as opposed to market value. When the property loses its eligibility for use-valuation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with 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	1,884,781	108,375	1,993,156
2017	1,892,417	108,814	2,001,231
2018	1,898,716	109,176	2,007,892
2019	2,132,696	122,630	2,255,326
Total	<u>\$ 7,808,610</u>	<u>\$ 448,995</u>	<u>\$ 8,257,605</u>

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4. Receivables - Allowance for Doubtful Accounts

At June 30, 2020, the County's receivable balances (accounts receivable and taxes receivable in the accompanying statement) as presented in the Statement of Net Position were as follows:

	Governmental Activities			
	General Fund	Internal Service Fund	Nonmajor Funds	Total Governmental
Receivables:				
Accounts	\$ 7,371,495	\$ 237,803	\$ 1,654,660	\$ 9,263,958
Taxes	2,336,037	-	96,720	2,432,757
Notes receivable	399,665	-	-	399,665
Gross Receivables:	10,107,197	237,803	1,751,380	12,096,380
Less: Allowance for uncollectibles	(2,040,000)	-	(90,000)	(2,130,000)
Net total receivables	<u>\$ 8,067,197</u>	<u>\$ 237,803</u>	<u>\$ 1,661,380</u>	<u>\$ 9,966,380</u>

	Business-Type Activities			
	Water Fund	Sewer Fund	Landfill Fund	Total Business-type
Receivables:				
Accounts	\$ 133,778	\$ 24,937	\$ 446,063	\$ 604,778
Taxes	-	-	-	-
Notes receivable	-	-	-	-
Gross Receivables:	133,778	24,937	446,063	604,778
Less: Allowance for uncollectibles	-	-	-	-
Net total receivables	<u>\$ 133,778</u>	<u>\$ 24,937</u>	<u>\$ 446,063</u>	<u>\$ 604,778</u>

Due from other governments consists primarily of refundable sales tax paid, grants, and other receivables from governmental agencies. Of the receivable listed above the amounts not scheduled for collection during the subsequent year was \$379,597.

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5. Capital Assets

A. Primary Government

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 2,611,803	\$ -	\$ -	\$ -	\$ 2,611,803
Construction in progress	8,099	88,290	-	(16,100)	80,289
Total non-depreciable capital assets	<u>2,619,902</u>	<u>88,290</u>	<u>-</u>	<u>(16,100)</u>	<u>2,692,092</u>
Depreciable Capital Assets:					
Buildings and improvements	82,826,834	423,914	(622,652)	-	82,628,096
Equipment	16,381,749	449,319	(308,333)	16,100	16,538,835
Vehicles	7,618,108	1,041,338	(821,383)	-	7,838,063
Total depreciable capital assets	<u>106,826,691</u>	<u>1,914,571</u>	<u>(1,752,368)</u>	<u>16,100</u>	<u>107,004,994</u>
Less Accumulated Depreciation:					
Buildings and improvements	33,677,324	2,578,979	(336,270)	-	35,920,033
Equipment	12,881,826	1,172,589	(288,793)	-	13,765,622
Vehicles	5,430,133	843,763	(807,115)	-	5,466,781
Total accumulated depreciation	<u>51,989,283</u>	<u>\$ 4,595,331</u>	<u>\$ (1,432,178)</u>	<u>\$ -</u>	<u>55,152,436</u>
Total depreciable capital assets, net	<u>54,837,408</u>				<u>51,852,558</u>
Governmental Activity					
Capital Assets, Net	<u>\$ 57,457,310</u>				<u>\$ 54,544,650</u>

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

General government	\$ 1,784,825
Public safety	2,429,122
Economic development	43,636
Human services	267,219
Cultural and recreational	<u>70,529</u>
Total	<u>\$ 4,595,331</u>

ROCKINGHAM COUNTY, NORTH CAROLINA
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The following is a summary of the County's business-type assets:

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
Business-Type Activities:					
Water:					
Capital Assets Not Being Depreciated:					
Construction in progress	\$ 3,425,185	\$ 3,168,337	\$ -	\$ (5,301,013)	\$ 1,292,509
Total capital assets not being depreciated	<u>3,425,185</u>	<u>3,168,337</u>	<u>-</u>	<u>(5,301,013)</u>	<u>1,292,509</u>
Depreciable Capital Assets:					
Buildings and improvements	9,679,144	-	-	5,301,013	14,980,157
Equipment	199,682	9,590	(44,500)	-	164,772
Total depreciable capital assets	<u>9,878,826</u>	<u>9,590</u>	<u>(44,500)</u>	<u>5,301,013</u>	<u>15,144,929</u>
Less Accumulated Depreciation:					
Buildings and improvements	3,839,189	308,867	-	-	4,148,056
Equipment	127,314	13,874	(44,500)	-	96,688
Total accumulated depreciation	<u>3,966,503</u>	<u>\$ 322,741</u>	<u>\$ (44,500)</u>	<u>\$ -</u>	<u>4,244,744</u>
Total depreciable capital assets, net	<u>5,912,323</u>				<u>10,900,185</u>
Water capital assets, net	<u>9,337,508</u>				<u>12,192,694</u>
Sewer:					
Non-Depreciable Capital Assets:					
Land	\$ 41,784	\$ -	\$ -	\$ -	\$ 41,784
Construction in progress	356,099	204,584	-	-	560,683
Total non-depreciable capital assets	<u>397,883</u>	<u>204,584</u>	<u>-</u>	<u>-</u>	<u>602,467</u>
Depreciable Capital Assets:					
Buildings and improvements	9,700,674	-	-	-	9,700,674
Equipment	201,736	119,976	(63,430)	(24,633)	233,649
Total depreciable capital assets	<u>9,902,410</u>	<u>119,976</u>	<u>(63,430)</u>	<u>(24,633)</u>	<u>9,934,323</u>
Less Accumulated Depreciation:					
Buildings and improvements	3,804,258	242,841	-	-	4,047,099
Equipment	179,368	15,335	(63,430)	(24,633)	106,640
Total accumulated depreciation	<u>3,983,626</u>	<u>\$ 258,176</u>	<u>\$ (63,430)</u>	<u>\$ (24,633)</u>	<u>4,153,739</u>
Total depreciable capital assets, net	<u>5,918,784</u>				<u>5,780,584</u>
Sewer capital assets, net	<u>6,316,667</u>				<u>6,383,051</u>
Landfill:					
Non-Depreciable Capital Assets:					
Land	\$ 856,231	\$ -	\$ -	\$ -	\$ 856,231
Construction in progress	1,414,959	3,629,470	-	(5,044,429)	-
Total non-depreciable capital assets	<u>2,271,189</u>	<u>3,629,470</u>	<u>-</u>	<u>(5,044,429)</u>	<u>856,231</u>
Depreciable Capital Assets:					
Landfill	11,507,434	-	-	5,044,429	16,551,863
Buildings	2,333,888	-	-	-	2,333,888
Equipment	6,864,200	638,090	(32,635)	50,801	7,520,456
Total depreciable capital assets	<u>20,705,522</u>	<u>638,090</u>	<u>(32,635)</u>	<u>5,095,230</u>	<u>26,406,207</u>
Less Accumulated Depreciation:					
Landfill	10,269,107	3,368,828	-	-	13,637,935
Buildings	825,012	91,864	-	-	916,876
Equipment	4,088,341	472,158	(20,125)	50,801	4,591,175
Total accumulated depreciation	<u>15,182,461</u>	<u>\$ 3,932,850</u>	<u>\$ (20,125)</u>	<u>\$ 50,801</u>	<u>19,145,986</u>
Total depreciable capital assets, net	<u>5,523,061</u>				<u>7,260,221</u>
Landfill capital assets, net	<u>7,794,250</u>				<u>8,116,452</u>
Business-Type Activities					
Capital Assets, Net	<u>\$ 23,448,425</u>				<u>\$ 26,692,197</u>

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2020 is composed of the following:

	Governmental Activities	Business-Type Activities
Capital assets, net of depreciation	\$ 54,544,650	\$ 26,692,197
Long-term debt, total	(51,977,320)	(3,025,829)
School debt for which County does not hold title	13,116,999	-
Deferred Outflows - charges on refunding of debt	2,753,588	-
Unspent debt proceeds	20,368	153,718
	<u>\$ 18,458,285</u>	<u>\$ 23,820,086</u>

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B. Liabilities

1. Accounts Payable and Accrued Liabilities

Payables at June 30, 2020 were as follows:

	Governmental Activities			
	General Fund	Nonmajor Funds	Internal Service Fund	Total Governmental
Payables:				
Accounts and vouchers	\$ 1,761,287	\$ 1,065,489	\$ -	\$ 2,826,776
Accrued payroll and related liabilities	1,383,163	-	-	1,383,163
Accrued interest payable	585,070	-	-	585,070
Incurred, but not reported	-	-	1,095,630	1,095,630
Total accounts payable and accrued liabilities	<u>\$ 3,729,520</u>	<u>\$ 1,065,489</u>	<u>\$ 1,095,630</u>	<u>\$ 5,890,639</u>
	Business - Type Activities			
	Water Fund	Sewer Fund	Landfill Fund	Total Proprietary
Payables:				
Accounts and vouchers	\$ 336,286	\$ 31,960	\$ 876,548	\$ 1,244,794
Accrued payroll and related liabilities	5,632	5,632	30,293	41,557
Accrued interest payable	<u>7,469</u>	<u>3,677</u>	<u>-</u>	<u>11,146</u>
Total accounts payable and accrued liabilities	<u>\$ 349,387</u>	<u>\$ 41,269</u>	<u>\$ 906,841</u>	<u>\$ 1,297,497</u>

Internal service funds predominately serve the governmental funds. Accordingly, the accounts payable and accrued liability balances for the internal service funds are included in governmental activities on the accompanying government-wide financial statement.

Finally, the fiduciary fund financial statements include \$151,026 in accounts payable and accrued liabilities. This amount is excluded from the foregoing schedule and represents amounts due to various other agencies, individuals or governments.

2. Pension Plan Obligations

A. Local Government Employees' Retirement System

Plan Description. The County is a participating employer in the State-wide 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 (LEO) of participating local government 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

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Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454, 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. Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020 was 9.70% of compensation for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,516,342 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

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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 \$10,942,258 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 0.401%, which was a decrease of 0.021% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$4,823,299. 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	\$ 1,873,592	\$ -
Changes of assumptions	1,783,407	-
Net difference between projected and actual earnings on pension plan investments	266,897	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,918	292,022
County contributions subsequent to the measurement date	2,516,342	-
Total	<u>\$ 6,461,156</u>	<u>\$ 292,022</u>

\$2,516,342 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ending June 30, 2021. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	1,888,293
2022	541,997
2023	987,719
2024	234,783
2025	-
Thereafter	-
Total	<u>\$ 3,652,792</u>

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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	3.00%
Salary increases	3.50 to 8.10%, including inflation and productivity factor
Investment rate of return	7.0%, 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 for the period January 1, 2010 through 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:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

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The information above is based on 30-year expectations developed with the consulting actuary for the 2018 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 7.0%. 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 Liability to Changes in the Discount Rate. The following presents the County's proportionate share of the net pension liability calculated using the discount rate of 7.0%, 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 one percentage point lower (6.0%) or one percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
County's proportionate share of the net pension liability (asset)	<u>\$25,026,946</u>	<u>\$ 10,942,258</u>	<u>\$ (764,970)</u>

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

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

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Retirees receiving benefits	24
Active plan members	<u>99</u>
Total	<u><u>123</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 following criteria in GASB Statement 73.

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. 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	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate used to measure the TPL is the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

DEATHS AFTER RETIREMENT (HEALTHY): RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 104% for males and 100% for females.

DEATHS BEFORE RETIREMENT: RP-2014 Employee base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015.

DEATHS AFTER RETIREMENT (BENEFICIARY): RP-2014 Healthy Annuitant base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 123% for males and females.

DEATHS AFTER RETIREMENT (DISABLED): RP-2014 Disabled Retiree base rates projected to the valuation date using MP-2015, projected forward generationally from the valuation date using MP-2015. Rates are adjusted by 103% for males and 99% for females.

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Contributions. The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$258,659 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 \$3,272,971. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$325,095.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 259,908	\$ -
Changes of assumptions	144,374	83,486
Benefit payments and plan administrative expenses made subsequent to the measurement date	134,442	-
Total	<u>\$ 538,724</u>	<u>\$ 83,486</u>

\$134,442 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 ending June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ 102,109
2022	103,507
2023	75,280
2024	37,414
2025	2,486
Total	<u>\$ 320,796</u>

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 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

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	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 3,514,765	\$ 3,272,971	\$ 3,050,376

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

	<u>2020</u>
Beginning balance	\$ 3,132,222
Service cost	112,756
Interest on the total pension liability	109,259
Differences between expected and actual experience	93,161
Changes of assumptions or other inputs	86,795
Benefit payments	(261,222)
Ending balance of the total pension liability	<u>\$ 3,272,971</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2019 to 3.26 percent at June 30, 2020.

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 for the period January 1, 2010 through 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 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. Also, the law enforcement officers may make

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voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$205,649. No amounts were forfeited.

D. Deferred Compensation Plan

The County offers its employees 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.

E. Register of Deeds' Supplemental Pension Fund

Plan Description. The County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a non-contributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. RODSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, 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 ten 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 \$7,297 for the year ended June 30, 2020.

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

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At June 30, 2020, the County reported an asset of \$151,559 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 asset 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 the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 0.768%, which was a decrease of -0.076% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$11,038. 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	\$ -	\$ 7,309
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	1,551	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,053	2,611
County contributions subsequent to the measurement date	7,511	-
Total	<u>\$ 20,115</u>	<u>\$ 9,920</u>

\$7,511 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 ending June 30, 2021. Other amounts reported as deferred inflows or outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2021	\$ (1,875)
2022	5,181
2023	2,373
2024	(2,995)
2025	-
Thereafter	-
Total	<u>\$ 2,684</u>

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	3.00%
Salary increases	3.50 to 7.75%, including inflation and productivity factor
Investment rate of return	3.75%, net of pension plan investment expense, including inflation

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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 for the period January 1, 2010 through 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. 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 employers will be made at statutorily required rates. 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%, as well as what the County's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75%) or 1-percentage-point higher (4.75%) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension (asset)	\$ 10,210	\$ (151,559)	\$ 828

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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.

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 December 31, 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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 10,942,258	\$ (151,559)	-	\$ 10,790,699
Proportion of the Net Pension Liability (Asset)	0.422%	0.768%	n/a	
Total Pension Liability	-	-	\$ 3,272,971	\$ 3,272,971
Pension Expense	\$ 4,823,299	\$ 11,038	\$ 325,095	\$ 5,159,432

F. Other Post-Employment Benefits

Healthcare Benefits

Plan Description. According to a County resolution, the County provides healthcare benefits to retirees of the County who participate in the North Carolina Local Governmental Employees' Retirement System (System). The County pays the full cost of coverage for these benefits for retirees who began working for the County on or before November 3, 1997. The cost of coverage is prorated for retirees who began working for the County on or after November 4, 1997. The County pays 50% for retirees with 10 years or more of service, 75% with 15 years, and 100% with 20 years. Also, retirees can purchase coverage for their dependents at the County's group rates. Coverage for all retirees who are eligible for Medicare will be transferred to a Medicare Supplemental plan after qualifying for Medicare. The Board of Commissioners may amend the benefit provisions. The plan is a single-employer defined benefit plan. A separate report was not issued for the plan. The Board of Commissioners adopted a policy discontinuing OPEB coverage for individuals hired after June 5, 2018.

Membership of the healthcare plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Retired members	376
Active members:	<u>447</u>
Total	<u><u>823</u></u>

Funding Policy. The County pays the full cost of coverage for these benefits for retirees who began working for the County on or before November 3, 1997 and a

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percentage of the premium cost based on years of service for employees hired after that date, as noted above. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County's members pay \$496 per month for dependent coverage. The County has chosen to fund the healthcare benefits on a pay-as-you-go basis. The Board of Commissioners established the contribution requirements of plan members, which may be amended by the Board.

Total OPEB Liability

The County's total OPEB liability of \$57,059,142 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%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Municipal Bond Index	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare	7.00%
Medicare	5.50%

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

Changes in the Total OPEB Liability:

Balance at July 1, 2019	\$ 67,615,508
Service Cost	1,845,087
Interest	2,588,610
Difference between expected and actual experience	(12,833,216)
Changes of assumptions or other inputs	4,302
Benefit payments	(2,161,149)
Net changes	(10,556,366)
Balance at June 30, 2020	<u><u>\$ 57,059,142</u></u>

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 Total Data Set for Healthy Annuitants Mortality Table.

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The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

The remaining actuarial assumptions used in the June 30, 2019 valuation were based on a review of the recent plan experience performed concurrently with the June 30, 2019 valuation.

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

	1% Decrease 2.50%	Discount Rate 3.50%	1% Increase 4.50%
Total OPEB Liability	\$ 66,518,176	\$ 57,059,142	\$ 49,527,799

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

	1% Decrease (Pre-medicare 6.00%; Medicare 4.00%)	Discount Rate (Pre-medicare 7.00%; Medicare 5.00%)	1% Increase (Pre-medicare 8.00%; Medicare 6.00%)
Total OPEB Liability	\$ 49,111,260	\$ 57,059,142	\$ 67,081,757

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 \$278,883. 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
Difference between expected and actual experience	\$ 1,143,422	\$ 10,049,438
Changes of assumption or other inputs	3,369	7,417,438
County contributions subsequent to the measurement date	2,452,458	-
Total	\$ 3,599,249	\$ 17,466,876

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\$2,452,458 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 ending 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:

2020	\$	(4,165,144)
2021		(4,165,144)
2022		(4,165,144)
2023		(3,079,833)
2024		(649,367)
Thereafter		(95,453)
	<u>\$</u>	<u>(16,320,085)</u>

G. 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. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post-employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3. Closure and Post-Closure Care Costs

Federal and State laws and regulations require the County to place a final cover on its landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6,139,430 reported as landfill closure and post-closure care liability at June 30, 2020 represents a cumulative amount reported to date based on the use of 100 percent of the total estimated capacity of the old landfill and the total currently utilized estimated capacity for the lined portion of the new landfill (approximately 78%). The County will recognize the remaining estimated costs of closure and post-closure care as the remaining estimated capacity is filled. Not included in the estimated capacity is the additional landfill property the County

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has at its disposal. These amounts are based on what it would cost to perform all closure and post-closure care in 2020. The County closed the old facility in 1995 and opened its new landfill in 1996. The County began closure activity of the active cell and construction of the new cell in fiscal year 2020. As of June 30, 2020, \$4,023,751 in closure costs have been incurred and netted out of the total post-closure care liability. The County expects to close the active landfill cell in 2021. As of June 30, 2020, the estimated closure and post-closure care liability for the old facility amounted to approximately \$99,240. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. However, the County has also elected to establish a reserve fund to accumulate resources for the payment of closure and post-closure care costs. The County expects that future inflation costs will be paid from the interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post-closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs may need to be covered by charges to future landfill users or by future tax revenues.

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension - difference between expected and actual experience (LGERS, ROD, LEOSSA)	\$ 2,133,500	\$ 7,309
OPEB - difference between expected and actual experience	1,143,422	10,049,438
Pension - changes in assumptions (LGERS, ROD, LEOSSA)	1,927,781	83,486
OPEB - changes in assumptions	3,369	7,417,438
Pension - difference between projected and actual investment earnings (LGERS, ROD)	268,448	-
Pension - changes in proportion and differences between employer contributions and proportionate share of contributions (LGERS, ROD)	31,971	294,633
Contributions to plans subsequent to measurement date (LGERS, ROD, OPEB)	4,976,311	-
Charge on refunding of debt	2,753,588	-
Benefit payments/administration costs paid subsequent to the measurement date (LEOSSA)	134,442	-
Prepaid taxes not yet earned (General)	-	75,322
Government-wide deferred outflows and inflows of resources	13,372,832	17,927,626
Taxes receivable, net (General)	-	1,196,037
Taxes receivable, net (Fire District)	-	96,720
Prepaid taxes (General)	-	75,322
Emergency services, other receivables (General)	-	1,637,555
Total	<u>\$ -</u>	<u>\$ 3,005,634</u>

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5. Risk Management

The County and TDA are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County protects itself from potential loss through a combination of commercial insurance for primary and/or excess liability coverage and self-funded risk retention. Self-funded risks are for employee benefits. 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 years.

The County does not carry flood insurance through the NFIP.

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 County Finance Officer and Tax Collector are individually bonded for \$100,000.

The Finance Officer for the Tourism Development Authority is individually bonded for \$50,000.

All operating funds of the County participate in the risk management program and make payments to the Workman's Compensation Fund and the Health Insurance Fund based on the insured fund's historical claims experience. Payments are for prior and current year claims and to establish a reserve for catastrophic losses.

Claims liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but are not reported (IBNRs), based on historical experience. Settled claims have not exceeded self-retained or purchased insurance coverage in any of the past three fiscal years.

A. General Insurance

The County obtains property and general liability coverage from Sean Dunn. Claims did not exceed any individual occurrence or aggregate limits for the year. There have been no significant reductions in coverage in the past year.

B. Health Insurance

The County provides for health insurance benefits in its Health Insurance Fund. This is a self-funded program, supplemented by employee contributions, to pay medical claims of employees and their covered dependents. Actual claims administration are contracted to and administered by third party administrator. Medical claims exceeding \$175,000 per employee are covered by private insurers.

C. Workman's Compensation

The County provides for workman's compensation insurance benefits in its Workman's Compensation Fund. This is a self-funded program to pay workmen's compensation claims of the employees. Actual claims administration is contracted to, and administered by, Sedwick. The County is self-funded for claims up to \$600,000

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per occurrence. Claims in excess of the retention are covered through purchased insurance up to \$1,000,000.

D. Cafeteria Plan

The County provides Flexible Spending Accounts (FSA) in the Cafeteria Plan Fund. Under Section 125 of the Internal Revenue Code, FSA's allow employees to pay for certain qualified benefits with pre-tax dollars. Each employee is allowed to deduct from their salary up to \$2,750 per year to pay for medical and medical related expenses. Actual claims administration is contracted to, and administered by Ameriflx.

E. Reconciliation of Claims Liability

Changes in the County's claims liability balance during fiscal year 2020 are as follows:

	General Insurance Deductible Fund	Workman's Compensation Fund	Health Insurance Fund	Cafeteria Plan Fund	Total
Balance, June 30, 2019	1,038	307,340	366,674	7,188	682,240
Add incurred premiums, claims (including IBNRs) and changes in estimates	(935,782)	(364,677)	(8,881,528)	(201,999)	(10,383,986)
Deduct claims payments	<u>935,006</u>	<u>422,226</u>	<u>9,237,897</u>	<u>202,247</u>	<u>10,797,376</u>
Balance, June 30, 2020	<u>\$ 262</u>	<u>\$ 364,889</u>	<u>\$ 723,043</u>	<u>\$ 7,436</u>	<u>\$ 1,095,630</u>

6. Claims and Judgments

Employees of the County are covered by unemployment compensation insurance. The County elected the direct reimbursement method for paying the costs of unemployment compensation benefits. Under this method, the County will reimburse the State annually for benefits charged against the County. For the year ended June 30, 2020, the County paid \$179,423 for unemployment benefits.

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County Attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

ROCKINGHAM COUNTY, NORTH CAROLINA
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7. Long-Term Obligations

A. Installment Purchases

Installment purchase contracts for Government Activities at June 30, 2020 are comprised of the following:

Installment purchase contract, direct borrowing for the construction for the Madison-Mayodan Public Library Project (collateralized by the assets constructed with related debt proceeds), payable through 2027 in 15 semi-annual installments of \$73,334, plus interest at a rate of 2.35%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. Secured by assets constructed with related debt proceeds.	555,967
Installment purchase, direct borrowing for refinancing of other debt (collateralized by the assets constructed with related debt proceeds), payable through 2025 in annual installments ranging from \$265,118 to \$408,965, including interest, issued July 2012 at a rate of 2.38%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. Secured by assets constructed with related debt proceeds.	236,008
Qualified School Construction bonds, direct borrowings for the construction of school facilities (collateralized by the assets constructed with related debt proceeds). The debt is payable through 2026 in 16 annual principal payments on March 15 of \$400,050, plus interest at an effective rate of 1.63%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.	2,400,301
Recovery Zone Economic Development bonds, direct borrowing for the construction of school facilities (collateralized by the building). The note is payable through 2030 in 20 annual equal principal payments on March 15 of \$214,150, plus interest at a rate of 7.63%. The County will receive a direct payment from the US Treasury equal to 45% of the interest each time it is paid. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.	2,141,500
Qualified School Construction bonds, direct borrowing for the construction of school facilities (collateralized by the assets constructed with related debt proceeds). The debt is payable through 2025 in 15 annual principal payments on March 15 of \$257,087, plus interest at an effective rate of 5.17%. Upon default all outstanding principal and accrued interest becomes due or Deed of Trust trustee shall foreclose on the mortgaged property.	1,179,488
Installment purchase contract, direct borrowing (USDA) for the construction of an animal shelter (collateralized by the assets constructed with related debt proceeds). The note is payable in 40 annual installments through April 2052 of \$87,762, including interest at a rate of 3.375%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted.	1,681,660

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Installment purchase contract, direct borrowing for the construction of a pool at RCHS (collateralized by the assets constructed with related debt proceeds), payable through 2027 in 20 annual installments of \$115,000, plus interest at a rate of 2.18%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. 805,000

Installment purchase contract, direct borrowing for the acquisition of energy saving improvements (collateralized by assets acquired), payable through 2031 in 15 annual installments of \$240,942, including interest at a rate of 3.19%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. 2,371,360

Installment purchase contract, direct borrowing for the acquisition of HVAC system (collateralized by assets acquired), payable through 2032 in 15 annual installments ranging from \$33,000 to \$34,000, including interest at a rate of 2.53%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. 396,000

Installment purchase contract, direct borrowing for the acquisition, construction, and equipping of an addition to Rockingham Community College science building (collateralized by the assets constructed with related debt proceeds), payable through 2019 in 15 annual installments of \$81,667, including interest at a rate of 2.84%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. 802,484

Total installment purchase contracts \$ 12,569,768

Installment Purchases - Business Type

Installment purchase contracts for Business-Type Activities at June 30, 2020 are comprised of the following:

Installment purchase, direct borrowing for refinancing of other debt (collateralized by the assets constructed with related debt proceeds), payable through 2025 in annual installments ranging from \$265,118 to \$408,965 including interest, issued July 2012 at a rate of 2.38%. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted. \$ 1,418,992

Installment purchase contract, direct borrowing for construction of water and wastewater infrastructure (collateralized by assets acquired), payable through 2032 in 15 annual installments ranging from \$76,000 to \$124,000, including interest at a rate of 3.77%. 1,221,000

Total installment purchase contracts \$ 2,639,992

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

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	1,410,802	463,672	329,788	76,855	1,740,590	540,527
2022	1,416,373	412,866	328,501	67,917	1,744,874	480,783
2023	1,422,149	361,875	328,214	58,969	1,750,363	420,844
2024	1,427,990	310,693	326,069	49,891	1,754,059	360,584
2025	1,328,241	259,315	324,782	40,993	1,653,023	300,308
2026 -2030	3,706,769	737,730	759,638	110,495	4,466,407	848,225
2031-2035	749,456	234,802	243,000	13,836	992,456	248,638
2036-2040	264,071	169,739	-	-	264,071	169,739
2041-2045	311,744	122,066	-	-	311,744	122,066
2046-2050	368,023	65,787	-	-	368,023	65,787
2051-2052	164,150	8,339	-	-	164,150	8,339
Total	12,569,768	3,146,884	\$ 2,639,992	\$ 418,956	\$ 15,209,760	\$ 3,565,840

B. Limited Obligation Refunding Bonds

\$23,520,000 Limited Obligation Refunding bonds, Direct Placement issued September 2011 with variable interest rates from 2.00% to 4.00%, interest payments due semi-annually on October 1 and April 1 through April 2024; principal payments due annually on April 1 through April 2024, ranging from \$1,730,000 to \$2,065,000. Proceeds were used to refund the 2002 Certificates of Participation and other installment debt related to the construction of two new elementary schools, the renovations of three schools, and the construction of a water and sewer line for the new schools. Collateralized by the assets constructed with related debt proceeds. Corporation or Trustee may take action under the Deed of Trust to exclude the County from possession of the project and sell or lease the assets. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted.

\$ 6,965,000

\$41,655,000 Limited Obligation Refunding bonds, Direct Placement issued April 15, 2015 with variable interest rates from 2.00% to 5.00%, interest payments due semi-annually on October 1 and April 1 through April 2034; principal payments due annually on April 1 through April 2034, ranging from \$2,020,000 to \$2,505,000. Proceeds were used to refund the 2008 Certificates of Participation related to the construction of a new courthouse and new emergency operations center. Collateralized by the assets constructed with related debt proceeds. Corporation or Trustee may take action under the Deed of Trust to exclude the County from possession of the project and sell or lease the assets. Upon default all outstanding principal and accrued interest becomes due and possession of the Project is remitted.

30,125,000

Total limited obligation bonds

\$ 37,090,000

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Annual debt service requirements to maturity for the County's Limited Obligation Refunding bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2021	3,800,688	1,548,147	94,312	17,983	3,895,000	1,566,130
2022	3,801,494	1,363,113	93,506	13,268	3,895,000	1,376,381
2023	3,821,494	1,168,922	93,506	8,359	3,915,000	1,177,281
2024	3,817,032	983,463	92,968	3,719	3,910,000	987,182
2025	2,195,000	808,981	-	-	2,195,000	808,981
2026 -2030	11,015,000	252,756	-	-	11,015,000	252,756
2031-2034	8,265,000	689,013	-	-	8,265,000	689,013
Total	36,715,708	6,814,395	374,292	43,329	37,090,000	6,857,724

At June 30, 2020, \$374,292 of the Limited Obligation Refunding bonds issued has been allocated to the refunding of debt related to water and sewer lines for schools. This amount is reported in the enterprise funds as a note payable allocated between the Water Fund and the Sewer Fund. The Water Fund contains \$229,580 of the note payable, and the Sewer Fund contains \$144,712.

At June 30, 2020, the County had a legal debt margin of \$559,210,920.

Advance Refunding

On April 15, 2015, the County issued \$41,655,000 in Limited Obligation Series 2015 with an interest rate ranging from 2.00% to 5.00%. The proceeds were used to advance refund \$40,595,000 of outstanding Series 2008 certificates of participation, which had interest rates ranging from 3.50% to 5.00%. The net proceeds of \$44,461,813 (including \$452,029 in underwriting fees and other issuance costs) were deposited with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, a portion of the certificates of participation Series 2008 are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$3,737,013. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The government advance refunded a portion of the 2008 certificates of deposit to reduce its total debt service payments over 20 years by \$2,241,768 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,735,541. On June 30, 2020, \$29,470,000 of debt outstanding is considered defeased.

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

C. Changes in General Long-Term Obligations

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

	Beginning Balances	Additions	Retirements	Ending Balances	Due in Less than One Year
Governmental Activities:					
Direct borrowings installment purchase contracts	\$ 14,259,527	\$ -	\$ 1,689,759	\$ 12,569,768	\$ 1,410,802
Direct Placement Limited Obligation Refunding bonds	40,525,859	-	3,810,151	36,715,708	3,800,688
Premium on long-term debt-LOB's	3,076,050	-	384,206	2,691,844	384,206
Total pension liability (LEOSSA)	3,132,222	140,749	-	3,272,971	-
Other post-employment benefits	66,155,013	-	10,328,348	55,826,665	-
Net pension liability (LGRS)	9,720,359	926,459	-	10,646,818	-
Compensated absences	2,171,720	1,544,888	1,461,597	2,255,011	1,691,258
Total governmental activities	<u>\$ 139,040,750</u>	<u>\$ 2,612,096</u>	<u>\$ 17,674,061</u>	<u>\$ 123,978,785</u>	<u>\$ 7,286,954</u>
Business-Type Activities:					
Water Fund					
Direct borrowings installment purchase contracts	\$ 2,034,850	\$ -	\$ 215,613	\$ 1,819,237	\$ 215,333
Direct Placement Limited Obligation Refunding bonds	287,756	-	58,176	229,580	57,848
Premium on long-term debt-LOB's	14,161	-	7,077	7,084	7,077
Other post-employment benefits	121,708	-	19,002	102,706	-
Net pension liability (LGRS)	20,001	789	-	20,790	-
Compensated absences	8,163	15,015	17,546	5,632	4,224
Total Water Fund	<u>\$ 2,486,639</u>	<u>\$ 15,804</u>	<u>\$ 317,414</u>	<u>\$ 2,185,029</u>	<u>\$ 284,482</u>
Sewer Fund					
Direct borrowings installment purchase contracts	\$ 936,218	\$ -	\$ 115,463	\$ 820,755	\$ 114,455
Limited Obligation Refunding bonds	181,385	-	36,673	144,712	36,464
Premium on long-term debt-LOB's	8,924	-	4,462	4,462	4,462
Other post-employment benefits	121,708	-	19,002	102,706	-
Net pension liability (LGRS)	20,001	789	-	20,790	-
Compensated absences	8,163	15,015	17,546	5,632	4,224
Total Sewer Fund	<u>\$ 1,276,399</u>	<u>\$ 15,804</u>	<u>\$ 193,146</u>	<u>\$ 1,099,057</u>	<u>\$ 159,605</u>
Landfill Fund					
Accrued landfill closure and post-closure costs	\$ 8,350,548	\$ -	\$ 2,111,878	\$ 6,238,670	\$ -
Other post-employment benefits	1,217,079	-	190,014	1,027,065	-
Net pension liability (LGRS)	240,009	13,851	-	253,860	-
Compensated absences	33,284	5,044	8,035	30,293	22,720
Total Landfill Fund	<u>\$ 9,840,920</u>	<u>\$ 18,895</u>	<u>\$ 2,309,927</u>	<u>\$ 7,549,888</u>	<u>\$ 22,720</u>
Total Business-Type Activities:					
Direct borrowings installment purchase contracts	\$ 2,971,068	\$ -	\$ 331,076	\$ 2,639,992	\$ 329,788
Limited Obligation Refunding bonds	469,141	-	94,849	374,292	94,312
Premium on long-term debt-LOB's	23,085	-	11,539	11,546	11,539
Accrued landfill closure and post-closure costs	8,350,548	-	2,111,878	6,238,670	-
Other post-employment benefits	1,460,495	-	228,018	1,232,477	-
Net pension liability (LGRS)	280,011	15,429	-	295,440	-
Compensated absences	49,610	35,074	43,127	41,557	31,168
Total business-type activities	<u>\$ 13,603,958</u>	<u>\$ 50,503</u>	<u>\$ 2,820,487</u>	<u>\$ 10,833,974</u>	<u>\$ 466,807</u>

Net pension liability, total liability, and net other postemployment liability for governmental activities are all typically liquidated in the general fund. Compensated absences typically have been liquidated in the General Fund for governmental

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

activities and are accounted for on an FIFO basis, assuming that employees are taking leave time as it is earned.

D. Conduit Debt Obligations

Rockingham County Industrial and Pollution Control Financing Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as by the letters of credit and are payable solely from payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were seven series of industrial revenue bonds outstanding, with an aggregate principal amount payable of approximately \$13,300,000.

III. Interfund Balances and Activity

Transfers to/from Other Funds:

Transfers to/from for the year ended June 30, 2020 are summarized below:

<u>Fund</u>	<u>To</u>	<u>From</u>	<u>Purpose</u>
General Fund	\$ -	\$ 5,848,893	
Debt Service Fund	479,858	-	- General Fund Debt Service for Principal & Interest
Capital Project Fund (Capital Reserve)	4,129,660	-	- Transferred for debt service on RCJC building/Courthouse
Internal Service Funds	13,627	-	- Transferred to cover the replacement of a County vehicles.
Enterprise Funds:			
Water Fund	761,240	-	- Indirect costs, NTE debt payments, and to fund Wateline extension on Gold Hill Road.
Sewer Fund	289,908	-	- Indirect costs and NTE debt payments
Landfill Fund	12,605	6,049	Transferred to replace landfill vehicle and to replenish after less expensive vehicle was purchased
Capital Project Fund	174,600	-	- Preliminary engineering costs
General Fund	1,053,168	-	
Other governmental funds:			
Capital Project Fund (Capital Reserve)	-	600,735	
Internal Service Fund	6,049	12,605	Transferred to replace landfill vehicle and to replenish after less expensive vehicle was purchased
LEO Separation Allowance Fund	-	452,433	To close LEO Separation Allowance Fund to General Fund
Capital Project Fund (Capital Reserve)	-	7,109,000	Debt Service Payments for Principal & Interest
Debt Service Fund	7,109,000	-	Debt Service Payments for Principal & Interest
Total	<u>\$ 14,029,715</u>	<u>\$ 14,029,715</u>	

IV. Related Organization

The Board of County Commissioners is responsible for appointing all the members of the Board of the Rockingham County Industrial Facilities and Pollution Control Financing Authority (the Authority), but the County's accountability for this organization does not extend beyond making these appointments. The Authority exists to aid in the financing of industrial and manufacturing facilities for the purpose of alleviating unemployment and to aid in financing pollution control facilities for industry in connection with manufacturing and industrial facilities.

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

V. Joint Ventures

Rockingham Community College

The County, in conjunction with the State of North Carolina and the Rockingham County Board of Education, participates in a joint venture to operate the Rockingham County Community College. Each of the three participants appoints four members of the 13-member Board of Trustees of the Community College. The president of the Community College's student government serves as an ex-officio non-voting member of the Community College's Board of Trustees. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the Community College operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. Of the last general obligation bond issue for this purpose, no debt was outstanding at year-end. The County has an ongoing financial responsibility for the Community College because of the statutory responsibilities to provide funding for the Community College's facilities.

The County contributed \$2,164,473 to the Community College for operating purposes and \$169,091 for capital related purposes during the fiscal year ended June 30, 2020. In addition, the County contributed \$1,940,000 in local option sales tax that is dedicated to Workforce Development Initiatives. 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 215 Wren Memorial Drive, Wentworth, North Carolina 27375.

Industrial Development Park

The County, in conjunction with the City of Reidsville, is involved with the development of an industrial park with a total cost of \$2,874,600. The project is complete and the County has paid its half of the total project cost in the amount of \$1,437,300; the county does not own title to any assets. The County and the City of Reidsville continue to share, equally, in the maintenance costs of the facility.

VI. Jointly Governed Organization

The County, in conjunction with six other counties and 18 municipalities, established the Piedmont Triad Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$19,215 to the Council during the fiscal year ended June 30, 2020.

VII. Summary Disclosure of Significant Contingencies

Federal and State-Assisted Programs

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

ROCKINGHAM COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

VIX. Subsequent Event

The 2019 novel coronavirus (“COVID-19”) has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the County’s and its customers’ costs, tourism to the County, and the U.S. economy. These conditions could adversely affect the County’s financial conditions. Further, COVID-19 may result in health or other government authorities requiring the The extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time.

On September 9, 2020, the County closed on an installment finance contract that re-financed four of their outstanding loans. The loan amount of \$4,628,000 consisted of a taxable loan of \$1,260,000 and tax-exempt loan of \$3,368,000. The taxable loan received a 12-year term at a fixed rate of 1.62%, and the tax-exempt received a 12-year term at a fixed rate of 1.17%.



REQUIRED SUPPLEMENTAL FINANCIAL DATA

This section contains additional information on the Law Enforcement Officers' Special Separation Allowance, the Other Post-Employment Benefits-Retiree Health Plan, the Local Government Employees' Retirement System, and the Register of Deeds' Supplemental Pension Fund as of June 30, 2020.

ROCKINGHAM COUNTY, NORTH CAROLINA**SCHEDULE OF CHANGES IN TOTAL PENSION LIABILITY
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$3,132,222	\$3,028,549	\$2,748,876	\$2,779,536
Service cost	112,756	123,301	105,704	112,954
Interest on the total pension liability	109,259	92,011	102,115	95,996
Difference between expected and actual experience	93,161	229,089	106,516	-
Changes of assumptions or other inputs	86,795	(107,104)	172,132	(58,440)
Benefit payments	<u>(261,222)</u>	<u>(233,624)</u>	<u>(206,794)</u>	<u>(181,170)</u>
Ending balance of the total pension liability	<u>\$3,272,971</u>	<u>\$3,132,222</u>	<u>\$3,028,549</u>	<u>\$2,748,876</u>

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

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

ROCKINGHAM COUNTY, NORTH CAROLINA**SCHEDULE OF TOTAL PENSION LIABILITY AS A PERCENTAGE OF COVERED PAYROLL
LAW ENFORCEMENT OFFICERS' SPECIAL SEPARATION ALLOWANCE
LAST FOUR FISCAL YEARS**

	2020	2019	2018	2017
Total pension liability	\$3,272,971	\$3,132,222	\$3,028,549	\$2,748,876
Covered payroll	4,727,841	4,709,978	4,544,375	4,828,631
Total pension liability as a percentage of covered payroll	69.23%	66.50%	66.64%	56.93%

Note to the schedules:

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

ROCKINGHAM COUNTY, NORTH CAROLINA

**SCHEDULE OF CHANGES IN THE TOTAL
OPEB LIABILITY AND RELATED RATIOS
REQUIRED SUPPLEMENTARY INFORMATION
LAST THREE FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 1,845,087	\$ 1,957,455	\$ 2,216,064
Interest	2,588,610	2,404,536	2,161,751
Differences between expected and actual experience	(12,833,216)	877,839	871,861
Changes of assumptions	4,302	(4,155,065)	(7,561,009)
Benefit payments	(2,161,149)	(2,007,243)	(1,925,002)
Net change in total OPEB liability	(10,556,366)	(922,478)	(4,236,335)
Total OPEB liability - beginning	67,615,508	68,537,984	72,774,319
Total OPEB liability - ending	\$ 57,059,142	\$ 67,615,506	\$ 68,537,984
 Covered payroll	 19,532,526	 25,683,803	 25,683,803
 Total OPEB liability as a percentage of covered payroll	 292.12%	 263.26%	 266.85%

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>
2018	3.56%
2019	3.89%
2020	3.50%

ROCKINGHAM COUNTY, NORTH CAROLINA

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 LAST SEVEN FISCAL YEARS*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.401%	0.422%	0.427%	0.436%	0.429%	0.426%	0.431%
Proportion of the net pension liability (asset) (\$)	\$ 10,942,258	\$ 10,934,103	\$ 6,516,961	\$ 9,256,989	\$ 1,926,583	\$ (2,512,969)	\$ 5,191,589
Covered payroll during the measurement period	\$ 22,850,178	\$ 22,934,103	\$ 28,575,226	\$ 25,648,248	\$ 25,693,085	\$ 25,154,528	\$ 25,128,539
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll during the measurement period	47.89%	47.68%	22.81%	36.09%	7.50%	-9.99%	20.66%
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 ended June 30.

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

ROCKINGHAM COUNTY, NORTH CAROLINA

LOCAL GOVERNMENT EMPLOYEES' RETIREMENT SYSTEM
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF ROCKINGHAM COUNTY'S CONTRIBUTIONS
 LAST SEVEN FISCAL YEARS

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 2,516,342	\$ 2,226,332	\$ 2,141,004	\$ 2,121,868	\$ 1,741,235	\$ 1,825,286	\$ 1,784,304
Contributions in relation to the contractually required contribution	<u>2,516,342</u>	<u>2,226,332</u>	<u>2,141,004</u>	<u>2,121,868</u>	<u>1,741,235</u>	<u>1,825,286</u>	<u>1,784,304</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll during the measurement period	\$ 27,655,021	\$ 22,850,178	\$ 22,934,103	\$ 28,575,226	\$ 25,648,248	\$ 25,693,085	\$25,154,528
Contributions as a percentage of covered payroll	9.10%	9.74%	9.34%	7.43%	6.79%	7.10%	7.09%

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

ROCKINGHAM COUNTY, NORTH CAROLINA
**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
 LAST SEVEN FISCAL YEARS***

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Proportion of the net pension liability (asset) (%)	0.768%	0.844%	0.808%	0.799%	0.816%	0.807%	0.765%
Proportion of the net pension liability (asset) (\$)	\$ (151,559)	\$ (139,754)	\$ (137,844)	\$ (149,312)	\$ (189,077)	\$ (182,823)	\$ (163,348)
Covered payroll during the measurement period	\$ 73,304	\$ 35,607	\$ 35,607	\$ 68,777	\$ 74,568	\$ 73,632	\$ 71,056
Proportionate share of the net pension liability (asset) as a percentage of its covered payroll during the measurement period	-206.75%	-392.49%	-387.13%	-217.10%	-253.56%	-248.29%	-229.89%
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available

ROCKINGHAM COUNTY, NORTH CAROLINA
**REGISTER OF DEEDS' SUPPLEMENTAL PENSION FUND
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF ROCKINGHAM COUNTY'S CONTRIBUTIONS
 LAST SEVEN FISCAL YEARS**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 7,297	\$ 7,221	\$ 7,220	\$ 2,614	\$ 4,649	\$ 6,529	\$ 6,585
Contributions in relation to the contractually required contribution	<u>7,297</u>	<u>7,221</u>	<u>7,220</u>	<u>2,614</u>	<u>4,649</u>	<u>6,529</u>	<u>6,585</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 68,196	\$ 73,304	\$ 35,607	\$ 35,607	\$ 68,777	\$ 74,568	\$ 73,632
Contributions as a percentage of covered payroll	10.70%	9.85%	20.28%	7.34%	6.76%	8.76%	8.94%

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



NONMAJOR GOVERNMENTAL FUNDS

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 June 30, 2020

	Special Revenue Funds	Capital Project Funds	Total
Assets:			
Cash and cash equivalents	\$ 1,814,054	\$ 3,189,063	\$ 5,003,117
Investments	122,805	-	122,805
Taxes receivable	96,720	-	96,720
Accounts receivable, net	-	1,564,660	1,564,660
Total assets	<u>\$ 2,033,579</u>	<u>\$ 4,753,723</u>	<u>\$ 6,787,302</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:			
Liabilities:			
Accounts payable and accrued liabilities	\$ 137,212	\$ 928,277	\$ 1,065,489
Total liabilities	<u>137,212</u>	<u>928,277</u>	<u>1,065,489</u>
Deferred Inflows of Resources	<u>96,720</u>	<u>-</u>	<u>96,720</u>
Fund Balances:			
Non-spendable, not in spendable form			
Restricted:			
Stabilization by State statute	122,808	1,564,660	1,687,468
Restricted, all other	1,676,839	2,139,245	3,816,084
Committed	-	934,778	934,778
Assigned	-	-	-
Unassigned	-	(813,237)	(813,237)
Total fund balances	<u>1,799,647</u>	<u>3,825,446</u>	<u>5,625,093</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,033,579</u>	<u>\$ 4,753,723</u>	<u>\$ 6,787,302</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Special Revenue Funds	Capital Project Funds	Total
Revenues:			
Ad valorem taxes	\$ 4,385,585	\$ -	\$ 4,385,585
Other taxes and licenses	-	4,091,051	4,091,051
Restricted intergovernmental	2,179,490	2,920,423	5,099,913
Miscellaneous	7,548	-	7,548
Investment earnings	15,002	37,203	52,205
Total revenues	<u>6,587,625</u>	<u>7,048,677</u>	<u>13,636,302</u>
Expenditures:			
Current:			
Public safety	6,452,377	-	6,452,377
Economic and physical development	137,750	1,740,869	1,878,619
Cultural and recreational	18,100	-	18,100
Total expenditures	<u>6,608,227</u>	<u>1,740,869</u>	<u>8,349,096</u>
Revenues over (under) expenditures	<u>(20,602)</u>	<u>5,307,808</u>	<u>5,287,206</u>
Other Financing Sources (Uses):			
Transfers in	-	4,129,660	4,129,660
Transfers out	-	(7,709,735)	(7,709,735)
Total other financing sources (uses)	<u>-</u>	<u>(3,580,075)</u>	<u>(3,580,075)</u>
Net change in fund balances	(20,602)	1,727,733	1,707,131
Fund Balances:			
Beginning of year - July 1	<u>1,820,249</u>	<u>2,097,713</u>	<u>3,917,962</u>
End of year - June 30	<u>\$ 1,799,647</u>	<u>\$ 3,825,446</u>	<u>\$ 5,625,093</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
June 30, 2020

	Fire Districts Fund	Emergency Telephone System Fund	CDBG Grant Fund	Coronavirus Relief Fund	Vera Holland Stoneville Library Fund	Economic Development Projects Fund	Total
Assets:							
Cash and cash equivalents	\$ 858,843	\$ 582,239	\$ 3	\$ -	\$ 365,112	\$ 7,857	\$ 1,814,054
Investments	-	122,805	-	-	-	-	122,805
Taxes receivable	96,720	-	-	-	-	-	96,720
Total assets	<u>\$ 955,563</u>	<u>\$ 705,044</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 365,112</u>	<u>\$ 7,857</u>	<u>\$ 2,033,579</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Accounts payable and accrued liabilities	\$ 57	\$ 137,154	\$ -	\$ -	\$ 1	\$ -	\$ 137,212
Total liabilities	<u>57</u>	<u>137,154</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>137,212</u>
Deferred Inflows of Resources	<u>96,720</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>96,720</u>
Fund Balances:							
Restricted:							
Stabilization by State statute	-	122,805	3	-	-	-	122,808
Restricted, all other	858,786	445,085	-	-	365,111	7,857	1,676,839
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>858,786</u>	<u>567,890</u>	<u>3</u>	<u>-</u>	<u>365,111</u>	<u>7,857</u>	<u>1,799,647</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 955,563</u>	<u>\$ 705,044</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 365,112</u>	<u>\$ 7,857</u>	<u>\$ 2,033,579</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR SPECIAL REVENUE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Fire Districts Fund	Emergency Telephone System Fund	CDBG Grant Fund	Coronavirus Relief Fund	Vera Holland Stoneville Library Fund	Economic Development Projects Fund	Total
Revenues:							
Ad valorem taxes	\$ 4,385,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,385,585
Restricted intergovernmental	-	310,977	137,750	1,730,763	-	-	2,179,490
Miscellaneous	-	-	-	-	7,548	-	7,548
Investment earnings	-	9,287	-	-	5,596	119	15,002
Total revenues	<u>4,385,585</u>	<u>320,264</u>	<u>137,750</u>	<u>1,730,763</u>	<u>13,144</u>	<u>119</u>	<u>6,587,625</u>
Expenditures:							
Current:							
Public safety	4,247,379	474,235	-	1,730,763	-	-	6,452,377
Economic and physical development	-	-	137,750	-	-	-	137,750
Cultural and recreational	-	-	-	-	18,100	-	18,100
Total expenditures	<u>4,247,379</u>	<u>474,235</u>	<u>137,750</u>	<u>1,730,763</u>	<u>18,100</u>	<u>-</u>	<u>6,608,227</u>
Revenues over (under) expenditures	<u>138,206</u>	<u>(153,971)</u>	<u>-</u>	<u>-</u>	<u>(4,956)</u>	<u>119</u>	<u>(20,602)</u>
Net change in fund balances	138,206	(153,971)	-	-	(4,956)	119	(20,602)
Fund Balances:							
Beginning of year - July 1	<u>720,580</u>	<u>721,861</u>	<u>3</u>	<u>-</u>	<u>370,067</u>	<u>7,738</u>	<u>1,820,249</u>
End of year - June 30	<u>\$ 858,786</u>	<u>\$ 567,890</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 365,111</u>	<u>\$ 7,857</u>	<u>\$ 1,799,647</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS

COMBINING BALANCE SHEET

June 30, 2020

	Capital Reserve Fund	Airport Capital Project Fund	Enterprise Resource Planning/ Document Imaging Project Fund	Total
Assets:				
Cash and cash equivalents	\$ 2,837,490	\$ 115,040	\$ 236,533	\$ 3,189,063
Accounts receivable, net	630,316	934,344	-	1,564,660
Total assets	<u>\$ 3,467,806</u>	<u>\$ 1,049,384</u>	<u>\$ 236,533</u>	<u>\$ 4,753,723</u>
Liabilities and Fund Balances:				
Liabilities:				
Accounts payable and accrued liabilities	\$ -	\$ 928,277	\$ -	\$ 928,277
Total liabilities	<u>-</u>	<u>928,277</u>	<u>-</u>	<u>928,277</u>
Fund Balances:				
Restricted:				
Stabilization by State statute	630,316	934,344	-	1,564,660
Restricted, all other	2,139,245	-	-	2,139,245
Committed	698,245	-	236,533	934,778
Unassigned	<u>-</u>	<u>(813,237)</u>	<u>-</u>	<u>(813,237)</u>
Total fund balances	<u>3,467,806</u>	<u>121,107</u>	<u>236,533</u>	<u>3,825,446</u>
Total liabilities and fund balances	<u>\$ 3,467,806</u>	<u>\$ 1,049,384</u>	<u>\$ 236,533</u>	<u>\$ 4,753,723</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

NONMAJOR CAPITAL PROJECT FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Capital Reserve Fund	Airport Capital Project Fund	Enterprise Resource Planning/ Document Imaging Project Fund	Total
Revenues:				
Other taxes and licenses	\$ 4,091,051	\$ -	\$ -	\$ 4,091,051
Restricted intergovernmental	1,111,862	1,808,561	-	2,920,423
Investment earnings	37,203	-	-	37,203
Total revenues	<u>5,240,116</u>	<u>1,808,561</u>	<u>-</u>	<u>7,048,677</u>
Expenditures:				
Current:				
Economic and physical development	-	1,740,869	-	1,740,869
Total expenditures	<u>-</u>	<u>1,740,869</u>	<u>-</u>	<u>1,740,869</u>
Revenues over (under) expenditures	<u>5,240,116</u>	<u>67,692</u>	<u>-</u>	<u>5,307,808</u>
Other Financing Sources (Uses):				
Transfers in	4,129,660	-	-	4,129,660
Transfers out	(7,709,735)	-	-	(7,709,735)
Total other financing sources (uses)	<u>(3,580,075)</u>	<u>-</u>	<u>-</u>	<u>(3,580,075)</u>
Net change in fund balances	1,660,041	67,692	-	1,727,733
Fund Balances:				
Beginning of year - July 1	<u>1,807,765</u>	<u>53,415</u>	<u>236,533</u>	<u>2,097,713</u>
End of year - June 30	<u>\$ 3,467,806</u>	<u>\$ 121,107</u>	<u>\$ 236,533</u>	<u>\$ 3,825,446</u>



THE GENERAL FUND

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

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad Valorem Taxes:				
Taxes	\$ 52,184,019	\$ 53,290,975	\$ 1,106,956	\$ 51,490,962
Penalties and interest	395,000	450,912	55,912	440,665
Total	52,579,019	53,741,887	1,162,868	51,931,627
Other Taxes and Licenses:				
Local option sales tax	12,222,040	12,701,616	479,576	11,527,436
Privilege licenses	4,300	6,218	1,918	3,605
Rental receipts tax	35,000	32,828	(2,172)	36,812
Register of Deeds' excise stamps	194,000	295,402	101,402	225,492
Total	12,455,340	13,036,064	580,724	11,793,345
Unrestricted Intergovernmental:				
Beer and wine	235,000	232,415	(2,585)	232,693
Dog Taxes	30,000	28,739	(1,261)	31,359
Total	265,000	261,154	(3,846)	264,052
Restricted Intergovernmental:				
Federal and State grants	14,052,913	12,594,101	(1,458,812)	14,076,838
Court facility fees	121,000	132,936	11,936	128,784
Other restricted intergovernmental	706,500	662,928	(43,572)	508,569
Total	14,880,413	13,389,965	(1,490,448)	14,714,191
Permits and Fees:				
Inspection fees	377,100	424,518	47,418	391,084
Gun permits	70,000	78,486	8,486	78,005
Register of Deeds' fees	360,000	437,079	77,079	421,984
Animal shelter fees	165,500	145,690	(19,810)	163,568
Total	972,600	1,085,773	113,173	1,054,641

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Sales and Services:				
Jail fees	343,800	413,854	70,054	464,110
Human service fees	1,282,700	1,650,768	368,068	2,205,515
Ambulance fees	4,764,450	4,641,182	(123,268)	4,522,977
Miscellaneous sales and services	416,216	365,476	(50,740)	376,981
Total	6,807,166	7,071,280	264,114	7,569,583
Investment Earnings	386,910	680,966	294,056	638,416
Miscellaneous:				
ABC revenue	11,000	5,687	(5,313)	3,702
Sale of capital assets	-	36,950	36,950	290,407
Commissions	373,397	284,833	(88,564)	361,742
Other	629,735	647,369	17,634	1,318,247
Total	1,014,132	974,839	(39,293)	1,974,098
Total Revenues	89,360,580	90,241,928	881,348	89,939,953
Expenditures:				
General Government:				
Governing Body:				
Salaries and employee benefits	146,419	139,122		150,963
Operating expenses	75,463	64,586		77,818
Capital outlay	2,000	608		2,267
Total	223,882	204,316	19,566	231,048
Administration:				
Salaries and employee benefits	269,342	262,424		267,643
Operating expenses	17,154	10,503		12,190
Total	286,496	272,927	13,569	279,833

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Budget and Performance:				
Salaries and employee benefits	145,630	121,804		126,362
Operating expenses	10,026	4,001		5,460
Total	155,656	125,805	29,851	131,822
Public Information Office:				
Salaries and employee benefits	73,769	74,592		74,158
Operating expenses	63,577	35,075		33,175
Total	137,346	109,667	27,679	107,333
Human Resources:				
Salaries and employee benefits	320,277	296,736		306,253
Operating expenses	66,762	61,486		60,786
Capital outlay	750	-		586
Total	387,789	358,222	29,567	367,625
Finance:				
Salaries and employee benefits	595,903	566,154		540,520
Operating expenses	110,730	53,535		65,702
Capital outlay	17,874	17,736		3,573
Total	724,507	637,425	87,082	609,795
Tax Administration:				
Salaries and employee benefits	1,310,305	1,262,097		1,268,092
Operating expenses	591,668	412,262		377,240
Capital outlay	23,166	23,166		1,602
Total	1,925,139	1,697,525	227,614	1,646,934
Tax Revaluation:				
Operating expenses	46,875	2,100		130,128
Total	46,875	2,100	44,775	130,128

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Legal:				
Salaries and employee benefits	248,211	241,857		251,053
Operating expenses	46,762	17,990		32,107
Total	294,973	259,847	35,126	283,160
Register of Deeds:				
Salaries and employee benefits	432,939	417,108		422,571
Operating expenses	155,547	93,634		109,837
Capital outlay	982	917		5,901
Total	589,468	511,659	77,809	538,309
Information Services:				
Salaries and employee benefits	942,827	858,456		842,192
Operating expenses	1,121,072	773,169		838,085
Capital outlay	436,388	209,097		716,822
Total	2,500,287	1,840,722	659,565	2,397,099
Graphical Information System:				
Salaries and employee benefits	130,303	130,590		135,555
Operating expenses	71,228	68,332		70,005
Capital outlay	-	-		2,482
Total	201,531	198,922	2,609	208,042
Public Buildings:				
Salaries and employee benefits	683,468	679,703		646,243
Operating expenses	586,802	529,583		482,785
Capital outlay	521,933	254,986		133,494
Total	1,792,203	1,464,272	327,931	1,262,522
Court Facilities:				
Operating expenses	450,216	378,458		419,573
Capital outlay	77,335	60,415		19,688
Total	527,551	438,873	88,678	439,261

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Elections:				
Salaries and employee benefits	364,434	320,400		336,816
Operating expenses	150,308	134,181		118,914
Capital outlay	-	-		8,697
Total	514,742	454,581	60,161	464,427
Risk Manager:				
Salaries and employee benefits	87,196	86,428		84,046
Operating expenses	18,895	11,097		11,909
Total	106,091	97,525	8,566	95,955
Non-Departmental Operating Expense	3,019,042	2,015,851	1,003,191	1,876,109
Total General Government	13,433,578	10,690,239	2,743,339	11,114,307
Public Safety:				
Emergency Services Administration:				
Salaries and employee benefits	119,088	119,284		183,001
Operating expenses	65,957	55,027		51,730
Capital outlay	11,833	11,832		40,509
Total	196,878	186,143	10,735	275,240
Emergency Medical Service:				
Salaries and employee benefits	4,931,074	3,837,995		4,215,004
Operating expenses	2,040,091	1,526,215		1,457,087
Capital outlay	442,681	423,960		487,712
Total	7,413,846	5,788,170	1,625,676	6,159,803
Communications:				
Salaries and employee benefits	1,678,159	1,461,398		1,419,026
Operating expenses	209,377	200,569		171,784
Capital outlay	2,856	2,856		-
Total	1,890,392	1,664,823	225,569	1,590,810
Civil Preparedness/Fire Marshall:				
Salaries and employee benefits	304,762	255,179		157,537
Operating expenses	191,341	155,762		116,490
Capital outlay	65,746	43,915		58,324
Total	561,849	454,856	106,993	332,351

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Sheriff:				
Salaries and employee benefits	6,860,163	6,196,443		6,580,019
Operating expenses	1,274,057	1,200,270		1,093,234
Capital outlay	378,803	352,571		527,300
Total	8,513,023	7,749,284	763,739	8,200,553
Jail:				
Salaries and employee benefits	2,649,978	2,110,229		2,500,704
Operating expenses	1,667,109	1,543,343		1,468,782
Capital outlay	9,118	9,117		97,180
Total	4,326,205	3,662,689	663,516	4,066,666
Animal Control:				
Salaries and employee benefits	223,539	221,965		211,562
Operating expenses	28,144	22,893		24,734
Capital outlay	30,591	28,571		-
Total	282,274	273,429	8,845	236,296
Animal Shelter:				
Salaries and employee benefits	326,850	319,133		302,829
Operating expenses	234,367	226,969		237,091
Capital outlay	266,225	187,729		29,145
Total	827,442	733,831	93,611	569,065
Code Enforcement:				
Salaries and employee benefits	126,722	126,926		122,640
Operating expenses	28,949	13,553		17,994
Capital outlay	-	-		1,270
Total	155,671	140,479	15,192	141,904
Inspection/Planning:				
Salaries and employee benefits	457,799	374,026		377,267
Operating expenses	381,754	169,540		90,309
Capital outlay	96,272	9,415		12,257
Total	935,825	552,981	382,844	479,833

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Central Permitting:				
Salaries and employee benefits	182,932	114,912		160,263
Operating expenses	5,972	3,906		4,640
Total	188,904	118,818	70,086	164,903
Other Public Safety:				
Medical examiner	91,000	91,000		90,250
Juvenile detention	177,050	164,209		95,474
Total	268,050	255,209	12,841	185,724
Total Public Safety	25,560,359	21,580,712	3,979,647	22,403,148
Economic and Physical Development:				
Economic Development:				
Other	1,773,615	986,720		754,360
Total	1,773,615	986,720	786,895	754,360
Partnership for Economic Development:				
Salaries and employee benefits	481,251	419,367		436,860
Operating expenses	155,628	91,071		121,228
Total	636,879	510,438	126,441	558,088
Airport Authority:				
Operating expenses	70,000	70,000		70,000
Capital outlay	16,667	16,667		167,765
Total	86,667	86,667	-	237,765
Soil Conservation:				
Salaries and employee benefits	178,414	179,402		147,451
Operating expenses	24,406	22,997		23,449
Capital outlay	-	-		7,725
Total	202,820	202,399	421	178,625
Cooperative Extension:				
Salaries and employee benefits	253,306	239,459		231,916
Operating expenses	109,617	40,085		47,063
Total	362,923	279,544	83,379	278,979
4-H Grant:				
Operating expenses	20,000	15,947		15,111
Capital outlay	1,500	1,300		-
Total	21,500	17,247	4,253	15,111

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Economic Development - Other:				
Operating expenses	208,750	7,517		9,467
Total	208,750	7,517	201,233	9,467
Total Economic and Physical Development	3,293,154	2,090,532	1,202,622	2,032,395
Human Services:				
Consolidated Health and Human Services:				
Salaries and employee benefits	246,310	232,182		224,670
Operating expenses	78,254	48,831		56,463
Capital outlay	106,957	66,162		21,551
Total	431,521	347,175	84,346	302,684
Public Health:				
Salaries and employee benefits	4,750,625	4,367,677		4,372,546
Operating expenses	1,346,114	1,134,609		916,647
Capital outlay	61,662	40,412		73,638
Total	6,158,401	5,542,698	615,703	5,362,831
Mental Health:				
Operating expenses	410,241	339,450		-
Total	410,241	339,450	70,791	-
Social Services:				
Salaries and employee benefits	9,353,641	8,869,893		8,232,402
Operating expenses	6,327,763	4,215,034		3,862,503
Capital outlay	304,704	258,053		170,857
Total	15,986,108	13,342,980	2,643,128	12,265,762
Veterans Service Officer:				
Salaries and employee benefits	68,155	68,603		66,360
Operating expenses	4,226	2,580		2,338
Total	72,381	71,183	1,198	68,698

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Council On Aging:				
Operating expenses	1,119,463	1,105,998	13,465	1,097,136
Youth Services:				
Salaries and employee benefits	695,668	679,322		634,224
Operating expenses	121,755	111,558		102,321
Capital outlay	7,020	7,019		17,274
Total	824,443	797,899	26,544	753,819
Other Agencies:				
Centerpoint LME	-	-		331,800
Project Help	36,900	36,900		36,900
Sentencing alternatives	15,750	15,750		15,750
Other	13,545	13,545		13,545
Total	66,195	66,195	-	397,995
More At Four:				
Salaries and employee benefits	10,400	10,400		-
Operating expenses	226,189	226,189		-
Capital outlay	-	-		49,830
Total	236,589	236,589	-	49,830
Total Head Start	236,589	236,589	-	1,800,671
Total Human Services	25,305,342	21,850,167	3,455,175	22,049,596
Cultural and Recreational:				
Libraries:				
Salaries and employee benefits	1,422,373	1,354,794		1,360,833
Operating expenses	555,124	497,877		526,400
Capital outlay	109,219	46,034		24,066
Total	2,086,716	1,898,705	188,011	1,911,299

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Other:				
Arts Council	8,000	8,000		8,000
Fine Arts	114,320	83,626		84,393
Total	122,320	91,626	30,694	92,393
Total Cultural and Recreational	2,209,036	1,990,331	218,705	2,003,692
Education:				
Public Schools:				
Current expense	15,834,840	15,834,840	-	15,834,840
Capital outlay	3,882,712	2,311,233	1,571,479	1,509,238
Community college:				
Current expense	4,104,473	4,104,473	-	3,504,889
Capital outlay	169,091	169,091	-	169,091
Total Education	23,991,116	22,419,637	1,571,479	21,018,058
Contingency	216,126	-	216,126	-
Total Expenditures	94,008,711	80,621,618	13,387,093	80,621,196
Revenues over (under) expenditures	(4,648,131)	9,620,310	14,268,441	9,318,757

ROCKINGHAM COUNTY, NORTH CAROLINA

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Transfers to Other Funds:				
Special revenue funds	(466,061)	(466,060)	1	(598,695)
Capital project funds	(4,304,260)	(4,304,260)	-	(3,668,798)
Enterprise funds	(1,051,148)	(1,051,148)	-	(881,714)
Debt Service Fund	(479,858)	(479,858)	-	(635,031)
Transfers from other funds:				
Special revenue funds	452,434	452,433	1	514,260
Capital project funds	2,000,187	600,735	1,399,452	1,163,629
Appropriated fund balance	<u>8,496,837</u>	<u>-</u>	<u>(8,496,837)</u>	<u>-</u>
Total other financing sources (uses)	<u>4,648,131</u>	<u>(5,248,158)</u>	<u>(9,896,289)</u>	<u>(4,106,349)</u>
Net change in fund balance	<u>\$ -</u>	<u>4,372,152</u>	<u>\$ 4,372,152</u>	<u>5,212,408</u>
Fund Balance:				
Beginning of year - July 1		<u>37,263,616</u>		<u>32,051,208</u>
End of year - June 30		<u>\$ 41,635,768</u>		<u>\$ 37,263,616</u>



ROCKINGHAM COUNTY, NORTH CAROLINA

PUBLIC HEALTH PROGRAM
(AN INTEGRAL PART OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
State, Federal and Other Grants				
State Aid to County	\$ 116,040	\$ 93,148	\$ (22,892)	\$ 136,574
AIDS Control	500	600	100	600
Tuberculosis	15,953	12,501	(3,452)	14,010
Communicable Disease	4,098	4,098	-	6,167
Health Promotion	35,417	64,819	29,402	40,086
CBCCCP	47,445	32,260	(15,185)	37,725
Child Health	22,532	31,846	9,314	55,543
Women's Preventative Health	232,764	235,238	2,474	206,689
Woment, Infants, Children (Nutritional)	396,396	409,647	13,251	436,902
Maternal Health	10,552	10,134	(418)	9,999
Child Service Coordinator	43,303	43,303	-	43,303
Immunization Action Plan	28,312	24,013	(4,299)	31,413
Environmental Health	16,529	16,405	(124)	16,538
Food and Lodging Grant	24,099	24,099	-	42,164
Congregation RN Program	500	-	(500)	500
Preparedness Grant	38,082	38,082	-	29,269
School Nurse Grant (SNFI)	200,000	200,000	-	200,000
Care Coordination for Children	184,840	173,914	(10,926)	191,511
Pregnancy Care Management	245,168	231,568	(13,600)	251,487
Medication Assistance Program Grant	27,404	26,149	(1,255)	27,121
Dental Grant	-	22,100	22,100	3,400
Prescription Assistance Program	10,000	-	(10,000)	-
Family Planning Donation	-	172	172	-
STD Drugs	2,389	759	(1,630)	376
Total	<u>1,702,323</u>	<u>1,694,855</u>	<u>(7,468)</u>	<u>1,781,377</u>
Health Department Fees				
Clinic Fees	751,500	952,153	200,653	1,371,100
Dental Clinic fees	335,000	458,311	123,311	609,541
Environmental Health Fees	165,050	224,145	59,095	187,985
Miscellaneous Reimbursement	8,000	2,996	(5,004)	16,238
Total	<u>1,259,550</u>	<u>1,637,605</u>	<u>378,055</u>	<u>2,184,864</u>
Total Revenues	<u>2,961,873</u>	<u>3,332,460</u>	<u>370,587</u>	<u>3,966,241</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

PUBLIC HEALTH PROGRAM
(AN INTEGRAL PART OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020		2019
	Final Budget	Actual	Variance Over/Under
			Actual
Expenditures			
General		4,517,575	875,999
Health Promotion		9,971	549,319
Communicable Disease		3,769	223,302
AIDS Control		-	166,740
CBCCCP		20,936	96,736
Woment, Infants, Children (Nutritional)		9,438	564,018
Pregnancy Care Management		93,296	249,083
Maternal Health		-	20,667
Minority Diabetes Prevention Program		10,308	19,187
Child Health		215,875	526,814
Care Coordination for Children		72,081	207,148
Young Family Connect		-	
Family Planning		63,848	526,810
Immunization Action Plan		600	84,458
Environmental Health		85,626	473,445
Dental Clinic		362,119	343,647
Food & Lodging		-	288,164
Prescription Assistance		46,196	144,060
Medication Assistance Program Grant		31,060	3,234
Total Expenditures	<u>6,158,401</u>	<u>5,542,698</u>	<u>615,703</u>
Revenues over (under) expenditures	(3,196,528)	(2,210,238)	986,290
			(1,396,590)
Other Financing Sources (Uses)			
Intra-fund transfer in - General Fund	<u>3,196,528</u>	<u>2,210,238</u>	<u>(986,290)</u>
			<u>1,396,590</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

SOCIAL SERVICES PROGRAM
(AN INTEGRAL PART OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
State, Federal and Other Grants				
Administration	\$ 6,316,586	\$ 7,237,688	\$ 921,102	\$ 7,191,349
Medicaid Transportation	92,192	72,159	(20,033)	77,687
Administration Aid/Indirect Cost	1,002,081	-	(1,002,081)	-
Fraud	11,153	20,743	9,590	28,606
Independent Living Links	26,305	11,194	(15,111)	23,626
Child Daycare	50,000	-	(50,000)	-
IV-B & IV-E Adoption	77,354	92,791	15,437	74,532
Child Protective Services	339,618	-	(339,618)	-
Adult Day Care	14,399	-	(14,399)	-
Energy Assistance	69,759	-	(69,759)	-
Child Care IV-E	497,652	797,739	300,087	699,448
IV-D Incentive	66,474	195,586	129,112	116,167
Crisis Intervention	424,755	-	(424,755)	-
Child Care - State Foster	279,572	142,072	(137,500)	148,529
Special Children Adoption Grant	-	72,247	72,247	108,880
Share the Warmth	3,273	-	(3,273)	-
Miscellaneous	12,053	1,400	(10,653)	1,400
Low Income Home Energy Assistance	449,516	-	(449,516)	-
Total	<u>9,732,742</u>	<u>8,643,619</u>	<u>(1,089,123)</u>	<u>8,470,224</u>
Social Service Fees				
Health Choice	22,200	12,963	(9,237)	19,500
Health Cov Workers W/ Disabilities	450	200	(250)	650
Total	<u>22,650</u>	<u>13,163</u>	<u>(9,487)</u>	<u>20,150</u>
Total Revenues	<u>9,755,392</u>	<u>8,656,782</u>	<u>(1,098,610)</u>	<u>8,490,374</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

SOCIAL SERVICES PROGRAM
(AN INTEGRAL PART OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020		2019
	Final Budget	Actual	Variance Over/Under
			Actual
Expenditures:			
Administration:			
Personnel services		8,869,893	8,232,402
Operating expenses		834,707	747,030
Capital outlay		258,053	170,857
Total	10,912,245	9,962,653	949,592
Public Assistance:			
Medicaid - local portion		12,439	13,702
Medicaid Transportation		77,951	73,731
Contracts/Grants - local portion		3,289,937	3,028,040
Total	5,073,863	3,380,327	1,693,536
Total Expenditures	15,986,108	13,342,980	2,643,128
Revenues over (under) expenditures	(6,230,716)	(4,686,198)	1,544,518
Other Financing Sources (Uses)			
Intra-fund transfer in - General Fund	6,230,716	4,686,198	(1,544,518)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -

ROCKINGHAM COUNTY, NORTH CAROLINA

YOUTH INVOLVEMENT PROGRAM
(AN INTEGRAL PART OF THE GENERAL FUND)
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
DJJD Grant	\$ 288,806	\$ 288,806	\$ -	\$ 281,225
Alternatives to Commitment Expansion Grant	94,668	82,768	(11,900)	94,864
Program fees/reimbursements	-	48	48	105
Total	383,474	371,622	(11,852)	376,194
Expenditures:				
Youth Involvement Program:				
Salaries and employee benefits	594,460	584,766	9,694	545,718
Operating expenses	57,674	54,476	3,198	33,400
Capital outlay	5,764	5,763	1	17,274
Total	657,898	645,005	12,893	596,392
Alternative to Commitment Expansion				
Salaries and employee benefits	39,306	33,099	6,207	36,697
Operating expenses	55,840	50,148	5,692	58,167
Total	95,146	83,247	11,899	94,864
SA Prevention LME				
Salaries and employee benefits	47,444	47,351	93	51,809
Operating expenses	4,854	4,854	-	10,754
Total	52,298	52,205	93	62,563
YS - Transitions				
Salaries and employee benefits	14,458	14,106	352	-
Operating expenses	3,387	2,080	1,307	-
Capital Outlay	1,256	1,256	-	-
Total	19,101	17,442	1,659	-
Total Expenditures	824,443	797,899	26,544	753,819
Revenues over (under) expenditures	(440,969)	(426,277)	14,692	(377,625)

ROCKINGHAM COUNTY, NORTH CAROLINA

YOUTH INVOLVEMENT PROGRAM
 (AN INTEGRAL PART OF THE GENERAL FUND)
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Other Financing Sources (Uses)				
Intra-fund transfer in - General Fund	440,969	426,277	(14,692)	377,625
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ -



SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Fire Districts - This fund accounts for the ad valorem tax-levies of the seventeen fire districts in Rockingham County.

Emergency Telephone System - This fund accounts for the telephone surcharges to be used for the emergency telephone system.

CDBG Grant - This fund accounts for the activities related to CDBG grants.

Coronavirus Relief- This fund accounts for the activities related federal and state aid received in response to the COVID-19 pandemic.

Vera Holland Stoneville Library - This fund accounts for the monies donated by Vera Holland to the Stoneville Library for maintenance of the facility.

Economic Development Projects - This fund accounts for the activities related to economic development paid for via various grants.

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - FIRE DISTRICTS

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FSICAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Ad valorem taxes	\$ 4,252,860	\$ 4,385,585	\$ 132,725	\$ 4,259,925
Total revenues	4,252,860	4,385,585	132,725	4,259,925
Expenditures:				
Public Safety:				
Fire Districts:				
Wentworth	356,007	355,094	913	351,767
Stokesdale	235,223	234,567	656	229,950
Bethany	395,265	394,454	811	410,789
Northwest	146,677	146,636	41	143,836
Huntsville	360,784	360,163	621	356,485
Oregon Hill	214,316	214,145	171	208,697
Shiloh	276,269	276,179	90	279,141
Monroeton	353,067	352,632	435	357,054
Williamsburg	300,730	300,525	205	310,941
Summerfield	104,845	104,492	353	103,822
Yanceyville Road	160,253	160,136	117	159,243
Stoneyview	147,846	147,764	82	155,586
Casville	17,410	17,381	29	16,892
Jacobs Creek	119,419	118,942	477	120,132
Madison-Mayodan	191,176	191,000	176	179,216
Stokes-Rockingham	11,148	11,127	21	11,490
Ruffin	162,507	162,384	123	156,288
Draper	337,998	337,981	17	344,277
Leaksville	355,577	355,436	141	359,199
Pelham	6,343	6,341	2	7,266
Total public safety expenditures	4,252,860	4,247,379	5,481	4,262,071
Net change in fund balance	\$ -	138,206	\$ 138,206	(2,146)
Fund Balance:				
Beginning of year - July 1		720,580		722,726
End of year - June 30		\$ 858,786		\$ 720,580

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - EMERGENCY TELEPHONE SYSTEM

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Restricted Intergovernmental:				
911 funds	\$ 313,581	\$ 310,977	\$ (2,604)	\$ 236,759
Investment earnings	-	9,287	9,287	12,762
Total revenues	313,581	320,264	6,683	249,521
Expenditures:				
Public safety	656,627	474,235	182,392	424,630
Revenues over (under) expenditures	(343,046)	(153,971)	189,075	(175,109)
Other Financing Sources (Uses):				
Appropriated fund balance	343,046	-	(343,046)	-
Total other financing sources (uses)	343,046	-	(343,046)	-
Net change in fund balance	\$ -	(153,971)	\$ (153,971)	(175,109)
Fund Balance:				
Beginning of year - July 1		721,861		896,970
End of year - June 30		\$ 567,890		\$ 721,861

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - CDBG GRANT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		<u>Actual</u>		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Grants:				
CDBG Grants	\$ 1,540,000	\$ 1,115,222	\$ 137,750	\$ 1,252,972
Miscellaneous	<u>-</u>	<u>3</u>	<u>-</u>	<u>3</u>
Total revenues	<u>1,540,000</u>	<u>1,115,225</u>	<u>137,750</u>	<u>1,252,975</u>
Expenditures:				
Economic development	<u>1,540,000</u>	<u>1,115,222</u>	<u>137,750</u>	<u>1,252,972</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 3</u>	-	<u>\$ 3</u>
Fund Balance:				
Beginning of year - July 1			<u>3</u>	
End of year - June 30			<u>\$ 3</u>	

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - CORONAVIRUS RELIEF FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
COVID-19 NC Allocation	\$ 1,730,763	\$ 1,730,763	\$ -	\$ -
Expenditures:				
Public Safety	1,730,763	1,730,763	-	-
Total expenditures	1,730,763	1,730,763	-	-
Net change in fund balance	\$ -	\$ -	-	\$ -
Fund Balance:				
Beginning of year - July 1		-		-
End of year - June 30		\$ -		\$ -

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - VERA HOLLAND STONEVILLE LIBRARY

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

8WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Miscellaneous income	\$ 17,200	\$ 7,548	\$ (9,652)	\$ 16,637
Investment earnings	5,300	5,596	296	6,144
Total revenues	<u>22,500</u>	<u>13,144</u>	<u>(9,356)</u>	<u>22,781</u>
Expenditures:				
Cultural and recreational	<u>27,962</u>	<u>18,100</u>	<u>9,862</u>	<u>9,249</u>
Revenues over (under) expenditures	(5,462)	(4,956)	506	13,532
Other Financing Sources (Uses):				
Appropriated fund balance	<u>5,462</u>	<u>-</u>	<u>(5,462)</u>	<u>-</u>
Total other financing sources (uses)	<u>5,462</u>	<u>-</u>	<u>(5,462)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>(4,956)</u>	<u>\$ (4,956)</u>	13,532
Fund Balance:				
Beginning of year - July 1		<u>370,067</u>		<u>356,535</u>
End of year - June 30		<u>\$ 365,111</u>		<u>\$ 370,067</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

SPECIAL REVENUE FUND - ECONOMIC DEVELOPMENT PROJECTS SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Actual		
	Project	Prior	Current	
	Authorization	Years	Year	Total to Date
Revenues:				
Golden Leaf grant	\$ -	\$ 596,480	\$ -	\$ 596,480
NC Commerce grants	-	1,265,000	-	1,265,000
Golden Leaf revolving loan payment	-	372,122	-	372,122
Lease revenue	-	596,480	-	596,480
Investment earnings	-	17,808	119	17,927
Total revenues	-	2,847,890	119	2,848,009
Expenditures:				
Economic and physical development	-	2,911,480	-	2,911,480
Revenues over (under) expenditures	-	(63,590)	119	(63,471)
Other Financing Sources (Uses):				
Transfer from General Fund	-	443,450	-	443,450
Total other financing sources (uses)	-	443,450	-	443,450
Net change in fund balance	\$ -	\$ 379,860	119	\$ 379,979
Fund Balance:				
Beginning of year - July 1			7,738	
End of year - June 30			\$ 7,857	



DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

ROCKINGHAM COUNTY, NORTH CAROLINA

MAJOR FUND - DEBT SERVICE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Investment earnings	\$ -	\$ 3,593	\$ 3,593	\$ 2,753
Miscellaneous income-rebates	143,512	143,971	459	162,515
Total revenues	143,512	147,564	4,052	165,268
Debt Service:				
Principal retirement	5,499,913	5,499,909	4	5,847,692
Interest and fees	2,232,457	2,231,257	1,200	2,444,760
Total expenditures	7,732,370	7,731,166	1,204	8,292,452
Revenues over (under) expenditures	(7,588,858)	(7,583,602)	5,256	(8,127,184)
Other Financing Sources (Uses):				
Transfers In:				
From General Fund	479,858	479,858	-	635,031
From Capital Reserve Fund	7,109,000	7,109,000	-	7,501,949
Total other financing sources (uses)	7,588,858	7,588,858	-	8,136,980
Net change in fund balance	\$ -	5,256	\$ 5,256	9,796
Fund Balance:				
Beginning of year - July 1		75,835		66,039
End of year - June 30		\$ 81,091		\$ 75,835



CAPITAL PROJECTS FUNDS

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

Capital Reserve Capital Project Fund - This fund was established in accordance with North Carolina law to account for the accumulation of resources to be used for major capital purchases. These resources are transferred to the other Capital Projects Fund when needed.

Airport Capital Projects Fund - This fund is used to account for the construction of a runway and taxi-way improvements at the local airport.

Enterprise Resource Planning/Document Imaging Project Fund - This fund is used to account for the purchase of new document imaging equipment.

ROCKINGHAM COUNTY, NORTH CAROLINA

CAPITAL RESERVE CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

IN FUND BALANCE - BUDGET AND ACTUAL

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
Local option sales tax	\$ 4,073,870	\$ 4,091,051	\$ 17,181	\$ 4,034,825
Restricted intergovernmental	1,100,000	1,111,862	11,862	1,463,533
Investment earnings	-	37,203	37,203	22,430
Total revenues	<u>5,173,870</u>	<u>5,240,116</u>	<u>66,246</u>	<u>5,520,788</u>
Other Financing Sources (Uses):				
Transfers In:				
General Fund	4,129,660	4,129,660	-	3,525,348
Transfers Out:				
Debt Service Fund	(9,109,187)	(7,709,735)	1,399,452	(8,128,662)
Appropriated fund balance	<u>(194,343)</u>	<u>-</u>	<u>194,343</u>	<u>-</u>
Total other financing sources (uses)	<u>(5,173,870)</u>	<u>(3,580,075)</u>	<u>1,593,795</u>	<u>(4,603,314)</u>
Net change in fund balance	<u>\$ -</u>	<u>1,660,041</u>	<u>\$ 1,660,041</u>	<u>917,474</u>
Fund Balance:				
Beginning of year - July 1		<u>1,807,765</u>		<u>890,291</u>
End of year - June 30		<u>\$ 3,467,806</u>		<u>\$ 1,807,765</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

AIRPORT CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

		Actual			
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Closed out Project</u>	<u>Total to Date</u>
Revenues:					
Federal grants	\$ 397,424	\$ 322,150	\$ 346,322	\$ 331,039	\$ 337,433
State grants	5,441,455	4,878,396	1,436,188	1,181,747	5,132,837
Local match	151,096	397,833	16,669	168,269	246,233
Miscellaneous	<u>-</u>	<u>49,887</u>	<u>9,382</u>	<u>4,329</u>	<u>54,940</u>
Total revenues	<u>5,989,975</u>	<u>5,648,266</u>	<u>1,808,561</u>	<u>1,685,384</u>	<u>5,771,443</u>
Expenditures:					
Capital outlay - economic development	<u>5,989,975</u>	<u>5,594,851</u>	<u>1,740,869</u>	<u>1,685,384</u>	<u>5,650,336</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 53,415</u>	<u>\$ 67,692</u>	<u>\$ -</u>	<u>\$ 121,107</u>
Fund Balance:					
Beginning of year - July 1			<u>53,415</u>		
End of year - June 30			<u>\$ 121,107</u>		

ROCKINGHAM COUNTY, NORTH CAROLINA

**ENTERPRISE RESOURCE PLANNING & DOCUMENT IMAGING PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

		Actual		
	<u>Project Authorization</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Expenditures:				
General government	\$ 988,000	\$ 751,467	\$ -	\$ 751,467
Other Financing Sources (Uses):				
Transfers In:				
General Fund	988,000	988,000	-	988,000
Net change in fund balance	\$ -	\$ 236,533	-	\$ 236,533
Fund Balance:				
Beginning of year - July 1			236,533	
End of year - June 30			\$ 236,533	



ENTERPRISE FUNDS

The 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.

Water Fund - This fund is used to account for the operation of the County's water line system.

Sewer Fund - This fund is used to account for the operation of the County's sewer collection system and contracted sewer treatment services.

Regional Water System Project - This fund is used to account for the Regional Water System project.

Water and Wastewater Infrastructure Project - This fund is used to account for the Water Fund and Sewer Fund capital projects.

South Rockingham Corporate Park Water & Wastewater Capital Project - This fund is used to account for the South Rockingham Corporate Park Water and Wastewater Fund capital projects.

Landfill Fund - This fund is used to account for the operations of the County's solid waste activities.

Landfill Expansion Project Fund - This fund is used to account for the construction of new landfill cells for future solid waste disposal sites.

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (MODIFIED ACCRUAL)

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Water usage fees	\$ 440,000	\$ 488,248	\$ 48,248	\$ 463,611
Water connection fees	22,000	62,050	40,050	16,600
Other operating revenues	-	1,287	1,287	21,770
Total revenues	462,000	551,585	89,585	501,981
Operating Expenditures:				
Water Administration:				
Administrative expenditures	-	-	-	5,000
Water Operations:				
Personnel	75,276	66,520	8,756	79,870
Professional expenditures	18,937	14,461	4,476	11,145
Supplies	11,200	6,074	5,126	7,562
Repairs and maintenance	107,537	106,389	1,148	105,526
Other operating expenditures	187,967	152,999	34,968	160,391
Total	400,917	346,443	54,474	364,494
Debt Service:				
Interest and fees	74,375	74,344	31	83,220
Debt principal	273,789	273,789	-	274,397
Total	348,164	348,133	31	357,617
Capital Outlay	609,621	29,320	580,301	48,118
Total expenditures	1,358,702	723,896	634,806	775,229
Revenues over (under) expenditures	(896,702)	(172,311)	724,391	(273,248)

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - WATER

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (MODIFIED ACCRUAL)

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Other Financing Sources (Uses):				
Transfers In:				
General Fund	761,240	761,240	-	416,818
Appropriated fund balance	135,462	-	(135,462)	-
Total other financing sources (uses)	896,702	761,240	(135,462)	416,818

Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 588,929	\$ 588,929	\$ 143,570
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Reconciliation from Modified Accrual to Full Accrual Basis:

Revenues and other financing sources over (under) expenditures and other financing uses	\$ 588,929	\$ 143,570
Reconciling items:		
Earnings - Enterprise Fund:		
Infrastructure Project	2,738	16
Expense allocation	(68,644)	-
Depreciation	(322,741)	(256,434)
Increase (decrease) deferred outflows	(4,778)	7,245
(Increase) decrease in net pension liability	(789)	(7,619)
(Increase) decrease deferred inflows	(10,319)	(3,035)
Decrease in debt principal	273,789	274,397
Capital outlay	29,320	48,118
(Increase) decrease in other post- employment benefits liability	19,002	15,343
Amortization of debt premium	7,077	7,077
(Increase) decrease in accrued interest payable	1,162	1,228
(Increase) decrease in accrued vacation	2,532	(764)
Change in net position	\$ 517,278	\$ 229,142
Change in net position:	\$ 517,278	
Regional Water System Fund	273,800	
	\$ 791,078	

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SEWER
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (MODIFIED ACCRUAL)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Sewer usage fees	\$ 520,000	\$ 604,966	\$ 84,966	\$ 588,583
Sewer connection fees	6,000	-	(6,000)	2,000
Other operating revenues	-	2,500	2,500	4,943
Total revenues	<u>526,000</u>	<u>607,466</u>	<u>81,466</u>	<u>595,526</u>
Expenditures:				
Sewer Administration:				
Administrative expenditures	-	-	-	5,000
Sewer Operations:				
Personnel expenses	75,276	74,656	620	80,308
Professional expenditures	18,500	14,025	4,475	11,145
Supplies	13,064	6,941	6,123	7,325
Repairs and maintenance	134,426	119,182	15,244	48,281
Other operating expenditures	317,416	325,750	(8,334)	311,304
Total	<u>558,682</u>	<u>540,554</u>	<u>18,128</u>	<u>458,363</u>
Debt Service:				
Interest and fees	33,715	33,695	20	43,430
Debt principal	152,135	152,135	-	341,580
Total	<u>185,850</u>	<u>185,830</u>	<u>20</u>	<u>385,010</u>
Capital Outlay	<u>173,664</u>	<u>120,745</u>	<u>52,919</u>	<u>17,753</u>
Total expenditures	<u>918,196</u>	<u>847,129</u>	<u>71,067</u>	<u>866,126</u>
Revenues over (under) expenditures	<u>(392,196)</u>	<u>(239,663)</u>	<u>152,533</u>	<u>(270,600)</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - SEWER
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (MODIFIED ACCRUAL)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	<u>2020</u>			<u>2019</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance Over/Under</u>	<u>Actual</u>
Other Financing Sources (Uses):				
Transfer In:				
General Fund	289,908	289,908	-	464,896
Transfer Out:				
Water Fund	-	-	-	-
Appropriated fund balance	102,288	-	(102,288)	-
Total other financing sources (uses)	<u>392,196</u>	<u>289,908</u>	<u>(102,288)</u>	<u>464,896</u>
Revenues and other financing sources over (under) expenditures and other financing uses	<u>\$ -</u>	<u>\$ 50,245</u>	<u>\$ 50,245</u>	<u>\$ 194,296</u>
Reconciliation from Modified Accrual to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses financing uses		\$ 50,245		\$ 194,296
Reconciling items:				
Earnings - Enterprise Fund				
Infrastructure Project		772		5
Corporate Project Fund		6		-
Expense allocation		67,879		-
Transfer from General Fund - Enterprise Fund:				
Corporate Project Fund		174,600		-
Depreciation		(258,176)		(249,432)
Increase (decrease) deferred outflows - pension		(4,778)		7,245
(Increase) decrease in net pension liability		(789)		(7,619)
(Increase) decrease deferred inflows - pension		(10,319)		(3,035)
Decrease in debt principal		152,135		341,580
Capital outlay		120,745		17,753
Capital outlay paid out of general fund		36,500		-
(Increase) decrease in other post- employment benefits liability		19,002		15,343
(Increase) decrease in accrued interest payable		667		1,527
Amortization of debt premium		4,462		4,462
(Increase) decrease in accrued vacation		<u>2,531</u>		<u>(763)</u>
Change in net position		<u>\$ 355,482</u>		<u>\$ 321,362</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECTS FUND
 REGIONAL WATER SYSTEM PROJECT
 SCHEDULE OF REVENUES AND EXPENDITURES
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Government grants	\$ 10,911,736	\$ 5,455,868	\$ 178,726	\$ 5,634,594
Operating revenue	-	49,969	50,456	100,425
Investment earnings	-	91,340	44,618	135,958
Total revenues	<u>10,911,736</u>	<u>5,597,177</u>	<u>273,800</u>	<u>5,870,977</u>
Expenditures:				
Capital Outlay	<u>10,911,736</u>	<u>2,496,443</u>	<u>3,138,150</u>	<u>5,634,593</u>
Total expenditures	<u>10,911,736</u>	<u>2,496,443</u>	<u>3,138,150</u>	<u>5,634,593</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 3,100,734</u>	(2,864,350)	<u>\$ 236,384</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis				
Capital Outlay			<u>3,138,150</u>	
Change in net position			<u><u>\$ 273,800</u></u>	

ROCKINGHAM COUNTY, NORTH CAROLINA

WATER AND SEWER CAPITAL PROJECTS FUND
 WATER AND WASTEWATER INFRASTRUCTURE PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES -
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Investment earnings	\$ -	\$ 27	\$ 70	\$ 97
Other	-	-	3,440	3,440
Total revenues	-	27	3,510	3,537
Expenditures:				
Land and easements	96,635	-	-	-
Professional services	1,306,645	1,236,106	13,440	1,249,546
Costs of issuance	48,720	48,736	-	48,736
Total expenditures	1,452,000	1,284,842	13,440	1,298,282
Revenues over (under) expenditures	(1,452,000)	(1,284,815)	(9,930)	(1,294,745)
Other Financing Sources (Uses) :				
Long-term debt issued	1,452,000	1,452,000	-	1,452,000
Total other financing sources (uses)	1,452,000	1,452,000	-	1,452,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 167,185	\$ (9,930)	\$ 157,255

ROCKINGHAM COUNTY, NORTH CAROLINA

WATER AND WASTEWATER CAPITAL PROJECTS FUND
 WATER AND WASTEWATER SOUTH ROCKINGHAM CORPORATE PARK PROJECT
 SCHEDULE OF REVENUES, EXPENDITURES -
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Project Authorization	Actual Prior Years	Current Year	Total to Date
Revenues:				
Investment earnings	\$ -	\$ -	\$ 6	\$ 6
Total revenues	-	-	6	6
Expenditures:				
Engineering and Construction	174,600	-	165,100	165,100
Total expenditures	174,600	-	165,100	165,100
Revenues over (under) expenditures	(174,600)	-	(165,094)	(165,094)
Other Financing Sources (Uses) :				
Transfers from General Fund	174,600	-	174,600	174,600
Total other financing sources (uses)	174,600	-	174,600	174,600
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ 9,506	\$ 9,506

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - LANDFILL

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (MODIFIED ACCRUAL)

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Revenues:				
Operating Revenues:				
Solid waste charges	\$ 3,813,401	\$ 3,974,315	\$ 160,914	\$ 4,000,000
Tire and appliance tax	115,036	170,613	55,577	135,617
Recycling	23,699	40,639	16,940	20,416
Other	66,471	74,606	8,135	192,217
Total operating revenues	4,018,607	4,260,173	241,566	4,348,250
Non-Operating Revenues:				
Grant	8,250	7,805	(445)	9,013
Gain (loss) on disposal of capital assets	-	-	-	310
Investment earnings	185,000	184,441	(559)	243,238
Miscellaneous	-	-	-	-
Total non-operating revenues	193,250	192,246	(1,004)	252,561
Total revenues	4,211,857	4,452,419	240,562	4,600,811
Expenditures:				
Landfill Administration:				
Administrative	280,290	280,290	-	255,508
Landfill Operations:				
Personnel expenses	910,498	894,472	16,026	897,787
Operating expenses	1,294,434	949,570	344,864	764,894
Professional expenses	451,095	343,650	107,445	359,425
Supplies	212,745	206,973	5,772	224,481
Repairs and maintenance	313,450	303,269	10,181	368,835
Total	3,182,222	2,697,934	484,288	2,615,422

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - LANDFILL

SCHEDULE OF REVENUES AND EXPENDITURES -

BUDGET AND ACTUAL (MODIFIED ACCRUAL)

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Methane Operations:				
Professional expenses	-	-	-	-
Repairs and maintenance	-	-	-	41,072
Total	-	-	-	41,072
Inmate Litter Program:				
Personnel expenses	106,265	95,461	10,804	107,363
Supplies	4,730	1,889	2,841	3,470
Total	110,995	97,350	13,645	110,833
Capital Outlay	652,409	651,380	1,029	831,234
Total expenditures	4,225,916	3,726,954	498,962	3,854,069
Revenues over (under) expenditures	(14,059)	725,465	739,524	746,742
Other Financing Sources (Uses):				
Transfers in	12,605	12,605	-	-
Transfers out	(6,049)	(6,049)	-	(457,582)
Fund balance appropriated	7,503	-	(7,503)	-
Total	14,059	6,556	(7,503)	(457,582)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 732,021	\$ 732,021	\$ 289,160

ROCKINGHAM COUNTY, NORTH CAROLINA

ENTERPRISE FUND - LANDFILL
 SCHEDULE OF REVENUES AND EXPENDITURES -
 BUDGET AND ACTUAL (MODIFIED ACCRUAL)
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Budget	Actual	Variance Over/Under	Actual
Reconciliation from Modified Accrual to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses		\$ 732,021		\$ 289,160
Reconciling items:				
Capital outlay		638,090		831,234
Change in deferred outflows - pension		(38,351)		64,910
Change in net pension liability		(13,851)		(82,950)
Change in deferred inflows - pension		(4,853)		2,882
Depreciation		(3,932,850)		(922,995)
Change in other post- employment benefits liability		190,014		(22,610)
Change in deferred inflows - OPEB		(144,654)		(49,265)
Change in deferred outflows - OPEB		(4,306)		19,869
Change in accrued vacation		2,991		3,897
Change in accrued landfill closure and post-closure care cost		(1,189,625)		(638,565)
Change in net position		<u>\$ (3,765,374)</u>		<u>\$ (504,433)</u>
Change in net position:		\$ (3,765,374)		
Landfill Expansion Fund		177,692		
		<u>\$ (3,587,682)</u>		

ROCKINGHAM COUNTY, NORTH CAROLINA

LANDFILL EXPANSION CAPITAL PROJECTS FUND
 SCHEDULE OF REVENUES AND EXPENDITURES
 FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Project Authorization</u>	<u>Actual Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>
Revenues:				
Operating Revenues:				
Other	\$ -	\$ 32,181	\$ 127,301	\$ 159,482
Non-Operating Revenues:				
Investment earnings	-	152,655	50,391	203,046
Total revenues	-	184,836	177,692	362,528
Expenditures:				
Cell construction	5,294,000	992,932	3,174,655	4,167,587
Professional services	974,000	422,027	454,815	876,842
Total expenditures	6,268,000	1,414,959	3,629,470	5,044,429
Revenues over (under) expenditures	(6,268,000)	(1,230,123)	(3,451,778)	(4,681,901)
Other Financing Sources (Uses) :				
Transfers from Landfill Operations Fund	6,268,000	6,268,000	-	6,268,000
Total other financing sources (uses)	6,268,000	6,268,000	-	6,268,000
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ 5,037,877	\$ (3,451,778)	\$ 1,586,099
Reconciliation from Modified Accrual to Full Accrual Basis:				
Revenues and other financing sources over (under) expenditures and other financing uses			\$ (3,451,778)	
Reconciling items:				
Capital outlay			3,629,470	
Change in net position			\$ 177,692	



INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods and services provided by one department or agency to other department or agencies of the County on a cost reimbursement basis.

General Insurance Deductible Fund - This fund is used to account for payment of the County's deductible on its general liability insurance coverage.

Workman's Compensation Fund - This fund was established as a self-insurance fund to accumulate claim reserves and to pay claims and administrative fees from workman's compensation liability.

Health Insurance Fund - This fund was established as a self-insurance fund for employee health insurance coverage. The employee's premium and the County's contribution are deposited in this fund. Payments for health coverage are made to a third-party administrator for the statement of claims plus administrative expenses.

Cafeteria Plan Fund - This fund was established to account for the employees' 125 plan.

ROCKINGHAM COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF NET POSITION
 JUNE 30, 2020

	General Insurance Deductible Fund	Workman's Compensation Fund	Health Insurance Fund	Cafeteria Plan Fund	Total
Assets:					
Cash and cash equivalents	\$ 138,853	\$ 1,599,636	\$ 3,157,783	\$ 44,713	\$ 4,940,985
Investments	-	337,394	666,038	-	1,003,432
Receivables	-	-	231,984	5,819	237,803
Total assets	<u>138,853</u>	<u>1,937,030</u>	<u>4,055,805</u>	<u>50,532</u>	<u>6,182,220</u>
Liabilities:					
Current liabilities:					
Accounts payable and accrued liabilities	<u>262</u>	<u>364,889</u>	<u>723,043</u>	<u>7,436</u>	<u>1,095,630</u>
Total current liabilities	<u>262</u>	<u>364,889</u>	<u>723,043</u>	<u>7,436</u>	<u>1,095,630</u>
Total liabilities	<u>262</u>	<u>364,889</u>	<u>723,043</u>	<u>7,436</u>	<u>1,095,630</u>
Net Position:					
Unrestricted net position	<u>138,591</u>	<u>1,572,141</u>	<u>3,332,762</u>	<u>43,096</u>	<u>5,086,590</u>
Total net position	<u>\$ 138,591</u>	<u>\$ 1,572,141</u>	<u>\$ 3,332,762</u>	<u>\$ 43,096</u>	<u>\$ 5,086,590</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES,
 AND CHANGES IN FUND NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Insurance Deductible Fund	Workman's Compensation Fund	Health Insurance Fund	Cafeteria Plan Fund	Total
Operating Revenues:					
Charges for services	\$ 799,804	\$ 655,210	\$ 8,196,984	\$ 195,618	\$ 9,847,616
Other operating revenue	<u>66,061</u>	<u>-</u>	<u>379,507</u>	<u>-</u>	<u>445,568</u>
Total operating revenues	<u>865,865</u>	<u>655,210</u>	<u>8,576,491</u>	<u>195,618</u>	<u>10,293,184</u>
Operating Expenses:					
Insurance claims and expenses	<u>935,006</u>	<u>422,226</u>	<u>9,237,897</u>	<u>202,247</u>	<u>10,797,376</u>
Operating income (loss)	(69,141)	232,984	(661,406)	(6,629)	(504,192)
Non-Operating Revenues (Expenses):					
Investment earnings	<u>4,141</u>	<u>31,160</u>	<u>62,391</u>	<u>-</u>	<u>97,692</u>
Other Financing Sources (Uses):					
Transfers in	19,676	-	-	-	19,676
Transfers out	<u>(12,605)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,605)</u>
Total other financing sources (uses)	<u>7,071</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,071</u>
Change in net position	(57,929)	264,144	(599,015)	(6,629)	(399,429)
Net Position:					
Beginning of year - July 1	<u>196,520</u>	<u>1,307,997</u>	<u>3,931,777</u>	<u>49,725</u>	<u>5,486,019</u>
End of year - June 30	<u>\$ 138,591</u>	<u>\$ 1,572,141</u>	<u>\$ 3,332,762</u>	<u>\$ 43,096</u>	<u>\$ 5,086,590</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Insurance Deductible Fund	Workman's Compensation Fund	Health Insurance Fund	Cafeteria Plan Fund	Total
Operating Activities:					
Cash received from user departments	\$ 799,804	\$ 655,210	\$ 8,096,365	\$ 195,618	\$ 9,746,997
Other operating revenues	66,061	-	379,507	-	445,568
Cash paid to suppliers for goods and services	(935,782)	(364,677)	(8,881,528)	(207,818)	(10,389,805)
Net cash provided (used) by operating activities	(69,917)	290,533	(405,656)	(12,200)	(197,240)
Non-Capital Financing Activities:					
Transfers in	19,676	-	-	-	19,676
Advance to/from other funds	(12,605)	-	-	-	(12,605)
Net cash provided by financing activities	7,071	-	-	-	7,071
Investing Activities:					
Purchase of investments	-	(172,320)	(240,195)	-	(412,515)
Interest on investments	4,141	31,160	62,391	-	97,692
Net cash provided by (used for) investing activities	4,141	(141,160)	(177,804)	-	(314,823)
Net increase (decrease) in cash and cash equivalents	(58,705)	149,373	(583,460)	(12,200)	(504,992)
Cash and Cash Equivalents:					
Beginning of year - July 1	197,558	1,450,263	3,741,243	56,913	5,445,977
End of year - June 30	\$ 138,853	\$ 1,599,636	\$ 3,157,783	\$ 44,713	\$ 4,940,985
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating income (loss)	\$ (69,141)	\$ 232,984	\$ (661,406)	\$ (6,629)	\$ (504,192)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Change in assets and liabilities:					
(Decrease) increase in accounts receivable	-	-	(100,619)	(5,819)	(106,438)
Increase (decrease) in accounts payable	(776)	57,549	356,369	248	413,390
Total adjustments	(776)	57,549	255,750	(5,571)	306,952
Net cash provided (used) by operating activities	\$ (69,917)	\$ 290,533	\$ (405,656)	\$ (12,200)	\$ (197,240)

ROCKINGHAM COUNTY, NORTH CAROLINA**INTERNAL SERVICE FUND - GENERAL INSURANCE DEDUCTIBLE****SCHEDULE OF REVENUES, EXPENSES, AND CHANGES****IN FUND NET POSITION - FINANCIAL PLAN AND ACTUAL****FOR THE FISCAL YEAR ENDED JUNE 30, 2020.****WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	2020			2019
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 800,374	\$ 799,804	\$ (570)	\$ 766,782
Other operating revenue	67,037	66,061	(976)	122,559
Total operating revenue	<u>867,411</u>	<u>865,865</u>	<u>(1,546)</u>	<u>889,341</u>
Operating Expenses:				
Insurance claims and expenses	<u>1,035,232</u>	<u>935,006</u>	<u>100,226</u>	<u>828,823</u>
Operating income (loss)	(167,821)	(69,141)	98,680	60,518
Non-Operating Revenues:				
Investment earnings	-	4,141	4,141	2,214
Other Financing Sources (Uses):				
Transfers in	19,676	19,676	-	84,435
Transfers out	(12,605)	(12,605)	-	-
Fund balance appropriated	<u>160,750</u>	<u>-</u>	<u>(160,750)</u>	<u>-</u>
Total other financing sources (uses)	<u>167,821</u>	<u>7,071</u>	<u>(160,750)</u>	<u>84,435</u>
Change in net position	<u>\$ -</u>	<u>(57,929)</u>	<u>\$ (57,929)</u>	147,167
Net Position:				
Beginning of year - July 1		<u>196,520</u>		<u>49,353</u>
End of year - June 30		<u>\$ 138,591</u>		<u>\$ 196,520</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND - WORKMAN'S COMPENSATION
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 666,761	\$ 655,210	\$ (11,551)	\$ 582,828
Other operating revenues	-	-	-	1,042
Total operating revenues	<u>666,761</u>	<u>655,210</u>	<u>(11,551)</u>	<u>583,870</u>
Operating Expenses:				
Insurance claims and expenses	<u>691,461</u>	<u>422,226</u>	<u>269,235</u>	<u>385,995</u>
Operating income (loss)	(24,700)	232,984	257,684	197,875
Non-Operating Revenues:				
Investment earnings	<u>16,000</u>	<u>31,160</u>	<u>15,160</u>	<u>28,769</u>
Revenues over (under) expenses	(8,700)	264,144	272,844	226,644
Other Financing Sources (Uses):				
Fund balance appropriated	<u>8,700</u>	<u>-</u>	<u>(8,700)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	264,144	<u>\$ 264,144</u>	226,644
Net Position:				
Beginning of year - July 1		<u>1,307,997</u>		<u>1,081,353</u>
End of year - June 30		<u>\$ 1,572,141</u>		<u>\$ 1,307,997</u>

**SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

	2020			2019
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 7,970,000	\$ 8,196,984	\$ 226,984	\$ 8,418,348
Other operating	-	379,507	379,507	231,481
Total operating revenues	<u>7,970,000</u>	<u>8,576,491</u>	<u>606,491</u>	<u>8,649,829</u>
Operating Expenses:				
Insurance claims and expenses	<u>9,364,000</u>	<u>9,237,897</u>	<u>126,103</u>	<u>8,930,277</u>
Operating income (loss)	(1,394,000)	(661,406)	480,388	(280,448)
Non-Operating Revenues:				
Investment earnings	<u>60,000</u>	<u>62,391</u>	<u>2,391</u>	<u>75,411</u>
Revenues over (under) expenses	(1,334,000)	(599,015)	734,985	(205,037)
Other Financing Sources (Uses):				
Fund balance appropriated	<u>1,334,000</u>	-	<u>(1,334,000)</u>	-
Change in net position	<u>\$ -</u>	(599,015)	<u>\$ (599,015)</u>	(205,037)
Net Position:				
Beginning of year - July 1		<u>3,931,777</u>		<u>4,136,814</u>
End of year - June 30		<u>\$ 3,332,762</u>		<u>\$ 3,931,777</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

INTERNAL SERVICE FUND - CAFETERIA PLAN
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - FINANCIAL PLAN AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Financial Plan	Actual	Variance Over/Under	Actual
Operating Revenues:				
Charges for services	\$ 190,000	\$ 195,618	\$ 5,618	\$ 197,671
Other operating	-	-	-	41,188
Total operating revenues	<u>190,000</u>	<u>195,618</u>	<u>5,618</u>	<u>238,859</u>
Operating Expenses:				
Insurance claims and expenses	<u>215,000</u>	<u>202,247</u>	<u>12,753</u>	<u>197,233</u>
Operating income (loss)	<u>(25,000)</u>	<u>(6,629)</u>	<u>18,371</u>	<u>41,626</u>
Other Financing Sources (Uses):				
Fund balance appropriated	<u>25,000</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>
Change in net position	<u>\$ -</u>	<u>(6,629)</u>	<u>\$ (6,629)</u>	<u>41,626</u>
Net Position:				
Beginning of year - July 1		<u>49,725</u>		<u>8,099</u>
End of year - June 30		<u>\$ 43,096</u>		<u>\$ 49,725</u>



AGENCY FUNDS - FIDUCIARY 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.

Fine and Forfeitures - This fund accounts for monies collected by the Courts that are designated and remitted to the County School System.

Social Services Fund - This fund accounts for monies held by the Social Services Department for the benefit of certain individuals in the County.

Airport Authority Fund – This fund accounts for grant monies collected by the County and administered on behalf of the Airport Authority.

ROCKINGHAM COUNTY, NORTH CAROLINA
**AGENCY FUNDS
COMBINING STATEMENT OF FIDUCIARY
ASSETS AND LIABILITIES
JUNE 30, 2020**

	Fines and Forfeitures Fund	Social Services Fund	Airport Authority Fund	Totals
Assets:				
Cash and cash equivalents	\$ 500	\$ 150,327	\$ -	\$ 500
Restricted cash	-	-	-	150,327
Total Assets	<u>\$ 500</u>	<u>\$ 150,327</u>	<u>\$ -</u>	<u>\$ 150,827</u>
Liabilities:				
Accounts payable and accrued liabilities	<u>\$ 500</u>	<u>\$ 150,327</u>	<u>\$ -</u>	<u>\$ 150,827</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY
 ASSETS AND LIABILITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>June 30, 2019</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2020</u>
Fines and Forfeitures:				
Assets:				
Cash and cash equivalents	\$ 500	\$ 312,348	\$ (312,348)	\$ 500
Liabilities:				
Accounts payable and accrued liabilities	\$ 500	\$ 312,348	\$ (312,348)	\$ 500
Social Services Fund:				
Assets:				
Restricted cash	\$ 169,285	\$ -	\$ (18,958)	\$ 150,327
Liabilities:				
Accounts payable and accrued liabilities	\$ 169,285	\$ -	\$ (18,958)	\$ 150,327
Airport Authority Fund:				
Assets:				
Accounts receivable	\$ 3,506,039	\$ -	\$ (3,506,039)	\$ -
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,506,039	\$ -	\$ (3,506,039)	\$ -
Total All Agency Funds:				
Assets:				
Cash and cash equivalents	\$ 500	\$ 312,348	\$ (312,348)	\$ 500
Accounts receivable	3,506,039	-	(3,506,039)	-
Restricted cash	169,285	-	(18,958)	150,327
Total Assets	<u>\$ 3,675,824</u>	<u>\$ 312,348</u>	<u>\$ (3,837,345)</u>	<u>\$ 150,827</u>
Liabilities:				
Accounts payable and accrued liabilities	\$ 3,675,824	\$ 312,348	\$ (3,837,345)	\$ 150,827



SUPPLEMENTAL FINANCIAL DATA

This section contains additional information on the cash and investments, taxes receivable, and tax levy.

ROCKINGHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 2020

	Carrying Value	Cost Value	Market Value
Cash:			
In demand deposits	\$ 8,951,214	\$ 8,951,214	\$ 8,951,214
Certificates of deposit	1,048,383	1,048,383	1,048,383
Total cash	<u>9,999,597</u>	<u>9,999,597</u>	<u>9,999,597</u>
Investments:			
North Carolina Capital Management Trust	29,629,209	29,629,209	29,629,209
FHLB bond	4,054,069	4,054,069	
FFCB bond	3,805,106	3,805,106	
FHLMC bond	4,005,565	4,005,565	
FNMA bond	1,501,868	1,501,868	
Money Market	4,044,572	4,044,572	
Commercial paper	12,493,212	12,493,212	-
Total investments	<u>59,533,599</u>	<u>59,533,599</u>	<u>29,629,209</u>
Total cash and investments	<u>\$ 69,533,196</u>	<u>\$ 69,533,196</u>	<u>\$ 39,628,806</u>

	By Fund	By Fund Type
Distribution by Funds:		
General Fund		<u>\$ 39,636,097</u>
Special Revenue Funds:		
Fire District Fund	858,843	
Emergency Telephone System Fund	705,044	
CDBG Grant Fund	3	
Coronavirus Relief Fund	-	
Vera Holland Stoneville Library Fund	365,112	
Economic Development Projects	<u>7,857</u>	
Total special revenue funds		<u>1,936,859</u>
Capital Projects Funds:		
Capital Reserve Fund	2,837,490	
Airport capital projects	115,040	
Document Imaging Project Fund	<u>236,533</u>	
Total capital project funds		<u>3,189,063</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

SCHEDULE OF CASH AND INVESTMENT BALANCES

June 30, 2020

	<u>By Fund</u>	<u>By Fund Type</u>
Debt Service Fund		<u>81,091</u>
Enterprise Funds:		
Water Fund	4,427,605	
Sewer Fund	787,323	
Landfill Fund	<u>13,257,586</u>	
Total enterprise funds		<u>18,472,514</u>
Internal Service Funds:		
General Insurance Deductible Fund	138,853	
Workman's Compensation Fund	1,937,030	
Health Insurance Fund	3,823,821	
Cafeteria Plan Fund	<u>44,713</u>	
Total internal service funds		<u>5,944,417</u>
Trust and Agency Funds:		
Fines and forfeitures	500	
Social Services Fund	150,327	
Library Memorials Fund	<u>122,328</u>	
Total trust and agency funds		<u>273,155</u>
Total cash and investments		<u>\$ 69,533,196</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2020

Fiscal Year Ended June 30	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2020	\$ -	\$ 53,258,334	\$ 52,463,995	\$ 794,339
2019	\$765,557	-	460,616	304,941
2018	455,984	-	182,088	273,896
2017	\$278,633	-	82,980	195,653
2016	193,001	-	41,999	151,002
2015	152,712	-	37,284	115,428
2014	134,392	-	22,480	111,912
2013	116,087	-	12,566	103,521
2012	98,143	-	11,564	86,579
2011	86,095	-	9,417	76,678
2010	<u>77,925</u>	<u>-</u>	<u>77,925</u>	<u>-</u>
Total	<u>\$ 2,358,529</u>	<u>\$ 53,258,334</u>	<u>\$ 53,402,914</u>	2,213,949
Plus: Uncollected 2020 levy, ad valorem taxes receivable				122,088
Less: Allowance for uncollectible accounts				<u>(1,140,000)</u>
Ad valorem taxes receivable, net				<u>\$ 1,196,037</u>
Reconciliation of Collections and Credits with Revenues:				
Ad Valorem Taxes:				
General Fund				<u>\$ 53,741,887</u>
Reconciling Items:				
Interest collected				(314,003)
2019 levy billed and collected in prior fiscal year				57,633
Taxes written off				76,669
Other				<u>(159,272)</u>
Total reconciling items				<u>(338,973)</u>
Total collections and credits				<u>\$ 53,402,914</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

ANALYSIS OF CURRENT TAX LEVY
FOR THE YEAR ENDED JUNE 30, 2020

	County-Wide Levy			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 7,677,502,809	\$ 0.00695	\$ 53,358,645	\$ 47,613,157	\$ 5,745,488
Discoveries:					
Current year's taxes	21,655,600	0.00695	150,506	130,620	19,886
Abatements	<u>(55,130,589)</u>		<u>(250,817)</u>	<u>(224,241)</u>	<u>(26,576)</u>
Total property valuation	<u>\$ 7,644,027,820</u>				
Net Levy			53,258,334	47,519,536	5,738,798
Uncollected tax at June 30, 2020			<u>794,339</u>	<u>761,472</u>	<u>32,867</u>
Current Year's Taxes Collected			<u>\$ 52,463,995</u>	<u>\$ 46,758,064</u>	<u>\$ 5,705,931</u>
Percent of Current Year's Taxes Collected			98.51%	98.40%	99.43%

ROCKINGHAM COUNTY TOURISM DEVELOPMENT AUTHORITY
(A Discretely Presented Component Unit of Rockingham County, North Carolina)

BALANCE SHEET

June 30, 2020

Assets:

Cash and cash equivalents	\$ 295,066
Accounts receivable, net	<u>20,596</u>
Total assets	<u><u>\$ 315,662</u></u>

Liabilities:

Accounts payable and accrued liabilities	\$ 68
--	-------

Fund Balances:

Restricted:	
Tourism promotion	<u>315,594</u>
Total liabilities and fund balances	<u><u>\$ 315,662</u></u>

ROCKINGHAM COUNTY TOURISM DEVELOPMENT AUTHORITY
(A discretely presented component unit of Rockingham County, North Carolina)

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
 IN FUND BALANCE - BUDGET AND ACTUAL**

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2020			2019
	Final Budget	Actual	Variance Over/Under	Actual
Revenues:				
County occupancy tax	\$ 349,400	\$ 353,729	\$ 4,329	\$ 413,375
Investment earnings	2,400	4,745	2,345	5,515
Total revenues	<u>351,800</u>	<u>358,474</u>	<u>6,674</u>	<u>418,890</u>
Expenditures:				
Tourism promotion	<u>355,800</u>	<u>334,950</u>	<u>20,850</u>	<u>447,664</u>
Total expenditures	<u>355,800</u>	<u>334,950</u>	<u>20,850</u>	<u>447,664</u>
Revenues over (under) expenditures	(4,000)	23,524	27,524	(28,774)
Other Financing Sources (Uses):				
Fund balance appropriated	<u>4,000</u>	<u>-</u>	<u>(4,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>23,524</u>	<u>\$ 23,524</u>	<u>(28,774)</u>
Fund Balance:				
Beginning of year - July 1		<u>292,070</u>		<u>320,844</u>
End of year - June 30		<u>\$ 315,594</u>		<u>\$ 292,070</u>



STATISTICAL SECTION

(Unaudited)

Table

Financial Trends:

These schedules contain trend information to help the reader understand how the County's financial performance and well being have changed over time.

Net Position By Component	1
Changes in Net Position	2
Governmental Activities Tax Revenues By Source	3
Fund Balances of Governmental Funds	4
Changes in Fund Balances of Governmental Funds	5
General Governmental Tax Revenues By Source	6

Revenue Capacity:

These schedules contain information to help the reader assess the County's revenues.

Assessed Value and Estimated Actual Value of Taxable Property	7
Property Tax Rates - Direct and Overlapping Governments	8
Principal Property Taxpayers	9
Property Tax Levies and Collections	10

Debt Capacity:

Since the Board of Education has no tax levying or debt issuing authority, the County provides significant funding to the school system. Fiscal data from the County has been included to help the reader understand the school system.

Ratio of Outstanding Debt By Type	11
Ratio of General Bonded Debt Outstanding	12
Computation of Legal Debt Limit	13

Demographic and Economic Information:

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place. Information on the County is also included.

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Operating Information:

These schedules contain service and capital asset data to help the reader understand how the information in the Board's financial report relates to the services the Board provides and the activities it performs.

Operating Indicators By Function	17
Capital Asset Statistics By Function	18

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 1

NET POSITION BY COMPONENT LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 14,224,499	\$ 11,285,856	\$ 12,014,275	\$ 17,302,161	\$ 20,613,379	\$ 20,486,107	\$ 20,116,665	\$ 19,010,915	\$ 18,648,542	\$ 18,458,285
Restricted	7,548,327	10,540,158	6,707,598	7,586,908	7,308,152	8,091,394	9,058,665	9,531,236	13,817,453	15,097,269
Unrestricted	<u>(29,559,686)</u>	<u>(29,019,895)</u>	<u>(25,291,789)</u>	<u>(25,230,446)</u>	<u>(26,507,536)</u>	<u>(23,353,825)</u>	<u>(24,586,566)</u>	<u>(62,813,441)</u>	<u>(59,251,392)</u>	<u>(52,424,712)</u>
Total governmental activities net position	<u>\$ (7,786,860)</u>	<u>\$ (7,193,881)</u>	<u>\$ (6,569,916)</u>	<u>\$ (341,377)</u>	<u>\$ 1,413,995</u>	<u>\$ 5,223,676</u>	<u>\$ 4,588,764</u>	<u>\$ (34,271,290)</u>	<u>\$ (26,785,397)</u>	<u>\$ (18,869,158)</u>
Business-type activities										
Net investment in capital assets	\$ 13,664,656	\$ 14,102,197	\$ 15,984,312	\$ 16,517,649	\$ 16,768,068	\$ 16,091,249	\$ 16,015,776	\$ 17,352,933	\$ 18,977,790	\$ 23,820,086
Unrestricted	<u>9,069,644</u>	<u>10,698,543</u>	<u>13,192,550</u>	<u>14,011,399</u>	<u>14,245,183</u>	<u>12,615,970</u>	<u>13,110,343</u>	<u>15,979,926</u>	<u>14,444,301</u>	<u>7,160,883</u>
Total business-type activities net position	<u>\$ 22,734,300</u>	<u>\$ 24,800,740</u>	<u>\$ 29,176,862</u>	<u>\$ 30,529,048</u>	<u>\$ 31,013,251</u>	<u>\$ 28,707,219</u>	<u>\$ 29,126,119</u>	<u>\$ 33,332,859</u>	<u>\$ 33,422,091</u>	<u>\$ 30,980,969</u>
Primary government										
Net investment in capital assets	\$ 27,889,155	\$ 25,388,053	\$ 27,998,587	\$ 33,819,810	\$ 37,381,447	\$ 36,577,356	\$ 36,132,441	\$ 36,363,848	\$ 37,626,332	\$ 42,278,371
Restricted	7,548,327	10,540,158	6,707,598	7,586,908	7,308,152	8,091,394	9,058,665	9,531,236	13,817,453	15,097,269
Unrestricted	<u>(20,490,042)</u>	<u>(18,321,352)</u>	<u>(12,099,239)</u>	<u>(11,219,047)</u>	<u>(12,262,353)</u>	<u>(10,737,855)</u>	<u>(11,476,223)</u>	<u>(46,833,515)</u>	<u>(44,807,091)</u>	<u>(45,263,829)</u>
Total primary government net position	<u>\$ 14,947,440</u>	<u>\$ 17,606,859</u>	<u>\$ 22,606,946</u>	<u>\$ 30,187,671</u>	<u>\$ 32,427,246</u>	<u>\$ 33,930,895</u>	<u>\$ 33,714,883</u>	<u>\$ (938,431)</u>	<u>\$ 6,636,694</u>	<u>\$ 12,111,811</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 2

CHANGES IN NET POSITION LAST TEN FISCAL YEARS (ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 17,846,820	\$ 17,096,672	\$ 16,726,831	\$ 16,896,489	\$ 17,703,365	\$ 19,453,950	\$ 20,460,702	\$ 11,563,539	\$ 12,194,078	\$ 12,433,484
Public safety	19,340,794	20,940,371	22,406,288	22,236,312	22,447,539	23,475,190	24,995,515	27,728,924	28,908,026	29,925,615
Economic development	3,793,162	2,681,142	2,924,869	3,254,494	2,517,147	3,425,292	4,085,121	2,557,077	4,035,653	4,022,835
Human services	23,913,479	23,812,544	24,352,451	24,065,552	23,988,043	24,244,991	24,877,274	22,544,833	22,509,817	22,214,091
Cultural and recreational	1,518,773	1,520,170	2,320,561	1,640,742	1,629,300	1,656,759	1,852,493	2,016,183	2,129,407	2,078,207
Education	30,573,910	21,564,332	21,470,117	19,387,942	20,208,612	19,675,319	19,475,790	19,050,929	21,018,058	22,419,637
Debt service - interest and fees	4,294,878	4,808,571	3,551,689	3,386,016	4,077,776	2,044,814	2,393,870	2,319,591	2,361,711	2,008,408
Total governmental activities expenses	<u>101,281,816</u>	<u>92,423,802</u>	<u>93,752,806</u>	<u>90,867,547</u>	<u>92,571,782</u>	<u>93,976,315</u>	<u>98,140,765</u>	<u>87,781,076</u>	<u>93,156,750</u>	<u>95,102,277</u>
Business-type activities										
Water	759,131	714,799	692,832	584,932	631,993	659,995	687,986	696,612	689,673	729,641
Sewer	643,809	686,285	715,412	660,811	701,424	724,825	694,658	702,858	739,065	821,649
Landfill	2,516,350	2,388,258	(1,009,997)	2,112,290	3,345,800	6,162,274	4,029,743	5,688,418	4,802,448	8,224,349
Total business-type activities expenses	<u>3,919,290</u>	<u>3,789,342</u>	<u>398,247</u>	<u>3,358,033</u>	<u>4,679,217</u>	<u>7,547,094</u>	<u>5,412,387</u>	<u>7,087,888</u>	<u>6,231,186</u>	<u>9,775,639</u>
Total primary government expenses	<u>\$ 105,201,106</u>	<u>\$ 96,213,144</u>	<u>\$ 94,151,053</u>	<u>\$ 94,225,580</u>	<u>\$ 97,250,999</u>	<u>\$ 101,523,409</u>	<u>\$ 103,553,152</u>	<u>\$ 94,868,964</u>	<u>\$ 99,387,936</u>	<u>\$ 104,877,916</u>
Program Revenues										
Governmental activities										
Charges for services:										
General government	697,771	794,387	703,901	861,526	696,816	768,617	808,128	3,618,305	3,093,638	2,649,600
Public safety	4,011,242	4,119,119	4,940,180	4,752,669	5,187,321	5,163,872	5,483,634	5,695,892	5,514,402	5,916,813
Human services	1,729,977	1,542,780	1,321,522	1,439,981	1,020,137	1,539,496	1,245,134	2,059,829	2,598,479	1,687,668
Other activities	134,929	133,050	165,308	155,840	317,934	234,003	232,197	194,629	228,013	126,990
Operating grants and contributions	22,182,083	20,168,923	20,441,986	21,011,977	21,223,600	22,839,748	22,801,374	13,763,044	15,008,269	14,299,664
Capital grants and contributions	1,835,156	5,226,765	4,926,922	5,369,453	5,240,189	1,465,147	1,319,559	636,155	2,090,456	3,401,884
Total governmental activities program revenues	<u>30,591,158</u>	<u>31,985,024</u>	<u>32,499,819</u>	<u>33,591,446</u>	<u>33,685,997</u>	<u>32,010,883</u>	<u>31,890,026</u>	<u>25,967,854</u>	<u>28,533,257</u>	<u>28,082,619</u>

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities										
Charges for services:										
Water	313,370	326,982	300,628	313,166	366,972	426,900	393,024	478,645	522,904	602,041
Sewer	484,976	418,194	448,903	440,129	453,581	428,692	401,813	506,734	595,526	607,466
Landfill	3,560,758	3,787,648	3,478,026	3,248,203	3,528,353	3,850,515	4,085,267	4,095,028	4,380,431	4,387,474
Operating grants and contributions	30,845	55,551	8,047	10,684	44,308	27,001	45,893	5,481,259	9,013	186,531
Capital grants and contributions	544,687	77,229	-	210,508	-	-	-	-	-	-
Total business-type activities program revenues	4,934,636	4,665,604	4,235,604	4,222,690	4,393,214	4,733,108	4,925,997	10,561,666	5,507,874	5,783,512
Total primary government program revenues	<u>\$ 35,525,794</u>	<u>\$ 36,650,628</u>	<u>\$ 36,735,423</u>	<u>\$ 37,814,136</u>	<u>\$ 38,079,211</u>	<u>\$ 36,743,991</u>	<u>\$ 36,816,023</u>	<u>\$ 36,529,520</u>	<u>\$ 34,041,131</u>	<u>\$ 33,866,131</u>
Net (expense)/revenue										
Governmental activities	(70,690,658)	(60,438,778)	(61,252,987)	(57,276,101)	(58,885,785)	(61,965,432)	(66,250,739)	(61,813,222)	(64,623,493)	(67,019,658)
Business-type activities	1,015,346	876,262	3,837,357	864,657	(286,003)	(2,813,986)	(486,390)	3,473,778	(723,312)	(3,992,127)
Total primary government net expense	<u>\$ (69,675,312)</u>	<u>\$ (59,562,516)</u>	<u>\$ (57,415,630)</u>	<u>\$ (56,411,444)</u>	<u>\$ (59,171,788)</u>	<u>\$ (64,779,418)</u>	<u>\$ (66,737,129)</u>	<u>\$ (58,339,444)</u>	<u>\$ (65,346,805)</u>	<u>\$ (71,011,785)</u>
General Revenues and Other Changes in										
Net Position										
Governmental activities										
Taxes										
Property taxes	\$ 47,660,745	\$ 50,140,017	\$ 51,180,457	\$ 53,517,210	\$ 52,947,177	\$ 53,890,379	\$ 55,100,744	\$ 55,925,893	\$ 55,932,532	\$ 58,107,855
Sales taxes	9,685,054	10,579,117	10,552,460	10,406,760	11,131,026	11,212,015	12,962,199	13,224,463	15,562,261	16,792,667
Occupancy taxes	175,236	210,638	176,703	-	-	-	-	-	-	-
Other taxes	185,428	171,697	178,308	209,564	214,082	202,055	240,332	111,121	80,619	80,806
Unrestricted intergovernmental	848,576	817,944	783,966	510,830	258,031	239,097	244,934	233,200	334,009	329,884
Miscellaneous	-	-	-	-	-	-	-	-	31,267	22,530
Disposal of assets	-	-	-	-	-	-	-	(370,104)	(203,096)	-
Investment earnings	254,326	238,186	116,843	63,784	62,569	163,203	242,459	439,279	795,926	834,459
Transfers	(414,712)	(1,125,843)	(481,676)	(976,241)	(816,833)	(430,419)	(776,008)	(961,238)	(424,132)	(1,232,304)
Total governmental activities	<u>58,394,653</u>	<u>61,031,756</u>	<u>62,507,061</u>	<u>63,731,907</u>	<u>63,796,052</u>	<u>65,276,330</u>	<u>68,014,660</u>	<u>68,602,614</u>	<u>72,109,386</u>	<u>74,935,897</u>
Business-type activities										
Investment earnings	62,216	64,335	57,089	36,267	35,830	77,535	129,282	245,644	388,102	279,526
Gain (loss) on disposal of assets	-	-	-	-	-	-	-	-	310	-
Sale of Timber	-	-	-	-	-	-	-	525,633	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	39,175
Transfers	414,712	1,125,843	481,676	976,241	816,833	430,419	776,008	961,238	424,132	1,232,304
Total business-type activities	<u>476,928</u>	<u>1,190,178</u>	<u>538,765</u>	<u>1,012,508</u>	<u>852,663</u>	<u>507,954</u>	<u>905,290</u>	<u>1,732,515</u>	<u>812,544</u>	<u>1,551,005</u>
Total primary government	<u>\$ 58,871,581</u>	<u>\$ 62,221,934</u>	<u>\$ 63,045,826</u>	<u>\$ 64,744,415</u>	<u>\$ 64,648,715</u>	<u>\$ 65,784,284</u>	<u>\$ 68,919,950</u>	<u>\$ 70,335,129</u>	<u>\$ 72,921,930</u>	<u>\$ 76,486,902</u>

Table 2

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Change in Net Position										
Governmental activities	(12,296,005)	592,978	1,254,074	6,455,806	4,910,267	3,310,898	1,763,921	6,789,392	7,485,893	7,916,239
Business-type activities	1,492,274	2,066,440	4,376,122	1,877,165	566,660	(2,306,032)	418,900	5,206,293	89,232	(2,441,122)
Total primary government	<u>\$ (10,803,731)</u>	<u>\$ 2,659,418</u>	<u>\$ 5,630,196</u>	<u>\$ 8,332,971</u>	<u>\$ 5,476,927</u>	<u>\$ 1,004,866</u>	<u>\$ 2,182,821</u>	<u>\$ 11,995,685</u>	<u>\$ 7,575,125</u>	<u>\$ 5,475,117</u>

ROCKINGHAM COUNTY, NORTH CAROLINA**Table 3****GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	Sales Tax	Rental Vehicle Gross Receipt Tax	Occupancy Tax	Alcoholic Beverage Tax	Total
2011	\$ 49,593,129	\$ 10,045,718	\$ 30,339	\$ 175,236	\$ 231,220	\$ 60,075,642
2012	50,086,689	10,216,131	30,086	210,638	237,821	60,781,365
2013	51,039,345	10,135,670	22,876	176,703	221,128	61,595,722
2014	53,956,878	10,406,760	20,701	-	238,454	64,622,793
2015	53,397,052	11,066,026	25,481	-	258,031	64,746,590
2016	53,861,141	11,212,015	28,851	-	239,097	65,341,104
2017	55,210,079	12,962,199	31,064	-	244,934	68,448,276
2018	55,925,893	13,224,463	33,072	-	233,200	69,416,628
2019	56,191,552	15,562,261	36,812	-	264,052	72,054,677
2020	58,107,855	16,792,667	32,828	-	329,884	75,263,234

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 4

FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
General Fund											
Reserved	\$ 5,890,822	\$3,542,040	\$3,242,919	\$4,915,843	\$5,341,158	\$5,792,232	\$6,592,300	\$6,821,127	\$10,563,553	\$9,770,969	
Committed	-	-	-	-	-	433,095	437,247	210,000	-	-	
Assigned	-	2,975,000	3,087,000	3,547,442	6,485,744	6,313,099	5,147,592	5,117,831	6,231,696	7,615,686	
Unreserved / Unassigned	13,584,908	14,361,206	15,777,811	16,756,986	14,787,963	15,199,719	17,658,214	19,902,250	20,468,367	24,249,113	
Total General Fund	<u>\$ 19,475,730</u>	<u>\$ 20,878,246</u>	<u>\$ 22,107,730</u>	<u>\$ 25,220,271</u>	<u>\$ 26,614,865</u>	<u>\$ 27,738,145</u>	<u>\$ 29,835,353</u>	<u>\$ 32,051,208</u>	<u>\$ 37,263,616</u>	<u>\$ 41,635,768</u>	-
All other governmental funds											
Reserved/Restricted/Committed/Assigned	\$ 10,469,924	\$10,808,140	\$9,719,686	\$5,650,988	\$5,293,580	\$5,404,730	\$4,774,538	\$4,158,375	\$3,967,933	\$ 6,519,421	
Unreserved, reported in:											
Special revenue	-	(80,322)	(87,464)	(73,704)	(152,044)	(1,704)	(1,704)	(14,997)	3	-	
Debt service	-	-	-	899,285	23,715	24,842	-	-	22,333	-	
Capital projects	(421,994)	(235,886)	(502,557)	(941,378)	(366,641)	(27,605)	-	(185,594)	3,528	(813,237)	
Total all other governmental funds	<u>\$ 10,047,930</u>	<u>\$ 10,491,932</u>	<u>\$ 9,129,665</u>	<u>\$ 5,535,191</u>	<u>\$ 4,798,610</u>	<u>\$ 5,400,263</u>	<u>\$ 4,772,834</u>	<u>\$ 3,957,784</u>	<u>\$ 3,993,797</u>	<u>\$ 5,706,184</u>	-

Amounts reported prior to the implementation of GASB 54 in fiscal year 2011 have not been restated

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 5

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 47,623,468	\$ 50,086,689	\$ 51,039,345	\$ 53,956,878	\$ 53,397,052	\$ 53,861,141	\$ 55,210,079	\$ 55,652,531	\$ 56,191,552	\$ 58,127,472
Other taxes and licenses	10,045,718	10,961,452	10,907,471	10,616,324	11,345,108	11,414,070	13,202,531	13,517,959	15,828,170	17,127,115
Unrestricted intergovernmental	848,576	817,944	783,966	510,830	258,031	239,097	244,934	233,200	264,052	261,154
Restricted intergovernmental	21,486,283	24,043,982	23,307,903	24,496,302	24,733,147	20,976,237	22,744,473	14,903,894	17,747,357	18,489,878
Permits and fees	678,573	800,237	903,180	941,556	877,158	946,523	1,064,925	998,816	1,054,641	1,085,773
Sales and services	6,242,897	5,859,689	6,303,318	6,343,138	5,948,280	6,628,040	6,189,277	6,702,603	7,569,583	7,071,280
Investment earnings	250,784	232,141	107,403	55,686	53,300	140,025	205,620	376,942	689,532	736,764
Miscellaneous	2,567,626	1,574,245	2,166,773	1,936,009	2,206,670	3,361,817	1,401,326	2,818,014	2,153,250	1,126,358
Total revenues	89,743,925	94,376,379	95,519,359	98,856,723	98,818,746	97,566,950	100,263,165	95,203,959	101,498,137	104,025,794
Expenditures										
General government	17,094,958	10,572,406	10,036,642	9,885,118	10,366,808	13,360,878	10,567,272	9,881,888	10,227,677	10,123,314
Public safety	22,440,483	23,144,671	23,725,181	27,721,928	27,887,624	24,511,663	25,858,983	25,491,935	25,836,152	26,963,123
Economic and physical development	3,916,157	2,761,244	2,996,237	3,321,697	2,673,201	3,634,861	4,201,090	2,524,200	3,960,355	3,951,184
Human services	25,638,509	25,650,534	26,188,986	25,827,211	26,473,482	26,689,794	27,375,423	22,491,687	21,716,446	21,478,521
Culture and recreation	1,714,637	1,785,342	2,582,058	2,943,633	2,048,290	1,895,018	2,050,119	1,960,536	2,008,494	1,962,397
Education	19,312,795	19,312,795	19,362,713	19,375,838	19,146,551	19,587,552	19,418,702	19,050,929	2,681,515	22,419,637
Capital outlay	11,261,115	2,251,537	2,107,404	12,104	1,062,061	87,767	57,088	2,619,790	-	2,072,538
Debt service									5,847,692	
Principal	5,642,199	5,796,448	6,266,581	5,796,015	5,741,173	6,024,535	6,154,584	6,075,275	2,444,760	5,499,909
Interest	4,263,069	4,350,583	3,882,349	3,691,605	3,921,739	2,955,527	2,832,117	2,745,676	21,018,058	2,231,257
Total expenditures	111,283,922	95,625,560	97,148,151	98,575,149	99,320,929	98,747,595	98,515,378	92,841,916	95,741,149	96,701,880
Excess of revenue over (under) expenditures	(21,539,997)	(1,249,181)	(1,628,792)	281,574	(502,183)	(1,180,645)	1,747,787	2,362,043	5,756,988	7,323,914
Other financing sources (uses)										
Long-term debt issued	3,856,310	25,870,063	1,677,685	290,000	42,880,000	2,837,214	498,000	-	-	-
Premium on long-term debt issued	-	2,032,142	-	-	3,438,842	-	-	-	-	-
Payments to refunding escrow agent	-	(23,980,663)	-	-	(44,641,813)	-	-	-	-	-
Transfers in	15,015,953	15,512,490	16,471,647	13,687,782	12,552,852	12,575,186	12,311,134	12,221,894	13,483,667	12,771,686
Transfers out	(15,430,665)	(16,338,333)	(16,653,323)	(14,514,023)	(13,069,685)	(13,005,605)	(13,087,142)	(13,183,132)	(13,992,234)	(14,011,061)
Total other financing sources (uses)	3,441,598	3,095,699	1,496,009	(536,241)	1,160,196	2,406,795	(278,008)	(961,238)	(508,567)	(1,239,375)
Net change in fund balances	\$ (18,098,399)	\$ 1,846,518	\$ (132,783)	\$ (254,667)	\$ 658,013	\$ 1,226,150	\$ 1,469,779	\$ 1,400,805	\$ 5,248,421	\$ 6,084,539
Debt service as a percentage of noncapital expenditures	9.47%	11.01%	10.74%	9.63%	10.32%	9.56%	9.07%	9.78%	8.91%	8.17%

ROCKINGHAM COUNTY, NORTH CAROLINA**Table 6****GENERAL FUND TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

Fiscal Year	Property Tax	Sales Tax	Rental Vehicle Gross Receipt Tax	Alcoholic Beverage Tax	Total
2011	44,199,845	6,686,280	30,339	231,220	51,147,684
2012	46,193,854	7,274,907	30,086	237,821	53,736,668
2013	47,186,101	7,464,147	22,876	221,128	54,894,252
2014	49,701,892	6,797,696	20,701	238,454	56,758,743
2015	49,205,184	7,689,658	25,481	258,031	57,178,354
2016	49,658,749	7,632,128	28,851	239,097	57,558,825
2017	50,806,798	9,272,756	31,064	244,934	60,355,552
2018	51,207,552	9,405,417	33,072	233,200	60,879,241
2019	51,490,962	11,527,436	36,812	264,052	63,319,262
2020	53,290,975	12,701,616	32,828	232,415	66,257,834

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 7

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN CALENDAR YEARS (AMOUNTS EXPRESSED IN THOUSANDS)

Year Ended December 31,	<u>Real Property</u>		<u>Personal Property</u>		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2010	3,804,459	821,194	580,557	1,088,871	(233,043)	6,062,038	7.15	6,062,038	100%
2011	4,233,767	880,787	604,852	1,239,276	(321,871)	6,636,811	6.98	6,636,811	100%
2012	4,257,049	884,133	634,782	1,368,058	(327,541)	6,816,481	6.96	6,816,481	100%
2013	4,277,566	888,480	369,751	1,412,525	(334,928)	6,613,394	6.96	6,613,394	100%
2014	4,300,032	892,311	675,540	1,070,420	(218,974)	6,719,329	6.96	6,043,789	100%
2015	4,324,057	892,266	706,665	1,528,073	(340,599)	7,110,462	6.96	6,403,797	100%
2016	4,350,438	906,755	757,756	1,603,305	(343,976)	7,274,278	6.96	7,274,278	100%
2017	4,386,043	914,608	774,864	1,628,828	(346,027)	7,358,316	6.96	7,358,316	100%
2018	4,427,004	929,357	802,455	1,607,310	(351,443)	7,414,683	6.96	7,414,683	100%
2019	4,610,220	1,001,946	838,548	1,596,754	(389,354)	7,658,114	6.95	7,658,114	100%

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 8

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS LAST TEN FISCAL YEARS

Fiscal year End June 30	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Property taxes										
Rockingham County	0.6473	0.6483	0.6483	0.6483	0.6483	0.6483	0.6483	0.6483	0.6503	0.6650
Rockingham County - CIP	0.0477	0.0477	0.0477	0.0477	0.0477	0.0477	0.0477	0.0477	0.0477	0.0500
Total Direct Rate	0.6950	0.6960	0.6960	0.6960	0.6960	0.6960	0.6960	0.6960	0.6980	0.7150
City of Reidsville	0.7390	0.7400	0.7400	0.7400	0.7400	0.7400	0.7400	0.7100	0.7100	0.7100
City of Eden	0.6090	0.6090	0.6090	0.6090	0.6090	0.6090	0.6090	0.6090	0.6090	0.6090
Town of Madison	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7300	0.7500	0.7300
Town of Mayodan	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.6300	0.5800	0.5800	0.5800
Town of Stoneville	0.6900	0.6900	0.6900	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700	0.6700
Fire Districts:										
Wentworth	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900	0.0900
Stokesdale	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.0800	0.0800	0.0800
Bethany	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Northwest	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150	0.1150
Huntsville	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0850	0.0550	0.0550	0.0550
Oregon Hill	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Shiloh	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Monroeton	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Williamsburg	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100	0.1100
Summerfield	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915	0.0915
Yanceyville	0.0900	0.0900	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700
Stoneyview	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
Casville	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0700	0.0350	0.0350	0.0350
Jacobs Creek	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0950	0.0832	0.0832	0.0832
Madison-Mayodan	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050	0.1050
Stokes-Rockingham	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804	0.0804
Ruffin	0.1300	0.1300	0.1300	0.1300	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Draper Rural	0.0700	0.0700	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500	0.0500
Leaksville Rural	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
Spray-Draper	-	-	-	-	-	-	-	0.0500	0.0500	0.0500
Spray-Leaksville	-	-	-	-	-	-	-	0.1000	0.1000	0.1000
Pelham	0.0614	0.0614	-	-	-	-	-	-	-	-

Source: Rockingham County Tax Department

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 9

PRINCIPAL PROPERTY TAXPAYERS CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Taxpayer						
Duke Energy Corporation	\$ 674,452,541	1	0.99%	\$ 312,117,000.00	1	5.14%
Gildan	63,747,900	2	0.93%	23,657,000	10	0.39%
Unifi Manufacturing	56,818,986	3	0.83%	48,905,000	3	0.81%
Commonwealth	55,289,217	4	0.81%	42,292,000	4	0.70%
Transcontinental Piepline Co	44,699,619	5	0.66%			
WalMart	41,852,725	6	0.61%	33,632,000	6	0.55%
Frontier Spinning	41,044,221	7	0.60%	38,775,000	5	0.64%
Sturm Ruger & Company Inc	40,994,799	8	0.60%			
Henniges	35,500,262	9	0.52%			
Norfolk	34,881,096	10	0.51%			
Miller Brewing				137,518,000	2	2.26%
Ball Metal Beverage Corporation				26,740,000	7	0.44%
General Tobacco				24,182,000	9	0.40%
Pine Hall Brick				24,476,000	8	0.40%
	<u>\$ 1,089,281,366</u>		<u>7.06%</u>	<u>\$ 712,294,000</u>		<u>11.73%</u>

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 10

PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Year Ended June 30,	Total Levy for Property	Collected within the Fiscal year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 44,672,193	\$ 43,377,992	97.1%	\$ 1,186,487	\$ 44,564,479	99.8%
2011	46,593,254	45,244,371	97.1%	1,224,576	46,468,947	99.7%
2012	51,019,969	49,625,221	97.3%	1,238,765	50,579,034	99.1%
2013	49,767,521	48,443,329	97.3%	1,119,303	49,562,632	99.6%
2014	49,249,221	48,464,476	98.4%	521,612	48,986,088	99.5%
2015	49,829,441	49,069,184	98.5%	369,612	49,438,796	99.2%
2016	50,885,217	50,093,915	98.4%	852,302	50,946,217	98.5%
2017	51,480,019	50,594,345	98.3%	618,555	51,212,900	99.4%
2018	51,741,336	50,975,779	98.5%	895,608	51,871,387	99.5%
2019	53,258,334	52,463,995	98.5%	938,919	53,402,914	99.7%

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 11

RATIO OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year				Business-type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
	Limited Obligation Bonds	Installment Purchase Contracts	Certificates of Participation	Installment Purchase Contracts	Limited Obligation Bonds	Certificates of Participation	Revolving Loan			
2011	-	21,588,060	70,584,827	4,293,057	-	1,315,173	1,505,839	99,286,956	2.90%	1,060.27
2012	20,302,034	21,286,307	47,515,000	3,649,738	1,256,832	-	1,317,609	95,327,520	3.38%	1,018.91
2013	18,579,838	20,729,608	45,205,000	3,270,970	1,055,162	-	1,129,379	89,969,957	3.64%	970.34
2014	17,200,562	19,217,669	44,322,500	3,365,760	990,472	-	941,149	86,038,112	3.29%	974.80
2015	61,474,297	18,690,841	-	2,722,236	932,826	-	752,919	84,573,119	3.66%	990.53
2016	56,900,746	19,692,865	-	2,453,013	825,630	-	564,689	80,436,943	2.56%	976.39
2017	52,229,016	18,323,803	-	3,640,078	706,613	-	376,460	75,275,970	2.28%	931.24
2018	44,345,474	16,287,604	-	3,303,429	564,526	-	188,230	64,689,263	1.92%	711.27
2019	40,525,860	14,259,526	-	2,971,067	469,140	-	-	58,225,593	*	642.03
2020	36,715,708	12,569,768	-	2,639,992	374,292	-	-	52,299,760	*	574.66

* Information not yet available

Notes:

- 1) Details regarding the County's outstanding debt can be found in the notes to the financial statement.
- 2) Rockingham County has no pledged revenue debt.
- 2) Landfill closure, long term accrued vacation, pension and other post-employment benefits are not included.

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 12

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2020 (AMOUNTS EXPRESSED IN THOUSANDS)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Share of Overlapping Debt
Rockingham County	\$ 52,299,760	100%	\$ 52,299,760
Direct Debt Total	52,299,760		52,299,760
City of Reidsville	5,518,872	100%	5,518,872
City of Eden	5,008,163	100%	5,008,163
City of Madison	104,356	100%	104,356
Overlapping Debt Total	10,631,391		10,631,391
Total direct and overlapping debt	\$ 62,931,151		\$ 62,931,151

Sources: Assessed value data used to estimate applicable percentages provided by the County Tax Department. Debt outstanding data provided by the cities.

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

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 13

COMPUTATION OF LEGAL DEBT LIMIT LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 486,358,345	\$ 532,509,922	\$ 545,705,638	\$ 573,387,685	\$ 564,561,729	\$ 583,825,948	\$ 585,320,685	\$ 588,665,305	\$ 594,935,337	\$ 611,522,226
Total net debt applicable to limit	70,584,827	91,365,989	86,511,920	80,740,731	80,165,138	76,593,610	70,552,819	64,689,263	58,248,678	52,311,306
Legal debt margin	<u>415,773,518</u>	<u>441,143,933</u>	<u>459,193,718</u>	<u>492,646,954</u>	<u>484,396,591</u>	<u>507,232,338</u>	<u>514,767,866</u>	<u>523,976,042</u>	<u>536,686,659</u>	<u>559,210,920</u>
Total net debt applicable to the limit as a percentage of debt limit	14.51%	17.16%	15.85%	14.08%	14.20%	13.12%	12.05%	10.99%	9.79%	8.55%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	\$ 7,644,027,820
Add back: exempt real property	-
Total assessed value	<u>7,644,027,820</u>
Debt Limit (8% of total assessed value)	611,522,226
Debt applicable to limit:	
General obligation debt	52,311,306
Less: Amount set aside for repayment of general obligation debt	-
Legal debt margin	<u>\$ 559,210,920</u>

Note: Under state finance law, Rockingham County's outstanding general obligation debt should not exceed 8 percent of total assessed property value. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 14

DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Fiscal Year	Population	Personal Income (amounts in thousands)	Per Capita Personal Income	Average Annual Labor Force	Number of Building Inspections Performed	School Enrollment	Unemployment Rate
2011	93,643	2,880,841	30,868	42,825	2,610	13,722	11.5%
2012	93,558	2,995,548	32,307	44,327	2,369	13,596	12.2%
2013	92,720	3,012,455	32,788	43,721	2,330	13,388	10.3%
2014	93,217	2,992,809	32,638	41,863	2,556	13,159	7.1%
2015	91,696	3,112,071	33,916	41,171	2,515	13,006	7.8%
2016	91,758	3,148,049	34,445	41,548	5,136	12,732	7.2%
2017	91,393	3,303,511	36,323	41,399	2,813	12,466	4.8%
2018	90,949	3,367,943	37,137	41,589	2,895	13,363	4.8%
2019	90,690	*	*	40,944	2,147	13,337	4.0%
2020	91,010	*	*	36,495	1,724	13,262	15.8%

* Information not yet available

Note: Population is based on survey conducted during the last quarter of the calendar year. Personal income and average annual labor force information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year. Inspections performed by Rockingham County Inspections Department. It does not include the municipalities inspections.

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 15

PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
<u>Employer</u>						
Rockingham County School System	1,565	1	5.10%	2,071	1	4.86%
Wal-Mart Associates, Inc.	821	2	2.70%	807	4	1.89%
Annie Penn Hospital	744	3	2.40%	600	7	1.41%
UNC Rockingham Health Care	730	4	2.40%	1,000	2	2.35%
Rockingham County	700	5	2.30%	650	5	1.53%
Unifi, Inc.	699	6	2.30%	892	3	2.09%
Frontier Spinning Mills	492	7	1.60%	491	8	1.15%
Gildan	458	8	1.50%			
Dorada Foods	435	9	1.40%	440	9	1.03%
Rockingham Community College	337	10	1.10%	420	10	0.94%
Miller Coors				600	6	1.41%
	<u>6,981</u>			<u>7,971</u>		

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 16

FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General government	92	92	84	84	84	79	79	79	80	81
Public safety	234	234	246	254	260	263	263	263	263	269
Economic and physical development	12	12	11	12	16	16	15	15	15	15
Human services	278	275	263	262	262	265	269	269	269	238
Cultural and recreational	31	31	31	31	33	33	28	28	28	28
Landfill	11	11	12	13	16	16	15	15	15	15
Water and sewer	3	3	4	4	4	4	4	4	4	3
Total	661	658	651	660	675	676	673	673	674	649

Source: Rockingham County Budget Documents

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 17

OPERATING INDICATORS BY FUNCTION LAST TEN FISCAL YEARS

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Sheriff and jail										
Physical arrests	2,367	2,151	1,995	1,846	2,348	1,714	2,278	1,541	1,562	1,958
Average daily inmates	161	159	168	159	153	163	172	173	190	189
Fire										
Number of calls answered	121	112	117	103	109	68	72	136	186	225
Inspections	297	305	230	392	386	160	204	700	791	874
Inspections and planning										
Building permits issued	2,610	2,369	2,330	2,556	2,515	5,136	2,813	2,895	2,147	1,724
Environmental health permits	828	905	900	752	530	1,356	1,131	1,375	1,052	1,295
Sanitation										
Refuse collected (tons/day)	277	306	282	269	264	315	353	349	437	355
Recyclables collected (tons/day)	2	5	6	9	9	16	43	66	124	86
Culture and recreation										
Books checked out	537,359	531,367	513,000	471,518	513,000	495,294	512,391	446,136	482,433	361,150
Library cards issued	3,535	3,751	3,567	3,134	3,567	5,419	2,929	3,027	2,701	1,552
Water										
Water main breaks	2	-	-	-	-	-	-	-	-	-
Average daily consumption (thousands of gallons)	95	74	66	89	66	75	75	109	118	105
Wastewater										
Average daily sewage treatment (thousands of gallons)	51	64	65	71	62	58	58	69	73	73

Sources: Various government departments.

Note: Indicators are not available for the general government function.

ROCKINGHAM COUNTY, NORTH CAROLINA

Table 18

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
Public safety:										
Sheriff										
Detention centers	2	1	1	1	1	1	1	1	1	1
Vehicles	100	100	100	100	100	100	100	100	135	120
EMS Ambulances	777,637	891,678	891,678	1,493,380	1,535,669	n/a	n/a	n/a	n/a	17
Landfill										
Inland mobile equipment	3,910,980	4,297,000	4,297,000	4,774,667	4,908,966	5,112,349	4,560,311	5,310,634	6,120,553	6,758,757
Culture and recreation										
Libraries	5	5	5	5	4	4	4	4	4	4
Water										
Water mains (miles)	20.3	20.3	20.3	20.3	20.3	20.3	20.3	20.3	23.2	28.3
Maximum daily capacity (thousands of gallons)	628,000	628,000	628,000	628,000	628,000	628,000	628,000	628,000	628,000	628,000
Sewer										
Sanitary sewers (miles)	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2	28.2
Maximum daily treatment capacity (thousands of gallons)	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000	540,000
Education										
Number of schools	26	26	26	26	25	25	25	25	25	22
Number of teachers	1,040	1,042	1,026	1,029	938	930	884	735	709	716

Sources: Various County departments and school system.

Note: No capital asset indicators are available for the general government function.

