

**Comprehensive Annual
Financial Report
of the
County of Wayne
Goldsboro, North Carolina
For the Fiscal Year Ended
June 30, 2018**

**Craig Honeycutt
County Manager**

**Allison W. Speight
Finance Director**

Wayne County, North Carolina
Table of Contents
June 30, 2018

	<u>Page No.</u>
I. <u>Introductory Section</u>	
Letter of Transmittal	1
County Officials and Staff	11
Certificate of Achievement / GFOA	12
Organizational Chart	13
2. <u>Financial Section</u>	
Independent Auditors' Report	14
Management's Discussion and Analysis	17
Basic Financial Statements:	
Government-wide Financial Statements:	
Exhibits	
1 Statement of Net Position	29
2 Statement of Activities	30
Fund Financial Statements:	
3 Balance Sheet - Governmental Funds	32
3 Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position	33
4 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	34
4 Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Net Position	35
5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	36
6 Statement of Net Position - Proprietary Funds	37
7 Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	39
8 Statement of Cash Flows - Proprietary Funds	41
9 Statement of Fiduciary Net Position - Fiduciary Funds	43
Notes to the Financial Statements	44

Wayne County, North Carolina

Table of Contents

June 30, 2018

	<u>Page No.</u>
Supplementary Information	
Required Supplementary Information	
Schedule of Changes in the Total OPEB Liability and Related Ratios	104
Schedule of County's Proportionate Share of Net Pension Liability (Asset)	
Local Governmental Employees' Retirement System	105
Schedule of County Contributions	
Local Governmental Employees' Retirement System	107
Schedule of County's Proportionate Share of Net Pension Liability (Asset)	
Register of Deeds' Supplemental Pension Plan	109
Schedule of County Contributions	
Register of Deeds' Supplemental Pension Plan	111
Schedule of Changes in Total Pension Liability and Related Ratios	
Law Enforcement Officers' Special Separation Allowance	113
Combining and Individual Fund Statements and Schedules:	
Exhibits	
A Schedule of Revenues, Expenditures, and Changes in Fund Balance - General Fund - Budget to Actual	114
B Combining Balance Sheet - Nonmajor Governmental Funds	128
C Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Nonmajor Governmental Funds	130
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Special Revenue and Capital Project Governmental Funds	
D-1 Emergency Telephone Service Fund	132
D-2 Fire District Fund	133
D-3 Community Development Fund	134
D-4 Utility Fund-Street Lights	135
D-5 Street Assessment Fund-Paving	136
E-1 County Public School Capital Project Fund-Meadow Lane	137
E-2 County Capital Project Fund	138
E-3 County Public School Capital Project Fund-School Buildings	139
E-4 County Public School Capital Project Fund-School Renovations	140
E-5 County Capital Reserve Project Fund	141
E-6 County Capital Project Fund-911 Call Center	142
F-1 Permanent Fund-Senior Center	143
G-1 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Solid Waste Disposal Fund	144
G-2 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Emergency Management System (EMS) Fund	146
G-3 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Maxwell Regional Agricultural Center (MRAC)	148

Wayne County, North Carolina
Table of Contents
June 30, 2018

	<u>Page No.</u>
H-1 Combining Statement of Net Position - Nonmajor Proprietary Funds	150
H-2 Combining Statements of Revenues, Expenses, and Changes in Fund Net Position - Nonmajor Proprietary Funds	151
H-3 Combining Statement of Cash Flows - Nonmajor Proprietary Funds	152
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Nonmajor Proprietary Funds	
I-1 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Jetport Fund	154
I-2 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Sewer Fund	156
J-1 Combining Balance Sheet - Internal Service Funds	158
J-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	159
J-3 Combining Statement of Cash Flows - Internal Service Funds	160
Schedules of Revenues, Expenditures, and Changes in Fund Balances - Budget to Actual - Internal Service Funds Funds	
K-1 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) WC Self - Insurance Fund	161
K-2 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Hospital Self - Insurance Fund	162
K-3 Schedule of Revenues and Expenditures - Budget to Actual (Non-GAAP) Fleet Management Fund	163
L Combining Statement of Changes in Assets and Liabilities - Agency Funds	164
Other Schedules	
Schedules	
1 Schedule of Ad Valorem Taxes Receivable	165
2 Analysis of Current Tax Levy County Wide Levy	166
3 Secondary Market Disclosures	167
4 Emergency Telephone System Unspent Fund Balance	168

Wayne County, North Carolina

Table of Contents

June 30, 2018

		<u>Page No.</u>
3. <u>Statistical Section</u>		
Tables		
1	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.	
1-A	Net Position by Component	169
1-B	Changes in Net Position	171
1-C	Fund Balances - Governmental Funds	175
1-D	Changes in Fund Balances - Governmental Funds	177
2	Revenue Capacity Information These schedules contain information to help the reader assess the County's most significant local revenue source, the property tax.	
2-A	Assessed Value and Actual Value of Taxable Property	179
2-B	Direct Property Tax Rates	180
2-C	Principal Property Taxpayers - Current Year and Nine Years Ago	181
2-D	Property Tax Levy and Collections	182
2-E	Taxable Sales by Category	183
3	Debt Capacity Information These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
3-A	Ratios of Outstanding Debt by Type	184
3-B	Ratios of General Bonded Debt Outstanding and Legal Debt Margin	186
3-C	Direct and Overlapping Governmental Activities Debt	188
4	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.	
4-A	Demographic and Economic Statistics	189
4-B	Principal Employers Current Year and Nine Years Ago	190
5	Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.	
5-A	Full-time Equivalent County Government Employees by Function/Program	191
5-B	Operating Indicators by Function/Programs	193
5-C	Capital Assets Statistics by Function/Program	195

Wayne County, North Carolina

Table of Contents

June 30, 2018

Page No.

4. Supplementary Single Audit Section

Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	196
Report On Compliance With Requirements Applicable To Each Major Federal Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act	198
Report On Compliance With Requirements Applicable To Each Major State Program And Internal Control Over Compliance In Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act	200
Schedule of Findings and Questioned Costs	202
Corrective Action Plan	206
Summary Schedule of Prior Audit Findings	207
Schedule of Expenditures of Federal and State Awards	208

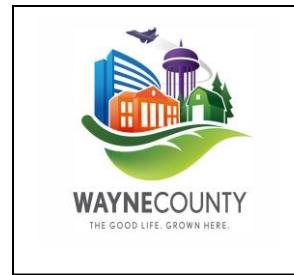
Introductory Section

Letter of Transmittal

County of Wayne

Craig Honeycutt

County Manager / Budget Officer



November 21, 2018

Honorable Members of the Wayne County Board of Commissioners
Citizens of Wayne County, North Carolina

The Comprehensive Annual Financial Report for Wayne County, North Carolina, for the fiscal year ended June 30, 2018 is hereby submitted. North Carolina law requires all local governments to publish 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 accountants. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of Wayne County for the fiscal year ended June 30, 2018.

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

Wayne County adopts an annual budget for its General Fund and all other funds, as required by the General Statutes. The budget is a legally adopted document that incorporates input from citizens, the management team of the County, and the decisions of the County Board of Commissioners to obtain funds from identified sources to finance annual activities. County management in cooperation with the Board of Commissioners conduct the budget planning process from January to June annually with a Board planning session, budget team work sessions, departmental reviews, development of draft budget work books, development and review of the capital improvement plan, the County Manager's Recommended Budget and Capital Improvements Plan, public county commissioner work sessions, the actual statutory budget hearing and ultimately the adoption of the budget by the County Commissioners prior to July 1st.

Nunn, Brashear & Uzzell, PA, a firm of licensed certified public accountants, has audited Wayne County's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of Wayne County for the fiscal year ended June 30, 2018 are

Letter of Transmittal

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 presentation. The independent auditor concluded, based upon the audit, there was a reasonable basis for rendering an unmodified opinion that Wayne County's financial statements for the fiscal year ended June 30, 2018 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 Wayne County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial 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 awards. These reports are available in the compliance section of this report.

GAAP requires 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. Wayne County's MD&A can be found immediately following the report of independent auditors.

COUNTY PROFILE:

Wayne County, founded in 1779, is located in the east-central part of the state, amid the broad Coastal Plain region, which covers nearly half the state. The County, which measures approximately 29 miles from north to south and 14 to 27 miles from east to west, encompasses approximately 555 square miles. It is bounded on the north by Wilson County, on the east by Greene and Lenoir Counties, on the south by Duplin and Sampson Counties and on the west by Johnston County. The City of Goldsboro, the County seat, is situated geographically in the center of the County and is approximately 50 miles southeast of the City of Raleigh, North Carolina. Other municipalities located in the County include the towns of Eureka, Fremont, Mount Olive, Pikeville and Seven Springs, plus the incorporated Village of Walnut Creek. The County has a diversified economy based upon industry, agriculture, military, and governmental institutions supported by a mix of wholesale and retail businesses as well as numerous service providers.

The County has a land area of approximately 355,200 acres of which approximately 160,000+ acres or 45%+ are classified as cropland. With elevations predominantly 120 to 145 feet above sea level, the land surface is smooth with moderately steep slopes along the flood plain of permanent streams. The largest waterway, the Neuse River, bisects the lower central portion of the County as it flows in an eastward direction to the Atlantic Ocean.

A mild climate with an average temperature of 62 degrees, a well-distributed average annual rainfall of 50 inches, a freeze-free growing season of about 225 days and wide range of soil types all contribute to a highly productive agricultural area. Farm Futures magazine has identified

Letter of Transmittal

Wayne County as the 5th best county in the nation to farm. Ranking was based on the Census of Agriculture data from 1987 through 2002. The County is the 4th largest agricultural county in the state, 3rd in the state and nation in the production of flue cured tobacco and 4th in the state in livestock production. Wayne County is the 5th largest county in the United States in the production of turkeys. The County is home to Mt. Olive Pickle Co., the largest pickle company in the United States. It is also home to Goldsboro Milling, Inc., the parent company of Butterball Turkeys, the largest producer of turkey products in the United States. Farming and agribusiness represents 20% of the county's employment and 22% of the county's total gross income. According to the 2012 Census of Agriculture there are 191,195 acres of farmland in the county representing 54% of the county's total acres. The county has developed a Farmland Preservation Plan to help maintain and position farming and agribusiness as a county economic engine for the future.

The County operates under the commission/manager form of government. It is governed by a seven-member Board of Commissioners (the "Board"). One member is elected from each of six different voting districts in the County and one member is elected countywide. All seven members serve concurrent four-year terms. The partisan elections for the Board are held in November of Presidential election years. The Board elects annually a Chairman and Vice-Chairman from among its members when it takes office the first Monday in December. The Board appoints a County Manager to manage the daily operations, prepare and administer the annual budget and capital improvements program, and to advise the Board on public policy matters.

FACTORS AFFECTING FINANCIAL CONDITION:

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

Local Economy

Wayne County was designated a Metropolitan Statistical Area by the US government in 1992. It is situated in the eastern coastal plain region of North Carolina including seven municipalities: Eureka, Fremont, Mount Olive, Pikeville, Seven Springs and the village of Walnut Creek. Goldsboro, the county seat, is bisected by two major four-lane highways (East/West by US Highway 70 and North/South by US Highway 117). The new US highway 70 Bypass has been designated as Future Interstate 42. Highway 117 has recently been designated as I-795 allowing larger freight vehicles to enter Wayne County on a high speed interstate with access to I-95. Interstates 95 and 40 are both within twenty-five minutes driving time. Wayne County is a member of the North Carolinas Southeast Partnership, an economic partnership consisting of 18 counties. The Southeast Partnership is a regional public-private partnership that markets the southeast region, nationally and globally to encourage new economic growth.

Wayne County has an estimated population of 124,447 and workforce of over 56,791 per data source JobsEQ. The October 2018 county unemployment rate was 3.5%. Wayne County's economy is a diverse mixture of manufacturing, distribution, agriculture, aerospace, military,

Letter of Transmittal

government and service enterprises. No one industry dominates the manufacturing base which includes over 62 companies. Wayne County/Goldsboro is the home to Seymour Johnson Air Force Base. Seymour Johnson Air Force Base supplies a labor pool with semi-skilled and technically skilled separating airmen, retirees and spouses.

Seymour Johnson Air Force Base is home to the 4th Fighter Wing and 916th Air Refueling Wing. The annual civilian and military payroll is over \$576,185,197. Seymour Johnson Air Force Base is Wayne County's largest employer, with 6,054 military members (combined active duty and reservists) and 782 civilians. In addition, they fund major expenditures of approximately \$215,736,878 per year which results in job creation of another \$85,625,788 per year.

Agriculture and Agribusiness is one of the major industries in the county with a \$1.04 billion impact. Current agriculture census data has gross farm income totaled \$436 million with 24% coming from crops including tobacco, soybeans, corn, wheat and cotton. Livestock and poultry including swine, cattle, goats, turkeys and chickens represent 61% and the other 15% of farm income is represented by horticulture crops, ornamentals and forestry.

The County's local industrial base includes manufacturing, wholesale and distribution, as well as machine shops and back-office support. Manufacturing operations range from simple assembly to complex processes resulting in products ranging from bread, tortillas and par-fry chicken to automotive parts, electric transformers and aviation/aerospace support. The Wayne County Development Alliance, Inc. recognizes over 60 major industries in the county who account for over 7,000 jobs. Substantial technological improvements in recent years involving modernization of plant facilities and the addition of sophisticated manufacturing equipment have resulted in enhanced profitability and productivity for many of the local manufacturing companies. Although these improvements have allowed the companies to become more competitive in the market place, they have also resulted in a mild reduction in manufacturing jobs. This reduction has been partially offset by the location of several additional manufacturing/distribution facilities in recent years, and also numerous expansions of existing industries during the past ten years. Increases in non-manufacturing employment have also helped to offset the reduction in manufacturing jobs.

Wayne County's economic development focus continues to target the recruitment and expansion of military contracts and their operations, a continued concentration of regional clusters focusing on the recruitment and expansion of aviation and aerospace, warehousing/distribution, automotive, and agriculture and food processing industries.

Major Initiatives

1. The County continues to have low-cost access to the debt markets to finance the acquisition, renovation or construction of various long-term assets. It is management's objective to adequately plan to meet the County's ongoing needs for essential capital improvement projects and equipment without overburdening taxpayers with bonds payable from ad valorem taxes. The County received a AA2 bond rating from S&P, and a AA- from Moody's Investor Services on the most recent bond issuance. The County sold \$36,000,000 of bonds in June at a 2.81% average interest rate. No tax increase was needed

Letter of Transmittal

as the county has \$1,263,574 in reduced debt service payments beginning in FY 2020; and another \$1,201,640 reduction in debt service payments beginning in FY 2021. The County will use some fund balance in the General Fund in FY 2018 and FY 2019 to bridge to those two years, until the reductions begin.

2. The County and WC Public Schools agreed in May to fund a replacement for the Meadow Lane Elementary School, replace 22 mobile elementary classrooms in the northern end of the county, an HVAC system for Rosewood Middle School Gym, a new Gym at Southern Wayne High School and six additional classrooms. All of this was funded in a June, 2017 bond issue.
3. The County made significant progress on the Maxwell Regional Agricultural and Convention Center (the Maxwell Center). A deal was negotiated with the City of Goldsboro for joint participation in the project, with the City donating to the County at no cost 12 acres of prime commercial property on Wayne Memorial Drive, adjacent to Wayne Community College. HH Architecture was hired to provide full design plans, specifications, contract documents, and contract administration. The Board of Commissioners selected T. A. Loving, Inc. to be the construction manager at risk. Numerous sources of funding were explored, and several loans, grants, and governmental appropriations have been received. In addition, a professionally managed capital campaign was completed. Finally, the county received approval from the NC General Assembly to levy a 1% room occupancy tax for tourism development, and has an agreement with the City of Goldsboro for the sharing of this revenue and the 5% room occupancy tax the City has levied, so that roughly 2% of the 6% total will go to the County for either debt service or operating costs for this facility. The 1% County room occupancy tax was levied in September, and became effective on December 1, 2015. The Maxwell Center is 100% complete and held its grand opening in March 2018. In addition, a Farmers Market and greenhouse are being constructed on the same site. The contract was awarded in 2017 to begin construction of the Farmer's Market, and the Grand Opening for the Farm Credit Farmer's Market was held in June of 2018.
4. The County completed the study by Mission Critical Partners of our E911 Communications Center Staffing, Operations, and Facility Needs. This served as the blueprint for improvements in this operation. The architectural firm of Stewart, Cooper, and Newell, who specialize in public safety facilities, has been hired to design a new facility. The Schematic Design has been reviewed by the Board, and they have requested changes to minimize the cost of the facility. Additionally, the County received a grant from the NC 911 Board for the building in the amount of \$1,530,693. The condition of this grant will be that our facility serves as a back-up for Duplin County.
5. The County has numerous subdivisions where the streets have not be taken over for ownership and maintenance by the NC Department of Transportation, despite having been certified by engineers to have met NCDOT construction standards. The problem is exacerbated by NCDOT's policy to have a percentage of lots built upon before they take over these streets. In the meantime, the streets deteriorate, and encroachments into the rights-of-way, such as brick mailboxes and drainage pipes that do not meet NCDOT standards are installed by homeowners. All of this results in the NCDOT not taking over the roads. Without an entity, such as a Homeowners Association, to pay for maintenance, or the homeowners forcing the developer to do so, the streets continue to deteriorate. The County has no responsibility for these streets, as there are no county roads in NC.

Letter of Transmittal

Residential streets outside of cities are either private, or taken over by the NCDOT and placed in their Secondary Highway System for maintenance. The County has researched alternatives, and is using a state statute that allows property owners to petition the county to repair these private streets to NCDOT standards, and use special assessments only on those benefitted property owners fronting on the streets to repay the county over a 10-year period. The County approved its first such project, for Canterbury Village and North Creek subdivisions. The project has been completed, and the roads were accepted into the NCDOT system in August of 2018. Additionally, the assessments were billed in September with some residents paying the amount in full and others choosing the installment plan over a period of ten years.

6. An architect and construction company has been hired to design and build a 50,000 sf shell industrial building for Lot #8. This is needed to be competitive with surrounding counties and other counties in the highly competitive recruitment of new industries.
7. An architect and construction company has been hired to design and build 4 replacement Emergency Medical Services stations to improve our response time to 8 minutes for 97% of the county. This is the result of a detailed station location study conducted in-house. One of the stations is being paid from a Golden Leaf grant of \$502,750 as that station flooded during Hurricane Matthew. A fifth station was purchased during the Patetown/Antioch merger. This station was renovated in-house by Facility services and held its ribbon cutting in April 2018.
8. A project to engineer the apron and runway connections, and four buildable pads for 100'x100' corporate aircraft hangars has been designed using a 90% FAA/10% County NCDOT DOA grant. We applied for a similar 90/10 grant for the actual construction, received confirmation in October 2018 that our grant request was approved in the amount of \$2,922,750. Our match will come from some of the remaining Eastern Region Fund distribution that was earmarked for the Airport Fund, and placed there. We have a high demand for these hangars, and they will help make the airport financially independent. Aircraft are taxed in the county they are stored in, not the owner's home county. That, and the profit from fuel sales and ground or ground/hangar leases are the sources of income. The plan is to ground lease three lots, so owners can build their own hangars. The fourth would be a hangar built by the county so if we recruit an industrial prospect that needs a hangar, we have it available. In September of 2018, the contract was awarded to begin the new construction segment.
9. A Stream Debris Removal Project contract following Hurricane Matthew has been awarded. The County received over \$440,000 in two grants from the USDA and Golden Leaf Foundation. This will be a "snag and drag" operation to remove these obstacles to clear flowing streams that empty into the Neuse River. This should improve drainage and reduce flooding.
10. In order to provide internet service to the Winders Jail, new 911 Center and the Maxwell Center, the County is completing the Fiber Loop Project under our IT Department. They will loop the existing system to the new Jail, then pick up the new 911 Center, then come back to Wayne Memorial Drive toward the downtown area. That is the loop. Then, the project will take a fiber line out to the Maxwell Center. In addition, we need redundancy of internet fiber for the 911 Center, which has to stay operational at all times. Fiber is installed to the Maxwell Center, and another leg to the Jail. We are finishing the portion between the Jail and the new 911 Center now. The project is about 85% finished.

Letter of Transmittal

11. The County has negotiated the engineering contract with Withers-Ravenel to design a replacement sewer lift station near SPX. The County received a \$178,000 grant from Golden Leaf Foundation for this work, as it flooded during Hurricane Matthew.
12. An engineering firm, in conjunction with a utility rate financial firm, has been selected, and a contract negotiated for them to study the possible merger, or regionalization options for the Goldsboro, Fremont, Eureka, and County sanitary sewer systems. The State Treasurer's Office is providing a \$50,000 grant for this study. The other three entities have been included in the selection process, and the formulation of the scope of work for the consultants. Once the report is finished, each entity will determine if it wants to proceed with a possible merger, or other regionalization option. This is a complicated matter, as the physical condition of the systems is critical, as are the current rates and what impact a merger would have on them.
13. A contract was awarded in early October, 2017 for the sewer lift station and force main from Grantham Elementary School and Middle School to our Landfill. This was completed in the fall of 2018.
14. The County has closed on a five-year option agreement with Bryan Holdings for about 118 acres of property behind the TA Loving corporate offices on Patetown Road. This is for a new industrial park. The option is for us to draw down any or all of the property as we determine at \$15,000 per acre. This allows us to develop it as an industrial park without tying up a lot of money on the front end purchasing the property. Before closing, we worked out a three-party agreement between the County, the City of Goldsboro, and the WCDA on who would pay for what portions of the development. In order to assure it was not annexed into the City, the County agreed to split its property tax with the City. The City agreed to install the W&S lines. There is also a provision in it to share in any profits from the sale of property.
15. The County approved Whithers Ravenel as the Preferred Engineer Firm for the Goldsboro Industrial Campus, formerly known as the Bryan Holdings Property. They will be contracted to conduct developmental studies and associated costs for the property.
16. A contract to increase the HVAC and upgrade the electrical system for the 4th floor Computer Data Center was substantially completed in December. In addition, it will include an emergency generator to assure backup power for this critical hardware/software. The remaining segment of this project will be completed by December 2018.
17. The County has selected the CDBG Consultant to administer the Community Development Block Grant-Disaster Recovery \$25,000,000 grant received to offset some of the effects of Hurricane Matthew. The County through its grant administrator/consultant is currently in the implementation of the CDBG-DR grant program. This is an ongoing 3-5 year grant program for disaster recovery related to Hurricane Matthew.
18. The County has acquired a Hazard Mitigation Grant Program consultant/administrator and has begun the process of surveying, appraising and legal work for the potential acquisition of 84 homes damaged due to the flooding effects of Hurricane Matthew.
19. The County is working with the Board of Education to meet the new K-3 classroom size reduction issue that will require about 50 more classrooms. Various options for financing this project have been considered, and discussions between the two Boards are ongoing.
20. An architect has been hired to master plan, then design the BOC-approved components for a Public Safety Training Facility for law enforcement, fire, and EMS training. It is being done in conjunction with Wayne Community College, which teaches all those courses, and

Letter of Transmittal

runs the certification programs for them. Our plan is to locate it on the WCC campus once viable funding options are confirmed.

21. The County received a report from MHA Works on the feasibility study of the County Office Building. The Board of Commissioners are currently considering the various options presented to them regarding this building and how best to move forward.
22. Open Broadband, LLC has completed installations on various water towers and buildings. They have been signing up customers in Seven Springs, Mount Olive and Grantham and will work to continue the customer base in those areas. They will also be working to increase wi-fi in the Bryan Multi-Sports Complex and offer gigabit speeds in downtown Goldsboro. They are pursuing solutions to providing service in Northern Wayne County.
23. The Clerk to the Board is spearheading the “Step Into the Max” commemorative brick paver fund-raising campaign for the Maxwell Center.
24. On December 5, 2017, the Board of Commissioners voted unanimously to approve the consolidation of Patetown and Antioch Volunteer Fire Protection Districts and Service Districts for Wayne County. The merger took place on January 1, 2018 with an effective date of July 1, 2018.
25. The County was awarded a grant through the NCDOT in 2018 for the Wayne Executive Jetport. The grant amount of \$171,000 will constitute 90% of the total project with the remaining 10% provided by County funds. This money will be used to update the Airport Layout Plan (ALP).
26. On February 20, 2018, the Board of Commissioners entered into a MOA with Wayne Community College and Wayne County Development Alliance to terminate the Lease Agreement between the three parties regarding the Advanced Manufacturing Center on Dixie Trail. The agreement also called for the County to reimburse the College for improvements to the facility. Other options are being pursued to include possibly locating the Advanced Manufacturing Center on the Wayne Community College campus and to have the Alliance market the Dixie Trail property for industry.
27. The County approved to reserve \$3,500,000 on the Advanced Manufacturing Facility to be located at the Wayne Community College campus. These funds will be set aside in a Capital Project Fund until such time as they are spent. The motion is conditioned on a representative of the Wayne County Board of Commissioners, chosen by the Board of Commissioners’ Chairman, being on the group that determines the scope and design of the facility.

Long Term Financial Plan

The Board of Commissioners of Wayne County continues to support a strong financial position as one of their top priorities even in these challenging times. The Capital Improvement Plan serves as the basis for the County’s long-term facilities planning. The Wayne County Board of Commissioners, the County Facilities Committee and staff have developed a strategy for the improvement of service delivery to the residents of the County to create a community that is safe, healthy, prosperous, well informed, and well governed. This plan is reviewed in the County Commissioners annual budget planning retreat for funding consideration in the annual budget process.

Letter of Transmittal

Risk Management

The County of Wayne is exposed to various risks of losses related to torts: theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. The County carries usual and customary commercial insurance for these risks of loss. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the last four fiscal years. All insurance companies utilized satisfy the County's minimum financial rating criteria.

The County has executed numerous programs to reduce losses and lessen the severity of those that occur. Current programs include a defensive driving course, a safety committee that also serves as an accident review board, an employee wellness program, a return-to-work program, and numerous occupational safety and health programs for our employees.

AWARDS AND ACKNOWLEDGEMENTS:

In 2018 the Government Finance Officers Association (GFOA) awarded its Certificate of Achievement for Excellence in Financial Reporting for the Comprehensive Annual Finance Report of Wayne County for the year ended June 30, 2017. The 2017 Report was judged to conform to the high standards of financial reporting put forth by GFOA. The County has been awarded the certificate for the past twenty-two (22) years. We believe the Report for fiscal year 2018 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

On September 5, 2017, the Board of Commissioners unanimously approved the appointment of Assistant County Manager Craig Honeycutt as the County Manager effective January 1, 2018, following the retirement of County Manager George A. Wood.

On December 31, 2017, County Manager George Wood retired from his service at Wayne County. We want to acknowledge Mr. Wood's years of service and his improvements to the County's operations.

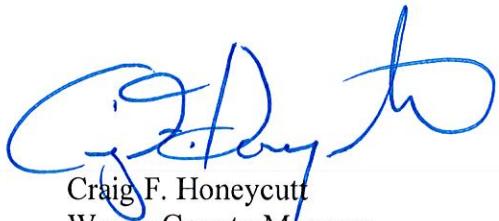
On May 1, 2018, the Board of Commissioners recognized Kevin Johnson, director of Cooperative Extension, for receiving the North Carolina State University Award for Excellence. This award is the highest award that can be received by non-faculty by the College of Agriculture and Life Sciences.

We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of the CAFR. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public accountants, Nunn, Brashear and Uzzell, PA, for their assistance. The cooperation of each County department is appreciated as we work together in conducting the County's financial operations.

Letter of Transmittal

We also express our appreciation to the members of the Wayne County Board of Commissioners for their continued support, guidance, and advice in planning and conducting the financial activities of the County in a responsible and progressive manner.

Sincerely,



Craig F. Honeycutt
Wayne County Manager
& Budget Officer



Allison W. Speight, CPA
Finance Director



County Commissioners



Bill Pate
Chairman
District 5
108 Torhunta Drive
Goldsboro, NC 27534
Phone: (919) 922-4991



A. Joe Gurley, III
Vice-Chairman
District 4
108 Laura Lane
Goldsboro, NC 27530
Phone: (919) 223-8469



E. Ray Mayo
District 1
571 Vail Road
Pikeville, NC 27863
Phone: (919) 920-1728



Edward Cromartie
District 2
313 W. James Street
Mt. Olive, NC 28365
Phone: (919) 922-0398



John M. Bell
District 3
507 Stadium Drive
Goldsboro, NC 27530
Phone: (919) 735-0253



Joe Daugherty
District 6
310 Walnut Creek Drive
Goldsboro, NC 27534
Phone: (919) 273-6065



George Wayne Aycock
At Large District
2236 US Highway 581 N.
Pikeville, NC 27863
Phone: (919) 222-4646



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**County of Wayne
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

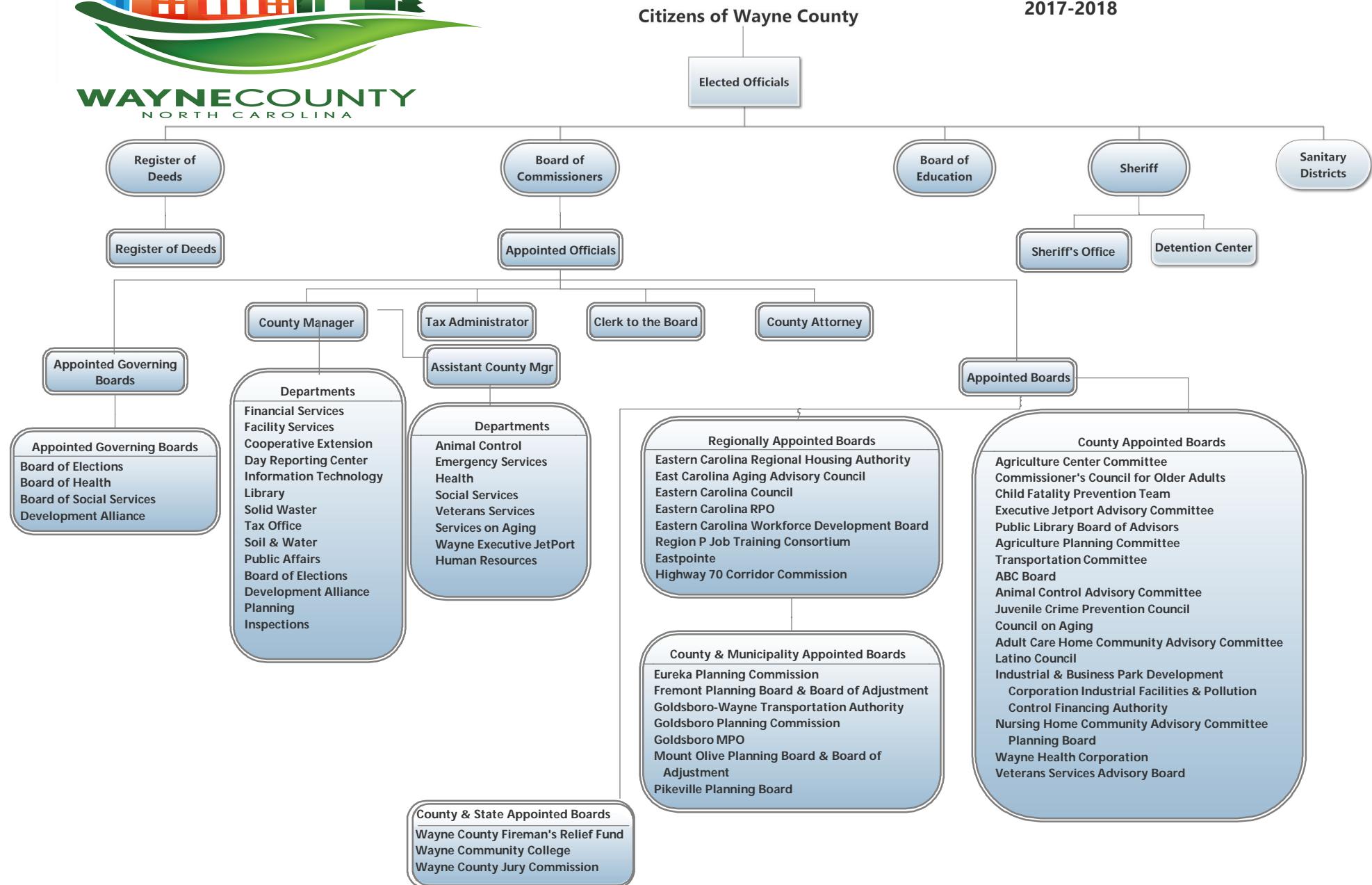
June 30, 2017

Christopher P. Morill

Executive Director/CEO



**Wayne County Government
Organizational Chart
2017-2018**



Financial Section

NUNN, BRASHEAR & UZZELL, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

1106 PARKWAY DRIVE
P.O. BOX 10127

GOLDSBORO, NORTH CAROLINA 27532-0127

PAUL L. NUNN, CPA, CFP
HAROLD D. BRASHEAR, CPA
DIANNE L. UZZELL, CPA

ALBERT S. WHITFIELD, CPA
DANNA J. LAYNE, CPA, CFE
BARBARA H. EVERTON, CPA
MARJORIE C. FICKLING, CPA

TEL: (919) 778-1000
FAX: (919) 751-1782
E-Mail: NBCo@NBCo.com

Independent Auditors' Report

To the Board of County Commissioners
Wayne County, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, North Carolina, as of and for the year then ended June 30, 2018, and the related notes to the financial statements, which collectively comprise Wayne County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Wayne County ABC Board, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Wayne County ABC Board is based solely on the report of the other auditors. We did audit, as a separate engagement, the financial statements of the Wayne County Tourism Development Authority, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component unit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Wayne County ABC Board and the Wayne County Tourism Development Authority were not audited in accordance with Governmental Auditing Standards.

MEMBERS

AMERICAN INSTITUTE OF CPA'S

N.C. ASSOCIATION OF CPA'S

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 respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, North Carolina as of June 30, 2018, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Changes in Total OPEB Liability and Related Ratios, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, and the Changes in Total Pension Liability of the Law Enforcement Officers' Special Separation Allowance and Related Ratios, on pages 17 through 28, 104, 105 through 108, 109 through 112, and 113, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Wayne County, North Carolina. The combining and individual fund statements, budgetary schedules, other schedules, the statistical schedules, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules, the statistical schedules, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2018 on our consideration of Wayne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control over financial reporting and compliance.

Nunn, Brashears, & Uzzell, P.A.

Goldsboro, North Carolina

November 21, 2018

Management's Discussion and Analysis

As management of Wayne County, we offer readers of Wayne County's financial statements this narrative overview and analysis of the financial activities of Wayne County for the fiscal year ended June 30, 2018. 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

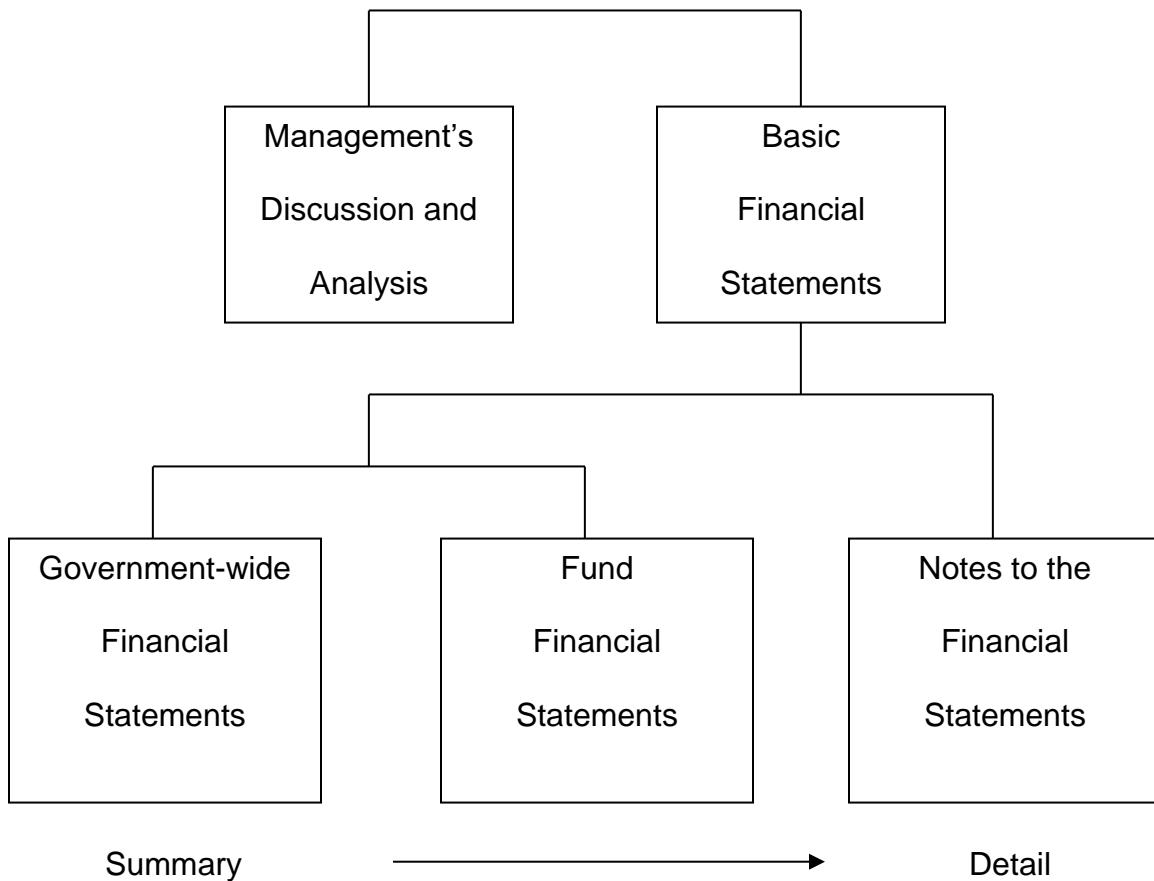
- The assets of Wayne County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$152,160,833 (*net position*).
- The government's total net position decreased by \$2,878,321. This decrease is primarily due to planned spending on capital projects through pay-as-you go funding.
- As of the close of the current fiscal year, Wayne County's governmental funds reported combined ending fund balances of \$72,438,649 a decrease of \$19,257,191 in comparison with the prior year. Approximately 50.61 percent of this total amount, or \$36,658,954, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$22,023,497 or 21.79 percent of total general fund expenditures for the fiscal year.
- Wayne County's total debt decreased by \$3,617,302 during the current fiscal year. The County borrowed new debt, in the form of a rural development loan, of \$2,318,767, and paid \$5,936,069 in debt payments.

Overview of the Financial Statements

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

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

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

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

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, human services, education 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 sewer, emergency management services, agricultural and convention center, airport, and landfill services offered by Wayne County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable, appoints its Board members, and because the Board is required to distribute its profits to the County. Established in September, 2015 and beginning operations in January, 2016, the Wayne County Tourism Development Authority will serve to promote travel, tourism, and conventions within Wayne County. The County appoints all 12 members of the Authority's board.

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

Fund Financial Statements

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Wayne 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 Wayne County can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

Proprietary Funds – Wayne County has two kinds of proprietary funds, enterprise funds and internal service funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Wayne County uses enterprise funds to account for its sewer activity, emergency management services, airport, agricultural center and its landfill 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. *Internal Service Funds* are an accounting device used to accumulate and allocate costs internally among the functions of Wayne County. The County uses an internal service fund to account for three activities – health insurance benefits, workman's' compensation and fleet management. Because this operation benefits predominantly governmental rather than business-type activities, the internal service fund has been included within the governmental activities in the government-wide financial statements

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

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes start on page 44 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Wayne County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 104 of this report.

Government Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded liabilities by \$152,160,833 as of June 30, 2018. The County's net position decreased by \$2,878,321 for the fiscal year ended June 30, 2018. One of the largest portions \$126,152,575 (82.91%) reflects the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment). Wayne County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Wayne County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Wayne County's net position \$23,726,218 (15.59%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$2,282,040 (1.50%) is unrestricted.

Wayne County's Net Position
Figure 2

	Governmental		Business-type		Totals	
	Activities		Activities		Totals	
	2018	2017	2018	2017	2018	2017
Current assets	\$ 73,473,562	\$ 93,714,115	\$ 17,816,660	\$ 20,480,154	\$ 91,290,222	\$ 114,194,269
Noncurrent assets	6,597,979	5,542,541	-	-	6,597,979	5,542,541
Capital assets	141,916,317	137,410,728	56,474,841	44,330,103	198,391,158	181,740,831
Total assets	<u>221,987,858</u>	<u>236,667,384</u>	<u>74,291,501</u>	<u>64,810,257</u>	<u>296,279,359</u>	<u>258,190,810</u>
Total deferred outflows of resources	6,213,122	8,009,410	1,445,175	1,873,987	7,658,297	9,883,397
Long-term liabilities	117,137,494	98,498,127	30,384,104	22,098,738	147,521,598	120,596,865
Other liabilities	9,632,375	9,577,479	2,058,701	2,467,581	11,691,076	12,045,060
Total liabilities	<u>126,769,869</u>	<u>108,075,606</u>	<u>32,442,805</u>	<u>24,566,319</u>	<u>159,212,674</u>	<u>132,641,925</u>
Total deferred inflows of resources	3,413,058	688,310	823,934	365,983	4,236,992	1,054,293
Net position:						
Net investment in capital assets	83,342,500	84,009,596	42,810,075	33,151,761	126,152,575	117,161,357
Restricted	23,726,218	45,889,269	-	-	23,726,218	45,889,269
Unrestricted	563,477	6,014,025	1,718,563	8,600,185	2,282,040	14,614,210
Total net position	<u>\$ 107,632,195</u>	<u>\$ 135,912,890</u>	<u>\$ 44,528,638</u>	<u>\$ 41,751,946</u>	<u>\$ 152,160,833</u>	<u>\$ 177,664,836</u>

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

- Continued diligence in the collection of property taxes by increasing collection percentage to 98.31%.
- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.
- Increased tax revenue of approximately \$1.13 million due to economic growth in the County.

Wayne County's Changes in Net Position

Figure 3

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 9,876,711	\$ 8,599,196	\$ 14,018,119	\$ 14,705,601	\$ 23,894,830	\$ 23,304,797
Operating grants/contributions	18,726,600	25,552,030	1,813,870	2,491,345	20,540,470	28,043,375
General revenues:						
Property taxes	58,872,411	57,741,770	-	-	58,872,411	57,741,770
Local option sales tax	20,952,048	21,073,395	-	-	20,952,048	21,073,395
Other taxes	283,924	311,970	-	-	283,924	311,970
Other	864,283	354,868	112,228	44,183	976,511	399,051
Total revenue	109,575,977	113,633,229	15,944,217	17,241,129	125,520,194	130,874,358
Expenses:						
General government	15,851,523	12,413,717	-	-	15,851,523	12,413,717
Public safety	28,265,627	27,757,877	-	-	28,265,627	27,757,877
Transportation	342,179	288,553	-	-	342,179	288,553
Environmental protection	915,707	883,895	-	-	915,707	883,895
Economic & physical dev.	1,330,486	1,201,470	-	-	1,330,486	1,201,470
Human services	27,676,367	29,748,429	-	-	27,676,367	29,748,429
Cultural and recreation	2,458,207	2,398,219	-	-	2,458,207	2,398,219
Education	29,700,156	28,927,009	-	-	29,700,156	28,927,009
Interest on long-term debt	1,604,188	1,312,337	-	-	1,604,188	1,312,337
Solid Waste Disposal	-	-	4,552,742	4,503,860	4,552,742	4,503,860
EMS	-	-	12,510,315	12,766,445	12,510,315	12,766,445
Sewer	-	-	760,054	470,379	760,054	470,379
Jetport	-	-	1,249,400	1,117,726	1,249,400	1,117,726
Maxwell Center	-	-	1,181,564	37,073.00	1,181,564	37,073.00
Total expenses	108,144,440	104,931,506	20,254,075	18,895,483	128,398,515	123,826,989
Increase (decrease) in net position before transfers						
Increase (decrease) in net position before transfers	1,431,537	8,701,723	(4,309,858)	(1,654,354)	(2,878,321)	7,047,369
Transfers	(12,387,837)	(4,051,886)	12,387,837	4,051,886	-	-
Increase (decrease) in net position						
Increase (decrease) in net position	(10,956,300)	4,649,837	8,077,979	2,397,532	-2,878,321	7,047,369
Net position, July 1	135,912,890	133,086,334	41,751,946	39,354,414	177,664,836	172,440,748
Restatement	(17,324,395)	(1,823,281)	(5,301,287)	-	(22,625,682)	(1,823,281)
Net position, restated	118,588,495	131,263,053	36,450,659	39,354,414	155,039,154	170,617,467
Net position, June 30	\$ 107,632,195	\$ 135,912,890	\$ 44,528,638	\$ 41,751,946	\$ 152,160,833	\$ 177,664,836

Governmental activities: Governmental activities decreased the County's net position by \$10,956,300, before restatement, thereby accounting for a portion of the total loss in the net position of Wayne County. Wayne County implemented a new accounting standard related to accounting for other post-employment benefits and transferred previous year's debt to the proprietary fund. The note disclosures provide more information on this restatement. Key elements of this decrease are as follows:

- Increased spending on capital projects for the public schools, community college, rising construction costs, and unanticipated delays/complications.
- Increased debt service until other major debt is retired in two years.
- Increased salaries in Social Services due to several positions added.

- Increased transfers to business-type activities to support operations, fund new debt service and construction of EMS stations, convention center, and sewer line.

Business-type activities: Proprietary activities increased the County's net position by \$8,077,979. Key elements of this increase are as follows:

- Increase in transfers from the General Fund as mentioned previously under governmental activities
- Transfer of a capital project and related debt from governmental activities to business-type activities for the Sewer Fund.
- Increase in grant monies received to reimburse for grant-related capital projects for the Maxwell Center fund.

Financial Analysis of the County's Funds

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

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

The General Fund is the chief operating fund of Wayne County. At the end of the current fiscal year, Wayne County's fund balance available in the General Fund was \$22,023,497, while total fund balance was \$45,437,985. Fund balance available in the General Fund decreased from the prior year by \$7,433,164. The majority of this decrease was due to transfers to the Meadow Lane/Edgewood Schools capital project, the Maxwell Center project, and the Wayne Community College Advanced Manufacturing Center capital project. The Governing Body of Wayne County has determined that the county should maintain an available fund balance of 14% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 21.79% of general fund expenditures, while total fund balance represents 44.96% of that same amount.

At June 30, 2018, the governmental funds of Wayne County reported a combined fund balance of \$72,438,649, a 21.00% decrease over last year. This decrease is due to transfers to several capital projects, transfer of a capital project to a proprietary fund, increase in debt service, increased salaries in Social Services, and increased transfers to proprietary funds. A portion of those bonds remained unspent at June 30, 2018.

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 \$3.80 million or approximately 3.77%. The County received about \$600,000 more in fees for the Misdemeanant facility than was anticipated in the original budget due to being able to rent out unused bed space to other counties. Additionally, DSS was not yet able to turn the Childcare payments over to the State and had to budget additional funds to handle this program. The remainder of the budget amendments were to anticipate various grants awarded during the year.

Changes in the amount of fund balance appropriated of \$11.31 million also occurred. Part of the additional appropriation was to provide eight additional classrooms for the Meadow Lane/Edgewood Elementary Capital Project. Additionally, the Board voted to transfer \$3.5 million to a Capital Project fund to assist in financing a future Advanced Manufacturing Center through the College. Some significant transfers were also required to cover change orders to various Capital Projects. Other appropriations to fund balance included carrying forward unspent balances for the college and public schools as well as economic development projects.

In response to the challenges presented by other postemployment benefits (OPEB), the County Healthcare Benefits Plan has been amended to exclude post-employment benefits for all employees hired after June 30, 2009. The cost for personnel is generally the largest single expenditure category in the budget.

General Fund revenues were under budget by \$0.574 million, a 0.55% variance from final budget, reflecting decreased restricted intergovernmental of \$1.520 million and increased collection of ad valorem taxes of \$0.619 million. In addition, charges for services and investment earnings exceeded expected budgeted revenues.

General Fund expenditures were under budget \$9.854 million, a variance of 8.88% from the final budget, (\$2.984 million) of which was in health and human services where vacancies or employee turnover created lapsed salaries in both Social Services and Health as well as complications in retaining a dentist for the Dental program, (\$1.4 million) of which was in public safety where vacancies and employee turnover created lapsed salaries in the Sheriff's Office, Detention Center, 911 and Animal Control, (\$0.847 million) of which was in education where spending did not reach the expected levels, (\$1.908 million) of which was in economic development where spending did not reach the expected level due to cost delays in building the shell building at Goldsboro Industrial Park and slower spending of Hazard Mitigation funds from Hurricane Matthew due to program timelines, and (\$2.273 million) of which was in general government where spending did not reach the expected levels. This was due, in part, to savings on the planned replacement of a roof on a building that has since been demolished and the conservative policies of the Board on unnecessary spending by departments. This spending restriction was placed on the departments in the last quarter of the fiscal year when the Board realized that sales tax revenues were not as high as anticipated and wanted to find ways to curb spending on non-essential items. Other variances relate to departments consciously controlling spending and working toward more efficient operations which resulted in the remaining under budget portion.

Proprietary Funds: Wayne 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 proprietary funds at the end of the fiscal year amounted to \$849,670. The total increase in net position for the Solid Waste Disposal Fund, before restatement, was \$396,566. Increase in net position of the EMS Fund, before restatement, at the end

of the fiscal year amounted to \$2,471,960. The Maxwell Center increased net position by \$2,753,310. Accounting for restatements, Wayne County implemented a new accounting standard related to other post-employment benefits and the Sewer Fund received debt transferred from the government wide activities. Other factors concerning the finances of these funds have already been addressed in the discussion of Wayne County's business-type activities.

Capital Asset and Debt Administration

Capital assets: Wayne County's capital assets for its governmental and business – type activities as of June 30, 2018, totals \$198,372,925 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, and vehicles.

Figure 4

Wayne County's Capital Assets (net of depreciation and amortization)

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 14,757,480	\$ 14,630,080	\$ 13,978,542	\$ 13,898,676	\$ 28,736,022	\$ 28,528,756
Buildings and improvements	112,245,148	107,414,785	33,948,906	23,809,699	146,194,054	131,224,484
Infrastructure	856,432	593,918	2,371,296	1,159,075	3,227,728	1,752,993
Contractor equipment	-	-	2,320,233	1,611,541	2,320,233	1,611,541
Furniture & equipment	11,040,112	11,852,762	1,477,018	1,523,639	12,517,130	13,376,401
Intangibles	836,906	862,748	181,373	97,615	1,018,279	960,363
Vehicles	2,162,006	2,056,435	2,197,473	2,229,858	4,359,479	4,286,293
Total	\$ 141,898,084	\$ 137,410,728	\$ 56,474,841	\$ 44,330,103	\$ 198,372,925	\$ 181,740,831

Major capital asset transactions during the fiscal year include:

- Made significant progress on Meadow Lane/Edgewood Elementary School
- Purchased land for economic development purposes
- Purchase of additional vehicles for the Sheriff's Office
- Purchase of Caterpillar equipment, vehicles and compactors for Solid Waste
- Purchase of equipment and additional ambulances for EMS/NET
- Purchase of land and building for EMS stations and completed renovations on an existing building
- Began construction and made significant progress on the addition of the Grantham Sewer project to the County's sewer line
- Progress on a major lighting project and corporate area expansion project
- Significant progress on the Spillman Software Project
- Significant progress on the Fiber Loop Project
- Completed construction on the Maxwell Regional Agricultural and Convention Center

Additional information on the County's capital assets can be found in note 6 of the Basic Financial Statements.

Long-term Debt: As of June 30, 2018, Wayne County had limited obligation bonds, promissory notes, and installment purchase contracts of \$87,031,375 secured by the property and equipment.

Figure 5

**Wayne County's Outstanding Debt
General Obligation and Revenue Bonds**
(In Millions)

	Governmental Activities		Business-type Activities		Totals	
	2018	2017	2018	2017	2018	2017
Limited obligation bonds	\$ 21,615	\$ 24,945	\$ 12,820	\$ 11,000	\$ 34,435	\$ 35,945
Notes	.614	1,228	2,480	.528	3,094	1,756
Installment purchase contr.	<u>49,502</u>	<u>52,948</u>	<u>.000</u>	<u>.000</u>	<u>49,502</u>	<u>52,948</u>
Totals	<u>\$ 71,731</u>	<u>\$ 79,121</u>	<u>\$ 15,300</u>	<u>\$ 11,528</u>	<u>\$ 87,031</u>	<u>\$ 90,649</u>

Wayne County's total debt decreased by \$3,617,302, 3.99% during the past fiscal year.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for the Wayne County is \$664,384,840. The County has no bonds unissued at June 30, 2018.

Additional information regarding Wayne County's long-term debt can be found in note 7 beginning on page 89 of this audited financial report.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the growth and prosperity of the County.

- The June 2018, not seasonally adjusted, unemployment rate for Wayne County was 4.6%, which was less than the June, 2017 rate of 5.1%. The State's not seasonally adjusted unemployment rate as of June, 2018 was 4.2% which is down from the June, 2017 rate of 4.6%.
- As of 2017, the per capita income for Wayne County was \$21,674, which is lower than the State average of \$26,779. Wayne County's median household income is \$40,457, which is lower than the State's median household income of \$48,256.
- Wayne County recently became one of the first counties in the region to be certified as a WorkReady community by the local economic development

commission, North Carolina's Easter Region. The designation is indicative of a community that is well equipped to provide reliable employment for constituents. One of the key criteria required for certification is the commitment of ten of the county's twenty largest employers to prefer the Career Readiness Certificate from their potential employees. It has been this kind of commitment from the existing industry in our county that has rounded out the efforts put forth by the leaders of the WORKS Initiative and our area workforce.

- Seymour Johnson Air Force Base is located in Wayne County and has been a part of the Wayne County landscape for over 70 years. The base is home of the 4th Fighter Wing, the Air Force's premier fighting wing, the 916th Air Refueling Wing and the 567th RED HORSE Squadron. Thousands of highly skilled men and women with specialized training exit the military annually, providing an abundant pool of qualified labor to some of the county's most technical industries. Seymour Johnson Air Force Base is Wayne County's largest employer. It employs 4,450 active duty personnel, 775 civilian personnel and 1,375 reservists. The Base contributes more than \$620 million annually to the local economy. Additionally, Seymour Johnson AFB was recently chosen as the first Air Force Reserve-led KC-46A base. The KC-46A is slated to begin arriving in 2020.
- Wayne County has a diversified industrial base which includes manufacturing, wholesaling, distributing, and machine shops. The County is also part of a regional cluster focusing on the recruitment and expansion of the aviation and aerospace industry.

All of these factors were considered in preparing Wayne County's budget for Fiscal Year 2018-2019.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities:

- The property tax rate remained the same for the fiscal year 2018-2019 budget \$.6635 per \$100 of assessed valuation. However, property tax revenues were budgeted to increase due to an anticipated increase in the assessed value of the County's property tax base.
- The County approved an original budget of \$158,762,454 for fiscal year 2019, and the budget included no growth in the local option sales tax revenues. Inspection fees are anticipated to increase by approximately \$1 million due to the construction of the Coal Ash Recycling Center at the Duke Power HF Lee Plant.
- Inspection/Planning fees, Animal Control fees and Staff Attorney fees were increased to help offset the operational costs of these departments.
- All full-time and part-time employees were budgeted to receive a 1% cost of living adjustment (COLA). This was budgeted in each department's salaries' line items.
- All full-time employees will be formally evaluated in July and August, 2018 and be eligible for up to a 1% merit increase. The budget includes a \$677,000 contingency line item for that purpose.

- The budget included a 3.5% increase in the County's portions of medical insurance premiums for the PPO and the HSA Plan. The employees also saw an 3.5% increase in the premiums of the dependent care options. However, no changes to the plan benefits were required.
- Anticipated use of General Fund Balance was budgeted slightly over \$4 million. However, this represents a decrease of \$1.1 million from the original budget last year. This decrease is due to the EMS stations that were budgeted in the prior year budget and paid for with General Fund money and a Golden Leaf grant. The Fund Balance being appropriated in the 2018-2019 budget is being used to bridge a two-year gap until some existing debt is paid off. This was a planned use of Fund Balance by the Board of Commissioners. The remaining use of Fund Balance is planned to fund one-time capital projects for various departments.

Business – type Activities: Wayne County has five business type activity funds. The EMS/NET fund increased several of its rates to help offset the increased operational costs of this fund. For the 2018-2019 budget and going forward, EMS and Wayne NET will be separated into two separate activity funds. Solid Waste and the Jetport had no significant increases budgeted for the year; although, the Jetport will have grant revenues and expenditures appropriated throughout the year as they are awarded. The Board of Commissioners approved an 8% increase in the Sewer Fund fee rates. The rising costs of the expenditures of this fund, coupled with improvements needed to the sewer system justified increasing the rates for this fund. Finally, the Maxwell Center will be in its first full year of operations for the 2018-2019 budget, and the revenues and expenditures have been appropriated accordingly. Since this is the first full year of operations, the County expects that amendments will be made throughout the year to reflect the actual activity of the Convention Center.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Wayne County, PO Box 227, Goldsboro, NC 27533-0227. You can also call 919-731-1437 or visit our website www.waynegov.com.

Financial Statements

Wayne County, North Carolina
Statement of Net Position
June 30, 2018

	Primary Government			Component Unit		
	Governmental Activities		Business-type Activities	Total	WC Tourism Development Authority	Wayne County ABC Board
	Activities	Activities	Total			
Assets						
Current assets:						
Cash and cash equivalents	\$ 44,218,596	\$ 11,870,828	\$ 56,089,424	\$ 56,507	\$ 1,917,359	
Restricted cash and cash equivalents	16,839,300	1,635,408	18,474,708	-	-	
Receivables, net	2,629,422	2,574,297	5,203,719	16,751	-	
Due from other governments	9,769,884	1,669,905	11,439,789	-	-	
Inventories	16,360	66,221	82,581	-	663,659	
Total current assets	<u>73,473,562</u>	<u>17,816,659</u>	<u>91,290,221</u>	<u>73,258</u>	<u>2,581,018</u>	
Noncurrent Assets:						
Investments, long-term restricted cash	6,431,278	-	6,431,278	-	-	
Net pension asset - ROD	166,701	-	166,701	-	-	
Land, improvements	14,757,480	13,978,542	28,736,022	-	802,872	
Other Capital Assets, net depreciation	127,140,604	42,496,299	169,636,903	-	499,729	
Total noncurrent assets	<u>148,496,063</u>	<u>56,474,841</u>	<u>204,970,904</u>	<u>-</u>	<u>1,302,601</u>	
Total Assets	<u>221,969,625</u>	<u>74,291,500</u>	<u>296,261,125</u>	<u>73,258</u>	<u>3,883,619</u>	
Deferred Outflows of Resources	6,213,122	1,445,175	7,658,297	-	151,886	
Liabilities						
Current liabilities:						
Accounts payable	1,232,621	816,091	2,048,712	125	336,129	
Accrued wages and benefits	158,659	181,932	340,591	-	-	
Other accrued expenses	681,958	30,686	712,644	-	216,588	
Due within one year	7,327,260	1,261,869	8,589,129	-	-	
Total current liabilities	<u>9,400,498</u>	<u>2,290,578</u>	<u>11,691,076</u>	<u>125</u>	<u>552,717</u>	
Long Term liabilities:						
Due in more than one year	66,681,469	20,907,440	87,588,909	-	569,960	
Net other post employment liability	31,566,564	5,394,194	36,960,758	-	-	
Net pension liability - LGERS	7,040,180	1,791,892	8,832,072	-	154,147	
Net pension liability - LEOSSA	2,448,783	-	2,448,783	-	-	
Total liabilities	<u>117,137,494</u>	<u>30,384,104</u>	<u>147,521,598</u>	<u>125</u>	<u>1,122,677</u>	
Deferred Inflows of Resources	3,413,058	823,934	4,236,992	-	(35,167)	
Net Position						
Net investment in capital assets	83,342,500	42,810,075	126,152,575	-	1,302,601	
Restricted for:						
General government	928,043	-	928,043	-	-	
Future debt obligations	6,431,278	-	6,431,278	-	-	
Capital improvements	-	-	-	-	449,742	
Public safety	1,505,969	-	1,505,969	-	-	
Education	7,822,971	-	7,822,971	-	-	
Stabilization by State Statute	6,864,086	-	6,864,086	16,750	-	
Register of Deeds pension plan	166,701	-	166,701	-	-	
Permanent fund-Senior Center	7,170	-	7,170	-	-	
Working capital	-	-	-	-	267,745	
Unrestricted	<u>563,477</u>	<u>1,718,563</u>	<u>2,282,040</u>	<u>56,383</u>	<u>773,760</u>	
Total net position	<u><u>\$ 107,632,195</u></u>	<u><u>\$ 44,528,638</u></u>	<u><u>\$ 152,160,833</u></u>	<u><u>\$ 73,133</u></u>	<u><u>\$ 2,793,848</u></u>	

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

Wayne County, North Carolina
Statement of Activities
For the Year Ended June 30, 2018

Functions/Programs	Program Revenue		
	Expenses	Charges for Services	Operating Grants and Contributions
Primary government			
Governmental Activities			
General government	\$ 15,851,523	\$ 4,215,884	\$ 53,315
Public safety	28,265,627	3,410,822	767,178
Transportation	342,179	-	186,734
Human services	27,676,367	2,179,407	15,859,454
Culture and recreation	2,458,207	65,323	79,708
Education	29,700,156	-	1,536,053
Interest on long-term debt	1,604,188	-	-
Environmental protection	915,707	5,275	227,141
Economic and physical development	1,330,486	-	17,017
Total governmental activities	<u>108,144,440</u>	<u>9,876,711</u>	<u>18,726,600</u>
Business-type activities			
Solid Waste Disposal Fund	4,552,742	4,577,771	324,852
EMS Fund	12,510,315	7,470,911	725,774
Sewer Fund	760,054	450,242	-
Airport Fund	1,249,400	723,674	259,744
Maxwell Fund	1,181,564	795,521	503,500
Total business-type activities	<u>20,254,075</u>	<u>14,018,119</u>	<u>1,813,870</u>
Total primary government	<u>128,398,515</u>	<u>23,894,830</u>	<u>20,540,470</u>
Component Unit			
WC Tourism Development Authority	199,899	173,960	-
ABC Board	6,512,217	6,961,370	-
Total component units	<u>\$ 6,712,116</u>	<u>\$ 7,135,330</u>	<u>\$ -</u>

General revenues:

Taxes:

- Property taxes, levied for general purposes
- Local option sales tax
- Leased vehicle tax, ABC tax
- Investment earnings, unrestricted
- Miscellaneous, unrestricted

Transfers

- Total general revenues, special items, and transfers

Change in net position

Net position, beginning, previously reported

Restatement, Note X

Net position, beginning, restated

Net position - ending

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

Net (Expense) Revenue and Changes in Net Position			Component Unit	
Primary Government			Component Unit	
<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>WC Tourism Development Authority</u>	<u>ABC Board</u>
\$ (11,582,324)	\$ -	\$ (11,582,324)		
(24,087,627)	-	(24,087,627)		
(155,445)	-	(155,445)		
(9,637,506)	-	(9,637,506)		
(2,313,176)	-	(2,313,176)		
(28,164,103)	-	(28,164,103)		
(1,604,188)	-	(1,604,188)		
(683,291)	-	(683,291)		
(1,313,469)	-	(1,313,469)		
<u>(79,541,129)</u>	<u>-</u>	<u>(79,541,129)</u>		
-	349,881	349,881		
-	(4,313,630)	(4,313,630)		
-	(309,812)	(309,812)		
-	(265,982)	(265,982)		
-	117,457	117,457		
<u>(79,541,129)</u>	<u>(4,422,086)</u>	<u>(4,422,086)</u>		
			\$ (25,939)	\$ -
			<u>(25,939)</u>	<u>449,153</u>
58,872,411	-	58,872,411	-	-
20,952,048	-	20,952,048	-	-
283,924	-	283,924	-	-
622,168	112,228	734,396	-	589
242,115	-	242,115	-	-
(12,387,837)	12,387,837	-	-	-
<u>68,584,829</u>	<u>12,500,065</u>	<u>81,084,894</u>	<u>-</u>	<u>589</u>
<u>(10,956,300)</u>	<u>8,077,979</u>	<u>(2,878,321)</u>	<u>(25,939)</u>	<u>449,742</u>
<u>135,912,890</u>	<u>41,751,946</u>	<u>177,664,836</u>	<u>99,072</u>	<u>2,774,191</u>
<u>(17,324,395)</u>	<u>(5,301,287)</u>	<u>(22,625,682)</u>	<u>-</u>	<u>(430,085)</u>
<u>118,588,495</u>	<u>36,450,659</u>	<u>155,039,154</u>	<u>99,072</u>	<u>2,344,106</u>
<u>\$ 107,632,195</u>	<u>\$ 44,528,638</u>	<u>\$ 152,160,833</u>	<u>\$ 73,133</u>	<u>\$ 2,793,848</u>

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

	Major		Non-Major		Total Governmental Funds
			County Public School Capital Project Fund-Meadow Lane	Other Governmental Funds	
	General Fund	General Fund	General Fund	General Fund	
Assets					
Cash and cash equivalents	\$ 30,193,324	\$ -	\$ 10,532,200	\$ 40,725,524	
Restricted cash	7,189,298	11,232,130	4,840,921	23,262,349	
Taxes receivable, net	1,916,059	-	176,225	2,092,284	
Due from other funds	134,141	-	-	134,141	
Receivable from other governments	9,014,105	102,948	547,249	9,664,302	
Total assets	48,446,927	11,335,078	16,096,595	75,878,600	
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	809,822	-	196,207	1,006,029	
Due to other funds	-	-	79,141	79,141	
Total liabilities	809,822	-	275,348	1,085,170	
Deferred Inflows of Resources	2,199,120	-	178,194	2,377,314	
Fund balances:					
Restricted for:					
Stabilization by State Statute	6,465,996	-	398,090	6,864,086	
Future debt payments, QSCB	6,431,278	-	-	6,431,278	
Fire protection	-	-	285	285	
Public Schools	6,158,969	11,335,078	3,428,358	20,922,405	
Law enforcement	156,159	-	-	156,159	
Tax revaluation	758,020	-	-	758,020	
Public safety	-	-	1,349,810	1,349,810	
Transportation	-	-	28,240	28,240	
Capital improvements	-	-	57,396	57,396	
Grants	67,205	-	-	67,205	
Court facilities	16,900	-	-	16,900	
Permanent fund-Senior Center	-	-	7,170	7,170	
Committed for:					
Future capital projects	1,294,968	-	10,396,237	11,691,205	
Community college	169,497	-	-	169,497	
Public schools	1,585,298	-	-	1,585,298	
Assigned for:					
Subsequent year's expenditures	310,198	-	-	310,198	
Unassigned	22,023,497	-	-	22,023,497	
Total fund balances	45,437,985	11,335,078	15,665,586	72,438,649	
Total liabilities, deferred inflows of resources, and fund balances	\$ 48,446,927	\$ 11,335,078	\$ 16,119,128		

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

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2018

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

Total fund balances \$ 72,438,649

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

Capital assets used in governmental activities are not current financial resources and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Assets.

141,898,082

The assets and liabilities of certain internal service funds are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Assets.

2,866,215

Net deferred inflows of resources for taxes and special assessments receivables

3,106,369

Some liabilities, (such as notes payable, capital lease contract payable, other postemployment benefits, long-term compensated absences, and bonds payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

(74,690,687)

Net pension liability - LGERS

(7,040,180)

LGERS - Contributions and other activity to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position

5,203,010

LGERS - Contributions and other activity to the pension plan in the current fiscal year are deferred inflows of resources on the Statement of Net Position

(257,531)

Net pension liability - LEOSSA

(2,448,783)

LEOSSA - Contributions and other activity to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position

248,012

LEOSSA - Contributions and other activity to the pension plan in the current fiscal year are deferred inflows of resources on the Statement of Net Position

(34,306)

Net pension asset - ROD

166,701

ROD - Contributions and other activity to the pension plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position

54,679

ROD - Contributions and other activity to the pension plan in the current fiscal year are deferred inflows of resources on the Statement of Net Position

(2,921)

Net OPEB liability

(31,566,564)

OPEB - Contributions and other activity to the OPEB plan in the current fiscal year are deferred outflows of resources on the Statement of Net Position

707,421

OPEB - Contributions and other activity to the OPEB plan in the current fiscal year are deferred inflows of resources on the Statement of Net Position

(3,015,971)

Net position of governmental activities

\$ 107,632,195

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

Wayne County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	Major		Non-Major		Total Governmental Funds	
	County Public School Capital Project Fund- Meadow Lane		Other Governmental Funds			
	General Fund	General Fund	General Fund	General Fund		
Revenues						
Property Taxes	\$ 55,417,124	\$ -	\$ 3,366,013	\$ 58,783,137		
Sales and miscellaneous taxes	19,737,551	-	1,370,343	21,107,894		
Other taxes and licenses	552,138	-	-	552,138		
Licenses and permits	1,724,617	-	517,364	2,241,981		
Intergovernmental	550,438	-	45,000	595,438		
Restricted intergovernmental	19,225,855	-	193,456	19,419,311		
Charges for services	5,305,173	-	-	5,305,173		
Investment earnings	346,629	167,795	136,408	650,832		
Miscellaneous	1,129,108	-	-	1,129,108		
Payments from various municipalities	210,366	-	-	210,366		
Total revenues	<u>104,198,999</u>	<u>167,795</u>	<u>5,628,584</u>	<u>109,995,378</u>		
Expenditures						
Current:						
General government	12,696,719	-	-	12,696,719		
Public safety	21,490,865	-	5,158,437	26,649,302		
Transportation	313,450	-	1,891,246	2,204,696		
Human services	27,809,801	-	176,439	27,986,240		
Culture and recreation	2,427,910	-	-	2,427,910		
Education	26,884,814	-	414,361	27,299,175		
Economic and physical development	1,947,853	-	-	1,947,853		
Debt Service:						
Principal	5,019,267	-	-	5,019,267		
Interest and other charges	2,483,574	-	-	2,483,574		
Capital Outlay	<u>-</u>	<u>7,358,201</u>	<u>1,061,419</u>	<u>8,419,620</u>		
Total Expenditures	<u>101,074,252</u>	<u>7,358,201</u>	<u>8,701,902</u>	<u>117,134,355</u>		
Excess (deficiency)	(3,124,747)	(7,190,406)	(3,073,318)	(7,138,977)		
Revenues over expenditures	(3,124,747)	(7,190,406)	(3,073,318)	(7,138,977)		
Other Financing Sources (Uses)						
Transfers in	11,022	1,526,244	5,030,853	6,568,119		
Transfers out	(15,260,368)	-	(3,703,418)	(18,963,786)		
Proceeds from sale of assets	277,443	-	-	277,443		
Total other financing sources and uses	<u>(14,971,903)</u>	<u>1,526,244</u>	<u>1,327,435</u>	<u>(12,118,224)</u>		
Net change in fund balances	(11,847,156)	(5,664,162)	(1,745,883)	(19,257,201)		
Fund balances - beginning	57,285,141	16,999,240	17,411,469	91,695,850		
Fund balances - ending	<u>\$ 45,437,985</u>	<u>\$ 11,335,078</u>	<u>\$ 15,665,586</u>	<u>\$ 72,438,649</u>		

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

Wayne County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of
Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2018

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

Net change in fund balances - total governmental funds:	\$	(19,257,201)
---	----	--------------

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expenses. This is the amount by which capital outlays exceeded depreciation in the current period.	4,465,983
--	-----------

Cost of capital asset disposed of during the year, not recognized on modified accrual basis.	17,699
--	--------

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transactions have any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	5,019,253
--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(190,232)
--	-----------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(203,152)
---	-----------

Internal service funds are used by management to charge the costs of health insurance and fleet management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	689,975
--	---------

Contributions and costs, net, to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.	(608,211)
---	-----------

Contributions and costs, net, to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.	(182,822)
--	-----------

Contributions and costs, net, to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.	(15,525)
---	----------

Contributions and costs, net, to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	(692,067)
--	-----------

Total changes in net position of governmental activities	<u>\$</u> <u>(10,956,300)</u>
--	-------------------------------

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

Wayne County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
Revenues				
Ad valorem taxes	\$ 54,797,287	\$ 54,797,287	\$ 55,417,123	\$ 619,836
Local option sales taxes	19,705,641	19,705,641	19,737,551	31,910
Other taxes and licenses	590,000	590,000	552,138	(37,862)
Licenses and permits	1,605,996	1,696,416	1,724,616	28,200
Intergovernmental	484,066	484,066	550,438	66,372
Restricted intergovernmental	18,064,574	20,746,014	19,225,855	(1,520,159)
Charges for services	4,098,334	5,066,983	5,305,172	238,189
Investment earnings	127,160	127,160	346,629	219,469
Miscellaneous	1,053,120	1,116,355	1,129,111	12,756
Payments from various municipalities	443,044	443,044	210,366	(232,678)
Total revenues	<u>100,969,222</u>	<u>104,772,966</u>	<u>104,198,999</u>	<u>(573,967)</u>
Expenditures				
Current:				
General government	14,237,805	14,969,799	12,696,718	2,273,081
Public safety	22,049,851	22,893,276	21,490,865	1,402,411
Transportation	62,347	313,461	313,450	11
Economic and physical development	1,793,098	3,855,757	1,947,853	1,907,904
Human services	28,208,353	30,793,579	27,809,801	2,983,778
Culture and recreation	2,518,877	2,591,273	2,427,910	163,363
Education	26,129,282	27,732,032	26,884,814	847,218
Debt Service:				
Principal	6,021,819	5,088,555	5,019,267	69,288
Interest and other charges	3,254,555	2,690,939	2,483,574	207,365
Total expenditures	<u>104,275,987</u>	<u>110,928,671</u>	<u>101,074,252</u>	<u>9,854,419</u>
Excess (deficiency) of revenues over expenditures	(3,306,765)	(6,155,705)	3,124,747	9,280,452
Other Financing Sources (Uses)				
Transfers in	45,935,556	319,000	11,022	(307,978)
Transfers out	(52,408,923)	(15,260,368)	(15,260,368)	-
Proceeds from sale of assets	-	2,997	277,443	(274,446)
Total other financing sources and (uses)	<u>(6,473,367)</u>	<u>(14,938,371)</u>	<u>(14,971,903)</u>	<u>(582,424)</u>
Revenues and other financing sources under expenditures	(9,780,132)	(21,094,076)	(11,847,156)	9,246,920
Appropriated fund balance	<u>9,780,132</u>	<u>21,094,076</u>	-	<u>(21,094,076)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(11,847,156)</u>	<u>\$ (11,847,156)</u>
Fund balances - beginning			57,285,141	
Fund balances - ending			<u>\$ 45,437,985</u>	

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

Wayne County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2018

Exhibit 6

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS Fund	Maxwell Center Fund
Assets			
Current assets:			
Cash and cash equivalents	\$ 9,139,369	\$ 2,725,131	\$ (77,019)
Accounts receivable, net	644,400	953,810	1,033,625
Due from other funds	-	-	137,142
Receivables from other governments	104,328	1,101,258	293,864
Inventories	18,792	-	-
Total current assets	<u>9,906,889</u>	<u>4,780,199</u>	<u>1,387,612</u>
Capital assets:			
Land	11,022,663	118,316	2,210,000
Other capital assets, net of depreciation	7,677,692	2,536,019	23,364,491
Total non-current assets	<u>18,700,355</u>	<u>2,654,335</u>	<u>25,574,491</u>
Total assets	<u>28,607,244</u>	<u>7,434,534</u>	<u>26,962,103</u>
Deferred Outflows of Resources	304,002	1,095,335	18,829
Liabilities			
Current liabilities:			
Accounts payable	104,162	394,755	6,624
Other liabilities	34,546	143,507	2,295
Accrued interest payable	-	153	25,116
Due to other funds	-	-	55,000
Customer deposits	-	-	30,548
Compensated absences	99,237	190,075	8,567
Current portion of long term debt	-	176,106	661,877
Total current liabilities	<u>237,945</u>	<u>904,596</u>	<u>790,027</u>
Non-current liabilities:			
Other postemployment benefits	962,533	4,346,711	-
Accrued landfill closure/postclosure costs	6,565,249	-	-
Net pension liability	382,157	1,350,288	25,477
Bonds, notes and loans payable	-	178,531	12,033,659
Total non-current liabilities	<u>7,909,939</u>	<u>5,875,530</u>	<u>12,059,136</u>
Total liabilities	<u>8,147,884</u>	<u>6,780,126</u>	<u>12,849,163</u>
Deferred Inflows of Resources	206,205	464,693	932
Net Position			
Net investment in capital assets	18,700,355	2,299,698	12,943,203
Unrestricted	1,856,806	(1,014,642)	1,187,633
Total net position	<u>\$ 20,557,161</u>	<u>\$ 1,285,056</u>	<u>\$ 14,130,836</u>

The assets and liabilities of certain type internal service funds are not included in the fund financial statement, but are included in the business activities of the Statement of Net Position (Exhibit 1).

Total net assets - business-type activities

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

<u>Nonmajor</u>		<u>Governmental Activities</u>	
<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>	
\$ 1,718,755	\$ 13,506,236	\$ 3,483,067	
138,025	2,769,860	(25,679)	
-	137,142	-	
33,309	1,532,759	-	
47,429	66,221	16,361	
<u>1,937,518</u>	<u>18,012,218</u>	<u>3,473,749</u>	
627,562	13,978,541	-	
8,918,097	42,496,299	18,233	
9,545,659	56,474,840	18,233	
<u>11,483,177</u>	<u>74,487,058</u>	<u>3,491,982</u>	
27,009	1,445,175	-	
225,040	730,581	585,767	
1,585	181,933	-	
5,417	30,686	-	
(37)	54,963	40,000	
-	30,548	-	
6,007	303,886	-	
120,000	957,983	-	
<u>358,012</u>	<u>2,290,580</u>	<u>625,767</u>	
84,948	5,394,192	-	
-	6,565,249	-	
33,969	1,791,891	-	
2,130,000	14,342,190	-	
<u>2,248,917</u>	<u>28,093,522</u>	<u>-</u>	
2,606,929	30,384,102	625,767	
152,104	823,934	-	
8,866,819	42,810,075	18,233	
(115,662)	1,914,135	2,847,981	
<u>\$ 8,751,157</u>	<u>44,724,210</u>	<u>\$ 2,866,214</u>	
	(195,572)		
	<u>\$ 44,528,638</u>		

Wayne County, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS Fund	Maxwell Center Fund
Operating Revenues			
User fees	\$ 4,311,790	\$ 7,458,393	\$ 480,614
Insurance premiums	-	-	-
Fleet services	-	-	-
Total operating revenues	<u>4,311,790</u>	<u>7,458,393</u>	<u>480,614</u>
Operating expenses			
Salaries and employee benefits	1,713,446	7,256,426	226,510
Contractual services	107,456	570,725	20,705
Utilities	-	-	14,257
Repairs and maintenance	362,511	87,812	49,816
Other departmental expenses	692,919	181,921	90,937
Other supplies and expenses	288,629	2,994,892	99,532
Indirect costs	335,435	1,099,659	-
Closure and postclosure costs	324,605	-	-
Insurance claims and expenses	-	-	-
Depreciation	<u>747,945</u>	<u>541,764</u>	<u>237,448</u>
Total operating expenses	<u>4,572,946</u>	<u>12,733,199</u>	<u>739,205</u>
Operating income (loss)	<u>(261,156)</u>	<u>(5,274,806)</u>	<u>(258,591)</u>
Non-operating Revenues (Expenses)			
Restricted intergovernmental revenues	314,886	-	314,907
Interest and investment revenue	66,888	11,200	32,396
Miscellaneous revenue	343,750	10,658	-
Gain (loss) on sale of assets	(77,769)	143,490	-
Operating grants and contributions	9,967	725,774	503,500
Interest expense	-	(7,486)	(444,121)
Total non-operating revenue (expenses)	<u>657,722</u>	<u>883,636</u>	<u>406,682</u>
Income (loss) before contributions/transfers	<u>396,566</u>	<u>(4,391,170)</u>	<u>148,091</u>
Transfers in	-	6,863,130	2,605,219
Change in net position	<u>396,566</u>	<u>2,471,960</u>	<u>2,753,310</u>
Total net position - beginning	<u>20,608,581</u>	<u>1,252,035</u>	<u>11,377,526</u>
Restatement, Note X	<u>(447,986)</u>	<u>(2,438,939)</u>	<u>-</u>
Net position, beginning, restated	<u>20,160,595</u>	<u>(1,186,904)</u>	<u>11,377,526</u>
Total net position - ending	<u><u>\$ 20,557,161</u></u>	<u><u>\$ 1,285,056</u></u>	<u><u>\$ 14,130,836</u></u>

Change in net position, per above
Internal service funds are used by management to charge the costs of health insurance and fleet management to individual funds. A portion of the net revenue (expense) of the Internal Service Fund is reported with the business-type activities in the Statement of Activities (Exhibit 2).

Total change in net position - business-type activities

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

<u>Nonmajor</u>		<u>Governmental Activities</u>
<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
\$ 1,156,006	\$ 13,406,803	\$ -
-	-	8,483,719
-	-	397,754
<u>1,156,006</u>	<u>13,406,803</u>	<u>8,881,473</u>
170,238	9,366,620	165,212
40,071	738,957	-
-	14,257	1,331
84,382	584,521	3,581
967,040	1,932,817	12,754
-	3,383,053	200,243
145,471	1,580,565	-
-	324,605	-
-	-	7,751,049
<u>510,089</u>	<u>2,037,246</u>	<u>2,388</u>
<u>1,917,291</u>	<u>19,962,641</u>	<u>8,136,558</u>
<u>(761,285)</u>	<u>(6,555,838)</u>	<u>744,915</u>
-	629,793	-
1,745	112,229	14,522
25,795	380,203	35,956
-	65,721	438
251,859	1,491,100	-
(95,142)	(546,749)	-
<u>184,257</u>	<u>2,132,297</u>	<u>50,916</u>
<u>(577,028)</u>	<u>(4,423,541)</u>	<u>795,831</u>
<u>2,919,489</u>	<u>12,387,838</u>	<u>7,829</u>
<u>2,342,461</u>	<u>7,964,297</u>	<u>803,660</u>
<u>8,823,058</u>	<u>42,061,200</u>	<u>2,062,554</u>
<u>(2,414,362)</u>	<u>(5,301,287)</u>	<u>-</u>
<u>6,408,696</u>	<u>36,759,913</u>	<u>-</u>
<u>\$ 8,751,157</u>	<u>\$ 44,724,210</u>	<u>\$ 2,866,214</u>
	7,964,297	
	113,682	
	<u>\$ 8,077,979</u>	

Wayne County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2018

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS	Maxwell Center
Cash flows from operating activities:			
Receipts from customers	\$ 4,138,907	\$ 7,683,446	\$ 1,603,870
Payments to employees for services	(1,685,173)	(7,058,761)	(210,680)
Payments to suppliers of goods and services	(1,707,456)	(4,570,583)	(1,513,549)
Proceeds from unrestricted revenues	343,750	10,658	-
Net cash provided (used) by operating activities	1,090,028	(3,935,240)	(120,359)
Cash flows from noncapital financing activities:			
Grant proceeds	324,847	725,774	686,328
Due (to) from other government	(37,001)	(1,048,808)	55,000
Transfers (to) from other funds	-	6,863,130	2,605,219
Net cash provided (used) by noncapital financing activities	287,846	6,540,096	3,346,547
Cash flows from capital and related financing activities:			
Principal payments related to capital debt	-	(173,585)	(623,231)
Interest payments related to capital debt	-	(7,564)	(432,780)
Proceeds related to capital debt	-	-	2,318,767
Noncash transfers of assets	-	-	(3,163)
Cash received on disposal of assets	-	-	-
Payments for the acquisition of capital assets	(1,215,571)	(848,515)	(10,438,228)
Net cash provided (used) by capital and related financing activities	(1,215,569)	(1,029,664)	(9,178,635)
Cash flows from investing activities			
Loan to City of Goldsboro	-	-	(137,142)
Interest payments received	66,888	11,200	32,397
Net cash provided (used) by investing activities	66,888	11,200	(104,745)
Net increase (decrease) in cash and cash equivalents	229,193	1,586,392	(6,057,192)
Cash and cash equivalents, July 1	8,910,176	1,138,739	5,980,173
Cash and cash equivalents, June 30	9,139,369	2,725,131	(77,019)
Operating income	(261,156)	(5,274,806)	(258,591)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	747,945	541,764	237,448
Non operating income	343,750	10,658	-
Changes in assets and liabilities			
(Increase) decrease			
Accounts receivable	(172,884)	225,054	1,123,256
Inventory	(2,790)	-	-
Increase (decrease)			
Accounts payable	82,284	364,426	(1,238,301)
Postemployment liability	(49,290)	(222,590)	-
Pensions	77,862	444,013	5,716
Postclosure costs	324,606	-	-
Other liabilities	(299)	(23,759)	10,113
Total adjustments	1,351,184	1,339,566	138,232
Net cash provided (used) by operating activities	\$ 1,090,028	\$ (3,935,240)	\$ (120,359)

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

<u>Business-type Activities</u> <u>Nonmajor</u>		<u>Governmental</u> <u>Activities</u>	
		<u>Internal Service</u> <u>Funds</u>	
<u>Other Enterprise Funds</u>	<u>Totals</u>		
\$ 1,247,954	\$ 14,674,177	\$ 8,885,225	
(178,485)	(9,133,099)	-	
(1,064,494)	(8,856,082)	(8,160,771)	
25,795	380,203	35,956	
30,770	(2,934,801)	760,410	
251,859	1,988,808	-	
-	(1,030,809)	(20,000)	
2,919,489	12,387,838	7,829	
3,171,348	9,999,290	(12,171)	
(120,000)	(916,816)	-	
(95,142)	(535,486)	-	
-	2,318,767	-	
-	(3,163)	-	
-	-	438	
(1,592,773)	(14,095,087)	-	
(1,807,915)	(13,231,783)	438	
1,744	112,229	14,524	
1,744	(24,913)	14,524	
1,395,947	(2,845,660)	763,201	
322,808	16,351,896	2,719,866	
1,718,755	13,506,236	3,483,067	
(761,285)	(6,555,838)	744,915	
510,089	2,037,246	2,389	
25,795	380,203	35,957	
91,948	1,267,374	3,752	
12,682	9,892	(975)	
159,788	(631,803)	(25,628)	
(4,350)	(276,230)	-	
(4,314)	523,277	-	
-	324,606	-	
417	(13,528)	-	
792,055	3,621,037	15,495	
\$ 30,770	\$ (2,934,801)	\$ 760,410	

Wayne County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Agency Fund
Assets	
Cash and cash equivalents	\$ 190,267
Total assets	<u><u>190,267</u></u>
Liabilities	
Miscellaneous liabilities	184,294
Intergovernmental payable	5,973
Total liabilities	<u><u>190,267</u></u>
Net Position	
Held in trust for benefits and other purposes	<u><u>\$ -</u></u>

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

I. Summary of Significant Accounting Policies

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

A. Reporting Entity

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

Component Unit	Reporting Method	Criteria for Inclusion	Separate Financial Statements
Wayne County Alcoholic Beverage Control Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Wayne County Alcoholic Beverage Control Board 206 E. Mulberry Street Goldsboro, NC 27530
Wayne County Tourism Development Authority	Discrete	The Authority exists to promote travel and tourism within the County. The members of the TDA's governing board are appointed by the County. The Authority was created by Wayne County and the County Finance Officer is the ex officio finance officer of the Authority.	Wayne County Tourism Development Authority P.O. Box 227 Goldsboro, N.C. 27533

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus – Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County) and its component 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. 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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

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

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

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Tax Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, in accordance with GASB Statement No. 54, it is consolidated in the General Fund.

County Public School Capital Project Fund – Meadow Lane: This capital project fund accounts for the costs of construction and related funding sources for a specific construction project for Meadow Lane Elementary School.

Non-major Funds: The County maintains ten legally budgeted or project length budgeted funds and one permanent fund. The Emergency Telephone System Fund, the Fire District Fund, the Community Development Fund, the Utility Fund, and the Street Assessment Fund are reported as non-major special revenue funds. The County Capital Project Fund, the County Public School Capital Project Fund-School Buildings, the County Public School Capital Project Fund-School Renovations, the County Capital Reserve Projects Fund, and the County Capital Project-911 Call Center Fund, are reported as capital projects funds. The Permanent Fund-Senior Center is reported as a non-major permanent fund. A description of each follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Emergency Telephone Service Fund: This fund accounts for the accumulation of permits and fees to be used in the operations of the 911 emergency service system.

Fire District Fund: This fund accounts for the ad valorem tax levies of the twenty-eight fire districts in Wayne County.

Community Development Fund: This fund accounts for the costs of construction and collection of resources from Federal Community Development Block Grant programs designated for specific development projects.

Utility Fund: This fund accounts for the costs of street lights and the collection of resources from residents in specific neighborhoods in Wayne County.

Street Assessment Fund: This fund accounts for the costs of improvements to the streets and the collections of resources from residents in specific neighborhoods in Wayne County.

County Capital Projects Fund: This capital project fund accounts for the costs of construction and related funding sources for capital projects of a general nature.

County Public School Capital Project Fund-School Buildings: This capital project fund accounts for the costs of construction and related funding sources for school related capital projects.

County Public School Capital Project Fund-School Renovations: This capital project fund accounts for the costs of school renovations and related funding sources for school related capital projects.

County Capital Reserve Project Fund: This capital project fund accounts for the accumulation of resources for future capital projects.

County Capital Project-911 Call Center Fund: This capital project fund accounts for the costs of construction and future funding sources for capital projects of the emergency call center.

Permanent Fund-Senior Center: This funds account for the earnings of an endowment for the specific purpose of funding projects and expenses related to the Senior Center.

The County reports the following major enterprise funds:

Solid Waste Disposal Fund: This fund accounts for the operation, maintenance, and development of various landfills and disposal sites.

EMS Fund: This fund is used to account for the operations of the emergency and nonemergency transportation medical services within the County.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Maxwell Regional Agricultural & Convention Center (Maxwell Center) Fund: This fund is used to account for the operations of the agricultural and convention center. The building of the center was completed during the fiscal year.

The County reports the following non-major enterprise funds:

Jetport Fund: This fund is used to account for the operations of the municipal airport services within the County.

Sewer Fund: This fund is used to account for the operations of the County's sewer activities.

The County reports the following fund types:

Internal Service Funds: The County has a Hospital Self Insurance Fund for the accumulation and allocation of health insurance costs, the WC Self Insurance Fund for the accumulation of workman's compensation insurance costs, and the Fleet Management Fund for the accumulation of vehicle repair and maintenance costs.

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains the following agency funds: the Social Services Fund, which accounts for moneys deposited with the Department of Social Services for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to the Wayne County Board of Education; the Municipal Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities and special districts within the County but that are not revenues to the County; the Court Costs Fund for moneys deposited with the Tax Collectors Department for the benefit of the Clerk of Court; the Sheriff Department Fund for moneys deposited with the Sheriff Department on behalf of the Clerk of Court and for moneys deposited for the benefit of inmates; the Miscellaneous Agency Funds which account for moneys collected from various civic organizations and held in a fiduciary capacity to augment the activities financed by public funds.

Measurement Focus, 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. 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 nonoperating revenues and expenses.

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

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

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the Emergency Telephone Fund, the Fire District Fund, the Community Development Fund, the Utility Fund, the Street Assessment Fund, the Enterprise Funds and the Internal Service Funds. All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for all of the capital projects funds, which are consolidated with the enterprise operating 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 and at the object level for the multi-year funds. Amendments are required for any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000. The governing board must approve all amendments. During the year, several immaterial amendments to the original budget were necessary. The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. The Permanent Fund-Senior Center is not required to be budgeted.

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

1. Deposits and Investments

All deposits of the County, the Wayne County Tourism Development Authority, and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Wayne County Tourism Development Authority, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Wayne County

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Tourism Development Authority, and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

The majority of the County's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Ownership interest of the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian. Under the authority of G.S. 147-69.3, no unrealized gains or losses of the STIF are distributed to participants of the fund. The ABC Board and the Wayne County Tourism Authority do not have any investments as of June 30, 2018.

2. Cash and Cash Equivalents

The County pools moneys from several funds, except some fiduciary type funds, to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The ABC Board and the Wayne County Tourism Development Authority 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

Money in the General Fund used for Tax Revaluation is classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Some special revenue, capital project, and proprietary funds' cash and cash equivalents are restricted to the service for which the deposit was collected. In addition, money in the Qualified School Construction Bond Sinking Fund account is restricted based on the terms of its related debt covenant.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Wayne County, North Carolina Restricted Cash

Current Assets:

Governmental Activities

General Fund	Tax Revaluation	\$ 758,020
Special Revenue Fund	Emergency Telephone	1,354,757
Special Revenue Fund	Fire Districts	284
Special Revenue Fund	Community Development	-
Special Revenue Fund	Neighborhood Utility and Roads	18,235
Capital Projects Fund	General Government Bond	57,396
Capital Projects Fund	School Buildings	14,643,438
Permanent Fund	Senior Center	7,170
Restricted Cash, Current Assets - Governmental		<u>16,839,300</u>
Business-type Activities		
Sewer Fund	Debt Proceeds	1,571,160
MRACC Fund	Debt Proceeds	64,248
Restricted Cash, Current Assets - Business-type		<u>1,635,408</u>
Total Restricted Cash, Current Assts		<u>18,474,708</u>

Noncurrent Assets:

Governmental Activities

General Fund	QSCB Sinking Fund	<u>6,431,278</u>
Total Restricted Cash, Noncurrent Assets		<u>6,431,278</u>
Total Restricted Cash		<u>\$ 24,905,986</u>

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2011.

5. Allowances for Doubtful Accounts

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

6. Inventories and Prepaid Items

The inventories of the County's enterprise funds are valued at cost (first-in, first-out), which approximates market. The inventory consists of fuel held for consumption or resale. The cost of the inventory is recorded as an expense as it is consumed or sold.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

The inventories of the ABC Board are valued at the lower of cost (first-in, first-out) or market. The inventory consists of materials and supplies held for consumption or resale. The cost of the inventory is recorded as an expense as it is consumed or sold.

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are as follows: land, \$5,000; buildings, improvements, substations, lines, and other plant and distribution systems, \$5,000; infrastructure, \$5,000; furniture and equipment, \$5,000; vehicles, \$5,000, and computer software, \$5,000. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

	Years
Sewer improvements	40
Buildings	40
Improvements	40
Land improvements	20
Contractor equipment	5 - 15
Equipment	10 - 20
Vehicles	3 - 10
Computer Software	5

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

	Years
Buildings and improvements	10 - 35
Leasehold improvements	7 - 35
Furniture and equipment	10
Vehicles	5

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

8. Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meet this criterion – pension/other post-employment benefit related deferrals and contributions made to the pension plan/other post-employment benefit plan in the current fiscal year. In addition to liabilities, the statement of financial position can also report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category – prepaid taxes, special assessments receivable, and other pension related deferrals.

9. Long-term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

10. Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty 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 ABC Board employees may not accumulate vacation days.

The sick leave policies of the County and the ABC Board provide 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 neither the County, nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

Restricted for Future Debt Payments, QSCB – portion of fund balance that is restricted to pay future debt payments based on the terms of the debt covenants, see Note 7.

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

Restricted for Public Schools – portion of fund balance that can only be used for School Capital per G.S. 159-18-22 or restricted by debt agreements.

Restricted for Law Enforcement – portion of fund balance that is restricted by revenue source for law enforcement expenditures.

Restricted for Tax Revaluation – portion of the fund balance that is restricted by revenue source for future tax revaluation purposes.

Restricted for Public Safety – portion of fund balance that is restricted by revenue source for emergency telephone services.

Restricted for Transportation – portion of fund balance that is restricted by tax revenue collected for specific neighborhood utility and road improvements.

Restricted for Capital Improvements – portion of the fund balance that is restricted by debt agreement for capital improvements not yet spent as of the year-end.

Restricted for Grants – portion of the fund balance that is restricted by grant agreements.

Restricted for Court Facilities – portion of the fund balance that is restricted by revenue source for servicing the court system in Wayne County.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Restricted for Permanent Fund, Senior Center – portion of fund balance that is restricted by donor and only the earning may be used for the purpose of projects associated with the Senior Center.

Committed Fund Balance – Portion of fund balance that can only be used for specific purpose imposed by majority vote of Wayne County's governing body (highest level of decision-making authority). Any changes or removal of specific purposes requires majority action by the governing board. In Wayne County, an ordinance or majority vote is equally binding.

Committed for Future Capital Projects – portion of fund balance that can only be used for future capital projects.

Committed for Community College – portion of fund balance that can only be used for capital projects of Wayne Community College.

Committed for Public Schools – portion of fund balance that can only be used for expenditures of the Wayne County Public School system.

Assigned Fund Balance – portion of fund balance that the Wayne County governing board has budgeted.

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

Unassigned Fund Balance – portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. A negative unassigned fund balance in governmental funds other than the general fund may be reported, if expenditures incurred exceed the amounts that are restricted, committed, or assigned to those purposes.

Wayne County has a revenue spending policy that provides guidance for programs with multiple revenue sources. The Finance Officer will use resources in the following hierarchy: bond proceeds, federal funds, state funds, local non-city funds, and county funds. For purposes of fund balance classification, expenditures are to be spent from restricted fund 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's in the best interest of the County.

Wayne County has also 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 available fund balance is at least equal to or greater than 14% of budgeted expenditures. Any portion of the General Fund in excess of 14% of budgeted expenditures may be appropriated for a one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

12. Defined Benefit Pension Plans

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

E. Reconciliation of Government-wide and Fund Financial Statements

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

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds and net position – governmental activities as reported in the government-wide statement of net position. The net adjustment of \$35,193,546 consists of several elements as follows:

Description	Amount
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in governmental activities column).	\$ 193,267,541
Less accumulated depreciation	51,369,459
Net capital assets	<u>141,898,082</u>
Internal service funds are used by management to charge the costs of health insurance, workman's compensation, and fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	2,866,215
Liabilities for deferred inflows of resources reported in the fund statements but are not government-wide:	
Deferred inflows of resources for taxes and special assessments receivable.	3,106,369
LGERS - pension related deferrals	4,945,479
LGERS - net pension liability	(7,040,180)
LEOSSA - pension related deferrals	213,706
LEOSSA - net pension liability	(2,448,783)
ROD - pension related deferrals	51,758
ROD - net pension asset	166,701
OPEB - OPEB related deferrals	(2,308,550)
OPEB - net pension liability	(31,566,564)
Liabilities that because they are not due and payable in the current period, do not require current resources to pay and are therefore not recorded in the fund statements:	
Bonds, leases, and installment financing	(71,731,202)
Compensated absences	(2,277,527)
Accrued interest payable	(681,958)
	<u>(74,690,687)</u>
Total adjustment	<u><u>\$ 35,193,546</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. There are several elements of that total adjustment of \$8,300,901 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 10,188,205
Depreciation expense, the allocation of those assets over their useful lives that is recorded on the statements of activities but not in the fund statements.	(5,722,222)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	17,699
Contributions and costs to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.	(608,211)
Contributions and costs to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.	(182,822)
Contributions and costs to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.	(15,525)
Contributions and costs to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	(692,067)
Principal payments owed are recorded as a use of funds on the fund statements and proceeds for debt are recorded as a source of funds on the fund statements but again affect only the Statement of Net Position in the government-wide statements.	5,019,253
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements and government-wide statements.	(95,143)
Compensated absences	(108,009)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	(190,232)
Internal service funds are used by management to charge the cost of health insurance and fleet management to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.	689,975
Total adjustment	<u><u>\$ 8,300,901</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

II. Stewardship, Compliance, and Accountability

A. Significant Violations of Finance-Related Legal and Contractual Provisions

There were no material instances of noncompliance with the N.C. General Statutes.

III. Detail Notes on All Funds

A. Assets

1. Deposits

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

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

At June 30, 2018, the County's deposits had a carrying amount of \$52,389,071 and a bank balance of \$54,902,243. Of the bank balance, \$750,760 was covered by federal depository insurance, and \$116,486 in non-interest bearing deposits and \$54,785,758 in interest bearing deposits were covered by collateral held under the Pooling Method.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

At June 30, 2018, Wayne County had \$17,879 cash on hand.

At June 30, 2018, the carrying amount of deposits for the Wayne County ABC Board was \$1,911,159 and the bank balance was \$1,810,341. All of the bank balance was covered by federal depository insurance except for \$1,097,942, which was collateralized by institutions using the Pooling Method. At June 30, 2018, The ABC Board had \$6,200 cash on hand.

At June 30, 2018, the carrying amount of deposits for the Wayne County Tourism Development Authority was \$56,507 and the bank balance was \$58,267. All of the Tourism Authority's deposits were fully covered by federal depository insurance.

2. Investments

As of June 30, 2018 the County had the following investments and maturities.

Investment Type	Measurement Method	Valuation		Less Than 6 Months	6-12 Months
		Fair Value			
Commercial Paper	Fair Value- Level 2	\$ 7,926,684		N/A	\$ 7,926,684
NC Capital Management Trust Government Portfolio	Amortized Cost	6,038,296		N/A	N/A
NC Capital Management Trust Term Portfolio*	Fair Value- Level 1	14,808,336		14,808,336	N/A
Total		\$ 28,773,316		\$ 14,808,336	\$ 7,926,684

Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

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

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

Interest Rate Risk. The County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.5 years at June 30, 2016.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Credit Risk. County policy 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, 2018, the County's investments in commercial paper were rated P1 by Standards & Poor's, F1 by Fitch Ratings, 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, 2018. 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 U.S. Government and agencies, and in high grade money market instruments as permitted under North Carolina General Statutes 159-30 as amended.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County's formal policy dictates that all investments will be purchased "payment-verses-delivery" and if certificated will be held by the Finance Officer in the name of the County. All non-certificated investments will be held in book entry form in the name of the County with the County's third party Custodian (Safekeeping Agent).

Investments, long-term restricted cash. The County's debt covenant, see Note B, 6, b, requires them to deposit a required amount annually into a sinking fund bank account. Restricted cash balance, not available for use in the short-term, is \$6,431,278.

The ABC Board and Wayne County Tourism Development Authority have no policy on credit risk.

3. Inventories

Wayne County's inventories are valued at cost, using the last in-first out method. Inventory in the Solid Waste Disposal and Airport proprietary funds consists of fuel for on-site equipment and are recorded when consumed. Inventory in the Fleet Management is allocated to the government wide and proprietary statements and consists of vehicle parts and are recorded when consumed.

The Wayne County ABC Board inventory are valued at the lower of cost (FIFO) or market.

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years,

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2014-15	\$ 3,147,490	\$ 1,030,803	\$ 4,178,293
2015-16	3,138,432	745,378	3,883,810
2016-17	3,143,989	463,738	3,607,727
2017-18	<u>3,137,192</u>	<u>180,389</u>	<u>3,317,581</u>
	<u><u>\$ 12,567,103</u></u>	<u><u>\$ 2,420,308</u></u>	<u><u>\$ 14,987,411</u></u>

5. Receivables

Receivables at the government-wide level at June 30, 2018 were as follows:

	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 125,153	\$ 3,669,042	\$ 9,162,803	\$ 12,956,998
Other governmental	<u>43,114</u>	<u>176,225</u>	<u>607,082</u>	<u>826,421</u>
Total receivables	168,267	3,845,267	9,769,885	13,783,419
Allowance for doubtful accounts	-	(1,384,113)	-	(1,384,113)
Total-governmental activities	<u><u>\$ 168,267</u></u>	<u><u>\$ 2,461,154</u></u>	<u><u>\$ 9,769,885</u></u>	<u><u>\$ 12,399,306</u></u>
	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Business-type Activities:				
Solid Waste Disposal	\$ 2,188,566	\$ -	\$ 1,101,263	\$ 3,289,829
Sewer Fund	646,906	-	104,328	751,234
EMS Fund	74,949	-	2,173	77,122
Airport	63,075	-	31,136	94,211
MRAC	<u>1,033,625</u>	<u>-</u>	<u>431,005</u>	<u>1,464,630</u>
Total receivables	4,007,121	-	1,669,905	5,677,026
Allowance for doubtful accounts	<u>(1,432,824)</u>	<u>-</u>	<u>-</u>	<u>(1,432,824)</u>
Total-business-type activities	<u><u>\$ 2,574,297</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 1,669,905</u></u>	<u><u>\$ 4,244,202</u></u>

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

Local option sales tax	\$ 3,797,257
Sales tax refund	985,159
Grants receivable	2,999,940
Other	<u>3,657,434</u>
Total	<u><u>\$ 11,439,790</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2018 was as follows:

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 14,630,080	\$ 152,050	\$ 24,650	\$ 14,757,480
Total capital assets not being depreciated	14,630,080	152,050	24,650	14,757,480
Capital assets being depreciated:				
Buildings	136,776,565	8,137,662	155,203	144,759,024
Infrastructure	829,172	357,493	91,041	1,095,624
Intangibles	1,552,908	55,576	25,395	1,583,089
Furniture and equipment	23,829,220	984,437	216,362	24,597,295
Vehicles and motor equipment	5,945,087	731,455	207,158	6,469,384
Total capital assets being depreciated	168,932,952	10,266,623	695,159	178,504,416
Less accumulated depreciation for:				
Buildings	29,361,780	3,230,210	78,110	32,513,880
Infrastructure	200,265	38,927	-	239,192
Intangibles	690,160	78,658	22,632	746,186
Furniture and equipment	12,011,446	1,722,452	215,570	13,518,328
Vehicles and motor equipment	3,888,652	654,364	196,790	4,346,226
Total accumulated depreciation	46,152,303	\$ 5,724,611	\$ 513,102	51,363,812
Total capital assets being depreciated, net	122,780,649			127,140,604
Governmental activity capital assets, net	\$ 137,410,729			\$ 141,898,084

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

General government	\$ 1,949,025
Public safety	1,766,976
Economic and physical development	123,382
Human services	293,078
Cultural and recreational	4,815
Environmental protection	14,970
Education	1,572,365
 Total depreciation expense	 <u>\$ 5,724,611</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018
<u>Business-type activities:</u>				
Solid Waste Disposal:				
Capital assets not being depreciated:				
Land	\$ 11,022,663	\$ -	\$ -	\$ 11,022,663
Total capital assets not being depreciated	11,022,663	-	-	11,022,663
Capital assets being depreciated:				
Buildings	1,112,341	5,895	-	1,118,236
Land improvements	5,624,195	-	-	5,624,195
Contractor equipment	5,696,356	1,169,147	449,331	6,416,172
Furniture and equipment	1,400,917	8,583	-	1,409,500
Vehicles and motor equipment	893,153	31,946	-	925,099
Total capital assets being depreciated	14,726,962	1,215,571	449,331	15,493,202
Less accumulated depreciation for:				
Buildings	364,397	30,623	-	395,020
Land improvements	1,851,179	209,291	-	2,060,470
Contractor equipment	4,084,815	348,083	371,562	4,061,336
Furniture and equipment	671,651	81,083	-	752,734
Vehicles and motor equipment	467,085	78,865	-	545,950
Total accumulated depreciation	7,439,127	\$ 747,945	\$ 371,562	7,815,510
Total capital assets being depreciated, net	7,287,835			7,677,692
Solid Waste Disposal capital assets, net	\$ 18,310,498			\$ 18,700,355
 <u>Business-type activities:</u>				
Emergency Medical Services (EMS):				
Capital assets not being depreciated:				
Land	\$ 38,450	\$ 79,866	\$ -	\$ 118,316
Total capital assets not being depreciated	38,450	79,866	-	118,316
Capital assets being depreciated:				
Leasehold improvements	104,726	-	-	104,726
Building	167,297	233,920	-	401,217
Furniture and equipment	596,668	52,718	51,933	597,453
Vehicles and motor equipment	3,065,546	625,501	424,400	3,266,647
Total capital assets being depreciated	3,934,237	912,139	476,333	4,370,043
Less accumulated depreciation for:				
Leasehold improvements	49,654	5,788	-	55,442
Building	34,993	6,136	-	41,129
Furniture and equipment	188,677	83,857	51,933	220,601
Vehicles and motor equipment	1,495,269	445,983	424,400	1,516,852
Total accumulated depreciation	1,768,593	\$ 541,764	\$ 476,333	1,834,024
Total capital assets being depreciated, net	2,165,644			2,536,019
EMS capital assets, net	\$ 2,204,094			\$ 2,654,335

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018
<u>Business-type activities:</u>				
Sewer:				
Capital assets not being depreciated:				
Land	\$ 23,628	\$ -	\$ -	\$ 23,628
Total capital assets not being depreciated	23,628	-	-	23,628
Capital assets being depreciated:				
Infrastructure	3,424,239	1,273,104	-	4,697,343
Buildings	150,762	-	-	150,762
Furniture and equipment	409,440	10,041	-	419,481
Vehicles and motor equipment	119,425	-	-	119,425
Total capital assets being depreciated	4,103,866	1,283,145	-	5,387,011
Less accumulated depreciation for:				
Infrastructure	2,265,164	60,884	-	2,326,048
Buildings	21,935	5,296	-	27,231
Furniture and equipment	134,559	23,361	-	157,920
Vehicles and motor equipment	64,825	8,069	-	72,894
Total accumulated depreciation	2,486,483	\$ 97,610	\$ -	2,584,093
Total capital assets being depreciated, net	1,617,383			2,802,918
Sewer capital assets, net	\$ 1,641,011			\$ 2,826,546

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018
<u>Business-type activities:</u>				
Airport:				
Capital assets not being depreciated:				
Land	\$ 603,934	\$ -	\$ -	\$ 603,934
Total capital assets not being depreciated	603,934	-	-	603,934
Capital assets being depreciated:				
Buildings	8,300,667	248,878	-	8,549,545
Intangibles	143,854	-	-	143,854
Furniture and equipment	204,402	43,198	17,335	230,265
Vehicles and motor equipment	52,307	22,000	31,012	43,295
Total capital assets being depreciated	8,701,230	314,076	48,347	8,966,959
Less accumulated depreciation for:				
Buildings	2,296,203	383,460	-	2,679,663
Intangibles	46,239	6,726	-	52,965
Furniture and equipment	92,901	22,293	17,335	97,859
Vehicles and motor equipment	52,305	-	31,012	21,293
Total accumulated depreciation	2,487,648	\$ 412,479	\$ 48,347	2,851,780
Total capital assets being depreciated, net	6,213,582			6,115,179
Airport capital assets, net	\$ 6,817,516			\$ 6,719,113

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	<u>Balance</u>			<u>Balance</u>
	<u>July 01, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
<u>Business-type activities:</u>				
Maxwell Center:				
Capital assets not being depreciated:				
Land	\$ 2,210,000	\$ -	\$ -	\$ 2,210,000
Total capital assets not being depreciated	2,210,000	-	-	2,210,000
Capital assets being depreciated:				
Buildings	13,146,984	10,344,698	-	23,491,682
Equipment	-	15,037	-	15,037
Intangibles	-	95,221	-	95,221
Total capital assets being depreciated	13,146,984	10,454,956	-	23,601,940
Less accumulated depreciation for:				
Buildings	-	232,502	-	232,502
Equipment	-	209	-	209
Intangibles	-	4,738	-	4,738
Total accumulated depreciation	-	<u>\$ 237,449</u>	<u>\$ -</u>	237,449
Total capital assets being depreciated, net	<u>13,146,984</u>			<u>23,364,491</u>
Maxwell Center capital assets, net	<u>13,146,984</u>			<u>25,574,491</u>
Business-type activities capital assets, net	<u>\$ 42,120,103</u>			<u>\$ 56,474,840</u>

Construction Commitments

The government has active construction commitments as of June 30, 2018 - the Fiber Loop Project, the Grantham Sewer Project, and Meadow Lane Elementary School.

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2018 was as follows:

	<u>Balance</u>			<u>Balance</u>
	<u>July 01, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2018</u>
<u>Wayne County ABC Board</u>				
Capital assets not being depreciated:				
Land and construction in progress	\$ 703,108	\$ 99,764	\$ -	\$ 802,872
Total capital assets not being depreciated	703,108	99,764	-	802,872
Capital assets being depreciated:				
Building	873,203	-	-	873,203
Furniture and equipment	569,095	19,980	-	589,075
Vehicles and motor equipment	166,348	-	-	166,348
Leasehold improvements	12,544	-	-	12,544
Total capital assets being depreciated	1,621,190	19,980	-	1,641,170
Less accumulated depreciation for:				
Building	477,676	23,181	-	500,857
Furniture and equipment	445,241	44,011	-	489,252
Vehicles and motor equipment	130,088	8,700	-	138,788
Leasehold improvements	12,544	-	-	12,544
Total accumulated depreciation	1,065,549	<u>\$ 75,892</u>	<u>\$ -</u>	1,141,441
Total capital assets being depreciated, net	<u>555,641</u>			<u>499,729</u>
Wayne County ABC Board, net	<u>\$ 1,258,749</u>			<u>\$ 1,302,601</u>

The Wayne County Tourism Development Authority does not have any capital assets as of June 30, 2018.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2018 were as follows:

	Vendors	Salaries	Accrued	Total
		and Benefits	Interest	
Governmental Activities:				
General	\$ 1,208,048	\$ 158,659	\$ 681,958	\$ 2,048,665
Other governmental	<u>24,573</u>	<u>-</u>	<u>-</u>	<u>24,573</u>
Total-governmental activities	<u>\$ 1,232,621</u>	<u>\$ 158,659</u>	<u>\$ 681,958</u>	<u>\$ 2,073,238</u>
Business-type Activities:	Vendors	Salaries	Accrued	Total
		and Benefits	Interest	
Solid Waste Disposal	\$ 104,162	\$ 34,546	\$ -	\$ 138,708
Sewer Fund	177,328	-	5,417	182,745
EMS Fund	394,754	143,506	153	538,413
Airport	47,675	1,585	-	49,260
MRAC	92,172	2,295	25,116	119,583
Total-business-type activities	<u>\$ 816,091</u>	<u>\$ 181,932</u>	<u>\$ 30,686</u>	<u>\$ 1,028,709</u>

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2018, was 8.25% of compensation for law enforcement officers and 7.50% 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 \$2,793,132 for the year ended June 30, 2018.

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

The ABC Boards' current rate for Employees not engaged in law enforcement officers is 7.67% of annual covered payroll. The ABC Board's contributions to LGERS for the year ended June 30, 2018, was \$62,436. The Wayne County Tourism Development Authority does not have any employees and does not participate in LGERS.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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

At June 30, 2018, the County reported a liability of \$8,832,072 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was .578%, which was an increase of 0.0496% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$2,630,061. At June 30, 2018, 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	\$ 508,809	\$ 250,008
Changes of assumptions	1,261,342	-
Net difference between projected and actual earnings on pension plan investments	2,144,438	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	289,372	73,071
Employer contributions subsequent to the measurement date*	2,323,338	-
Total	\$ 6,527,299	\$ 323,079

\$2,323,338 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Year ended June 30:

2019	\$ 525,093
2020	2,618,524
2021	1,332,880
2022	(595,614)
2023	-
Thereafter	-
	<u>\$ 3,880,883</u>

At June 30, 2018, the ABC Board reported a liability of \$154,147 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2017. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 utilizing update procedures incorporating the actuarial assumptions. The ABC Board's proportion of the net pension liability was based on a projection of the ABC Board'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, 2017, the ABC Board's proportion was .01009%, which was an increase of .0004% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the ABC Board recognized pension expense of \$62,856. At June 30, 2018, the ABC Board 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	\$ 8,880	\$ 4,363
Changes of assumptions	22,014	-
Net difference between projected and actual earnings on pension plan investments	37,427	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,530	-
Employer contributions subsequent to the measurement date*	62,436	-
Total	<u>\$ 151,287</u>	<u>\$ 4,363</u>

\$62,436 reported as deferred outflows of resources related to pensions resulting from the ABC Board contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Year ended June 30:	
2019	\$ 17,649
2020	50,583
2021	25,863
2022	(9,606)
2023	-
Thereafter	-
	<hr/>
	\$ 84,489

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	7.20 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study 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, 2017 are summarized in the following table:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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	100.0%	

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 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 7.20%. 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 7.20 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease (6.20%)	Discount Rate (7.20%)	1% Increase (8.20%)
County's proportionate share of the net pension liability (asset)	\$ 26,514,081	\$ 8,832,072	\$ (5,926,823)
ABC Board's proportionate share of the net pension liability (asset)	462,754	154,147	(103,442)

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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

b. Law Enforcement Officers' Special Separation Allowance

1. *Plan Description.*

Wayne 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 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2017, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	8
Active plan members	122
Total	130

2. *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 which are outlined in GASB Statements 73.

3. *Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2016 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Discount rate	3.13 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2017. Mortality rates are based on the RP-2000 Mortality tables with adjustments for mortality improvements based on Scale AA.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

4. 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 \$54,409 as benefits came due for the measurement period, and paid \$7,896 in benefits for the period subsequent to December 31, 2017 through the fiscal year end.

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

At June 30, 2017, the County reported a total pension liability of \$2,448,783. The total pension liability was measured as of December 31, 2017 based on a December 31, 2016 actuarial valuation. The total pension liability was rolled forward to December 31, 2017 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2018, the County recognized pension expense of \$245,727.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 92,713	\$ -
Changes of assumptions	146,448	34,306
Employer contributions subsequent to the measurement date*	8,851	-
Total	\$ 248,012	\$ 34,306

\$7,896 reported as deferred outflows of resources related to pensions resulting from benefit payments made and \$955 in administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2019	\$ 43,216
2020	43,216
2021	43,216
2022	43,216
2023	31,991
Thereafter	-
	\$ 204,855

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 3.16 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 (2.16 percent) or 1-percentage-point higher (4.16 percent) than the current rate:

	1% Decrease (2.16%)	Discount Rate (3.16%)	1% Increase (4.16%)
Total pension liability	\$ 2,666,293	\$ 2,448,783	\$ 2,250,977

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

	<u>2018</u>
Service costs at end of the year	\$ 124,978
Interest on TOL and cash flows	76,588
Changes of benefit terms	-
Differences between expected and actual experience	112,524
Changes of assumptions	177,740
Benefit payments	<u>(54,409)</u>
Net change in total LEOSSA liability	437,421
Total LEOSSA liability (TOL) - beginning	<u>2,011,362</u>
Total LEOSSA liability (TOL) - ending	<u><u>\$ 2,448,783</u></u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 2.71 percent at June 30, 2016 to 3.13 percent at June 30, 2017.

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, 2016 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 call (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 voluntary contributions to the plan. Contributions for the year ended June 30, 2018 were \$469,794, which consisted of \$290,636 from the County and \$179,158 from the law enforcement officers.

d. 401(k) Profit Sharing Plan

Wayne County has established a 401(k) Plan to which all full time employees can voluntarily contribute. For the year ended June 30, 2018, the County matched 100% of each eligible employee's earnings up to a maximum of 2%. The County's contribution for the year ending June 30, 2018 was \$444,000.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Wayne County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, defined contribution plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of 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 or by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 \$8,841 for the year ended June 30, 2018.

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

At June 30, 2018, the County reported an asset of \$166,701 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2017. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2017 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, 2017, the County's proportion was .977%, which was a decrease of .004% from its proportion measured as of June 30, 2016.

For the year ended June 30, 2018, the County recognized pension expense of \$8,161. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,862	\$ 537
Changes of assumptions	28,127	-
Net difference between projected and actual earnings on pension plan investments	14,171	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	678	2,384
Employer contributions subsequent to the measurement date*	8,841	-
Total	\$ 54,679	\$ 2,921

\$8,841 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Year ended June 30:

2019	\$ 24,464
2020	13,218
2021	1,621
2022	3,614
2023	-
Thereafter	-
	<u>\$ 42,917</u>

Actuarial Assumptions. The total pension liability in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2016 valuation were based on the results of an actuarial experience study 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, 2016 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 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 percent, 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 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ 131,025	\$ 166,701	\$ 196,703

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.

e. 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, 2016, 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 was based on the County's share of contributions to the pension plan relative to the contribution of all participating entries. Following is information related to the proportionate share and pension expense:

Proportionate Share of Net Pension Liability (Asset)	LGERS	ROD	LEOSSA	Total
Proportion of the Net Pension Liability (Asset)	0.578%	0.977%	N/A	1.555%
Total Pension Liability	\$ -	\$ -	\$ 2,448,783	\$ 2,448,783
Pension Expense	\$ 2,630,061	\$ 8,161	\$ 245,727	\$ 2,883,949

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 508,809	\$ 2,862	\$ 92,713	\$ 604,384
Changes of assumptions	1,261,342	28,127	146,448	1,435,917
Net difference between projected and actual earnings on pension plan investments	2,144,438	14,171	-	2,158,609
Changes in proportion and differences between employer contributions and proportionate share of contributions	289,372	678	-	290,050
County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date	2,323,338	8,841	8,851	2,341,030
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 250,008	\$ 537	\$ -	\$ 250,545
Changes of assumptions	-	-	34,306	34,306
Changes in proportion and differences between employer contributions and proportionate share of contributions	73,071	2,384	-	75,455

f. Deferred Compensation Plan

Wayne 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.

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 postemployment benefit amount and the other

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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.

h. Other Postemployment Benefit

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). As of February, 2003, this plan provides postemployment healthcare benefits to retirees of the County, provided they participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least fifteen years of creditable service with the County. Employees with at least fifteen years of service with the County when they retire may remain on the County's group insurance plan and must pay the entire premium. When an employee, hired prior to July 1, 2009, with 25 years of continuous service with Wayne County at any age, the County of Wayne will pay the employee's premium in the group plan until age 65 at which time the retiree shall be switched to a Medicare supplement policy. The county is self-insured and contracts with a private insurer to provide all administrative services. The HCB plan has been amended to exclude employees starting after July 1, 2009. The County will pay up to an individual rate amount per month toward the Medicare supplement. Retiree must pay the balance due. Also, the County's retirees can purchase coverage for their dependents at the County's group rates. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

County Contributions based on years of creditable service		
Years of Creditable Service	Date Hired	
	Pre-July 1, 2009	On or after July 1, 2009
Less than 15 years	Not Eligible	Not Eligible
15-24 years	0%	Not Eligible
25+ years	100%	Not Eligible

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

	<u>Employees:</u>
Retirees and dependents receiving benefits	108
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	313
Total	421

Total OPEB Liability

The County's total OPEB liability of \$36,960,757 was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Inflation	3.00 percent
Salary increases	2.50 percent, average, including inflation
Discount rate	3.18 percent
Healthcare cost trend rates	Medical - 6.5 percent Prescription - 7.25 percent Admin Expenses - 3.00 percent

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

Changes in the Total Liability

Balance at July 1, 2017	\$ 39,496,637
Changes for the Year	
Service cost	1,129,480
Interest	1,179,241
Changes in benefit terms	-
Difference between expected and actual experience	(111,921)
Changes in assumptions or other inputs	(4,089,514)
Benefit payments	(643,166)
Net changes	<u>(2,535,880)</u>
Balance at June 30, 2018	<u>\$ 36,960,757</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014 adopted by the LGERS. The remaining assumptions (e.g. initial per capita costs, health care cost trends, rate of plan participation, rates of plan election, etc.) used in the June 30, 2016 valuation were based on a review of recent plan experience done concurrently with the June 30, 2016 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 (2.56 percent) or 1-percentage point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB Liability	\$ 44,876,948	\$ 36,960,757	\$ 30,871,154

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

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 rate:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 30,109,378	\$ 36,960,757	\$ 46,071,033

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

For the year ended June 30, 2018, the County recognized OPEB expense of \$1,638,636. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 94,071
Changes of assumptions	-	3,437,279
Employer contributions subsequent to the measurement date	828,308	-
Total	\$ 828,308	\$ 3,531,350

\$828,308 reported as deferred outflows of resources related to OPEB employer contributions resulting from benefit payments made, \$771,954, and administrative expenses, \$56,354, incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2019	\$ (670,085)
2020	(670,085)
2021	(670,085)
2022	(670,085)
2023	(670,085)
Thereafter	(180,925)
	\$ (3,531,350)

ABC Board - Plan Description. Under the terms of a Board resolution, the Board administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). The Board has the authority to establish and amend the benefit terms and financing requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

ABC Board – Eligibility for Allowance. As of March, 1998, the ABC Board offers continuation of group medical coverage to all employees who retire at the age of 62 and older with at least 25 years of service or at any age after 30 years of continuous service and are qualified to receive benefits from NCLGERS.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

ABC Board - Amount of Allowance. The Board pays the full cost of group health insurance premiums for eligible retirees until they are Medicare-eligible. At age 65, the retiree shall be switched to a Medicare supplement policy. The Board will pay up to an individual rate amount per month toward the Medicare supplement.

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

	<u>Employees:</u>
Retirees and dependents receiving benefits	8
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	16
Total	<u><u>24</u></u>

ABC Board - Total OPEB Liability

The County's total OPEB liability of \$569,960 was measured as of June 30, 2017 and was determined by an actuarial valuation as of June 30, 2016.

ABC Board - Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	3.00 percent
Salary increases	3.50 percent to 7.75 percent
Discount rate	3.56 percent
Healthcare cost trend rates	Pre-Medicare, 7.75 percent Medicare, 5.75 percent

The discount rate is based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by The Bond Buyer.

ABC Board - Changes in the Total Liability

Balance at July 1, 2017	\$ 606,055
Changes for the Year	
Service cost	21,386
Interest	17,822
Changes in benefit terms	-
Difference between expected and actual experience	726
Changes in assumptions or other inputs	(47,887)
Benefit payments	(28,142)
Net changes	(36,095)
Balance at June 30, 2018	<u><u>\$ 569,960</u></u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.01% to 3.56%.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period January 1, 2010 to December 31, 2014 adopted by the LGERS.

ABC Board - 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 (2.56 percent) or 1-percentage point higher (4.56 percent) than the current discount rate:

	1% Decrease (2.56%)	Discount Rate (3.56%)	1% Increase (4.56%)
Total OPEB Liability	\$ 661,932	\$ 569,960	\$ 496,871

ABC Board - 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 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 rate:

	1% Decrease	Current	1% Increase
Total OPEB Liability	\$ 487,003	\$ 569,960	\$ 678,224

ABC Board - OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2018, the County recognized OPEB expense of \$30,978. At June 30, 2018, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 599	\$ -
Changes of assumptions	-	(39,530)
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 599</u>	<u>\$ (39,530)</u>

\$0 reported as deferred outflows of resources related to OPEB employer contributions 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

ended June 30, 2019. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2019	\$ (8,230)
2020	(8,230)
2021	(8,230)
2022	(8,230)
2023	(6,011)
Thereafter	-
	<hr/>
	\$ (38,931)

3. Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its Wayne County Sanitary Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County was required to stop accepting waste at its pre-subtitle D section of the Southern Landfill on December 31, 1997. In November, 2008, the County was allowed to renew the permit for this section for a period of five years. This permit allowed the landfill to use this section for construction and demolition waste. In January 1998, the County began filling Phase I of its new lined landfill, permitted for twenty-three acres. Phase I was filled during 2004. The County opened Phase II of the new lined landfill, permitted for 20 acres during 2004. Phase II was filled in August, 2013. The County is currently in Phase III, a twenty-two acre cell that should take eight years to fill. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$6,565,249 reported as landfill closure and postclosure care liability at June 30, 2018, represents a cumulative amount reported to-date based on a financial assurance calculation using the remaining life of the pre-subtitle D landfill section, totaling \$2,332,867 and \$4,232,382 based on a financial assurance calculation using the remaining life of the Phases I, II and III of the new lined landfill. The County will recognize the remaining estimated cost of closure and postclosure care of \$8,814,612 amortized over the remaining years of the life of the landfills. These amounts are based on what it would cost to perform all closure and postclosure care in 2018. Overall, all planned phases of this landfill are expected to close in the year 2053. 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 postclosure care requirements.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions/OPEB - difference between expected and actual experience		
LGERS	\$ 508,809	\$ 250,008
LEOSSA	92,713	-
Register of Deeds	2,862	537
OPEB	-	94,071
Pensions/OPEB - changes of assumptions		
LGERS	1,261,342	-
LEOSSA	146,448	34,306
Register of Deeds	28,127	-
OPEB	-	3,437,279
Pensions - net difference between projected and actual earnings on investments		
LGERS	2,144,438	-
Register of Deeds	14,171	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	289,372	73,071
Register of Deeds	678	2,384
Employer contributions subsequent to measurement date		
LGERS	2,323,337	-
LEOSSA	8,851	-
Register of Deeds	8,841	-
OPEB	828,308	-
Prepaid taxes not yet earned (Special Revenue)	-	10,310
Taxes receivable, net, less penalties (Special Revenue)	-	92,019
Deferred fee and grant revenue (Business)	-	243,007
	<u><u>\$ 7,658,297</u></u>	<u><u>\$ 4,236,992</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In order to address these risks, the County maintains a commercial property and casualty insurance program. The main program provides replacement cost coverage or functional replacement cost coverage on owned property with total insured values of \$150,000,000 subject to a \$5,000 deductible for all major perils (except for flood and earthquake). Public entity fidelity coverage is included with a limit of \$1,000,000 each occurrence and a deductible of \$1,000. The automobile insurance covers newer County vehicles and all high-value vehicles for physical damage with a deductible of \$1,000. The program provides liability insurance limits of \$7 million each occurrence and annual aggregate for automobile, general liability, law enforcement liability, employment practices, and public officials' liability. Claims under the law enforcement and public officials' liability coverage are subject to a deductible of \$25,000 each occurrence or event. Claims under the general liability and automobile liability coverage are covered on a first dollar basis (no deductible). A separate insurance program with VFIS provides liability coverage for EMS activities up to limits of \$6 million each occurrence with no deductible. The VFIS program provides replacement cost coverage on EMS vehicles and equipment. Another separate program protects the County for its ownership and operation of the Wayne County Airport. The airport liability program provides coverage up to a limit of \$5 million each occurrence, subject to a \$2,500 deductible. The County self-insures its workers compensation risks up to \$600,000 each accident. Excess insurance is maintained above the \$600,000 self-insured retention for law enforcement and EMS personnel and \$500,000 self-insured retention for all other employees to provide statutory workers compensation benefits. An independent third-party claims administrator is engaged to handle the County's workers compensation claims.

The County's property insurance program includes a \$5 million limit for damage due to flood for all locations outside of federally designated flood zone "A" subject to a \$25,000 deductible. Management of Wayne County has reviewed all areas that are prone to flood damage and determined that due to very limited financial exposure, no additional flood insurance would be purchased. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years. All insurance companies utilized satisfy the County's minimum financial rating criteria.

There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years. All insurance companies utilized satisfy the County's minimum financial rating criteria.

In accordance with G.S. 159-29, the County's employees that have access to \$100 or more in cash or securities at any given time of the County's funds are performance bonded through a commercial surety bond. The Director of Finance, the Tax Collector, the Sheriff and the Register of Deeds are individually bonded in the following amounts: \$250,000, \$150,000, \$25,000 and \$10,000, respectively.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

The County also operates a hospital self-insurance fund administered by Blue Cross and Blue Shield up to \$100,000 per employee. Amounts over \$100,000 per employee per claim year is picked up by excess insurance provided through Blue Cross and Blue Shield of North Carolina. Through the Plan, permanent full time employees of the County are eligible to receive health care benefits with no lifetime maximum except in very specific treatments. The Board pays the full cost of coverage for employees enrolled in this plan who also fully participate in the County's Wellness Program.

The following represents the changes in approximate aggregate liabilities for the County's Hospital Self Insurance fund for the year. The \$576,577 is due in the current year.

	2018	2017
Liability balance, July 1,	\$ 604,620	\$ 540,467
Incurred claims & claim adjustment expenses	7,248,031	7,222,283
Claims & claims adjustment expenses	(7,276,074)	(7,158,130)
Liability Balance, June 30	<u>\$ 576,577</u>	<u>\$ 604,620</u>

The ABC Board is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The ABC Board has property, general liability, auto liability, workmen's compensation and employee health coverage. The Board also has liquor legal liability. There have been no significant reductions in insurance coverage from the previous year and settled claims have not exceeded coverage in any of the past three fiscal years.

6. Contingent Liabilities

At June 30, 2018, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

7. Long-Term Obligations

a. Promissory Note Payable

The County of Wayne entered into an intergovernmental agency agreement and contract with the North Carolina's Eastern Region (Region) under three promissory notes, dated April 17, 2014, June 10, 2014, and June 17, 2014, to use its funds from the Region in order to further economic development and infrastructure projects in the County. The County will use this loan for the purpose set forth in N.C.G.S. 158-7.1, which requires the County to use the proceeds for economic development or re-lend various amounts to area municipalities.

Pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the County has made proper application to the North Carolina Local Government Commission for approval of the proposed financings.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Governmental activities:

Eastern Region Promissory Note, principal to be paid annually, with 0% interest. Final payment due March, 2019.	\$ 115,385
Eastern Region Promissory Note, principal to be paid annually, with 0% interest and .25% fee. Final payment due May 10, 2019.	432,438
Eastern Region Promissory Note, principal to be paid annually, with 0% interest and .25% fee. Final payment due May 17, 2019.	66,015
	<u><u>\$ 613,838</u></u>

For Wayne County, the future minimum payments as of June 30, 2018 are:

Year ending June 30	Principal	Interest/fee	Total Principal and Interest
2019	\$ 613,838	\$ 166	\$ 614,004
Thereafter	-	-	-
Total	<u>\$ 613,838</u>	<u>\$ 166</u>	<u>\$ 614,004</u>

As of June 30, 2018, the amounts owed to Wayne County from the local municipalities are as follows:

	Payments		
	Original Loan	Received	Balance
Town of Fremont, NC	\$ 255,245	\$ (191,434)	\$ 63,811
City of Goldsboro, NC	636,876	(509,500)	127,376
City of Goldsboro, NC	3,000,000	(200,000)	2,800,000
Town of Mt. Olive, NC	100,000	(60,000)	40,000
Town of Fremont, NC	70,000	(26,157)	43,843
	<u>\$ 4,062,121</u>	<u>\$ (987,091)</u>	<u>\$ 3,075,030</u>

These amounts owed are reported on the government wide financial statements as an increase to due from other governments. Payments received are over life of the loan.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

5. Installment Financing Agreements

The County of Wayne has determined that it is necessary and expedient to finance the construction, renovation, and equipping of improvements to Eastern Wayne Middle School and Norwayne Middle School. Pursuant to Section 160A-20 of the General Statutes of North Carolina, the County financed the Project through an Installment Financing Agreement, as of October 1, 2011, between the County and BB&T, whereby BB&T shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal component of the installment payments due under the agreement shall be \$15,000,000 due October 1, 2025, with approximately equal annual sinking fund payments due annually each October 1, beginning October 1, 2012. The County will pay interest at a taxable rate of 4.33%, but will receive interest subsidy payments from the United States Treasury on account of the designation of the installment payments as Qualified School Construction Bonds (QSCB) under the federal tax laws, resulting in an effective interest rate of 0% to the County.

The County of Wayne has determined that is necessary and expedient to refinance all or some part of the County's obligations under (a) an Installment Financing Contract, dated July 17, 2002 between the County and Wachovia Bank, N.A. Pursuant to which the County financed the costs of renovation of the County office building located in downtown Goldsboro and known as the "Borden Building" and (b) an Installment Financing Contract, dated as of October 15, 2008, between the County and RBC Bank (USA), pursuant to which the County financed a new county-wide radio communications system for emergency and other public safety purposes; and pursuant to Section 160A-20 of the General Statutes of North Carolina, the County refinanced the prior contracts pursuant to an Installment Financing Agreement between the County and Branch, Banking, & Trust Company (BB&T), whereby BB&T shall advance moneys to the County, and the County, subject to its right of non-appropriation, shall repay the advancement with interest in installments and is secured by the property.

The County of Wayne has determined that it is necessary and expedient to finance the construction, renovation, and equipping of improvements to Spring Creek Middle School and Grantham Middle School. Pursuant to Section 160A-20 of the General Statutes of North Carolina, the County financed the Project through an Installment Financing Agreement, as of July 14, 2014, between the County and Suntrust Bank, whereby Suntrust Bank shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal component of the installment payments due under the agreement shall be \$38,452,000 due August 1, 2015, with approximately equal semi-annual payments due annually each August 1 and February 1, beginning August 1, 2015, with one interest only payment made on February 1, 2015. The County will pay interest at a taxable rate of 3.55%. This note was refinanced with Suntrust bank in March, 2016. Principal payments will be made annually beginning August 1, 2016. The interest payments will be made semi-annually at a rate of 2.75% beginning August 1, 2016 and every six months thereafter.

The County of Wayne has determined that it is necessary and expedient to finance new equipment. The County financed the Project through an Installment Financing Agreement, as of August 27, 2015, between the County and U.S. Bank, whereby U.S. Bank shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal component of the installment payments

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

due under the agreement shall be \$1,757,000 due June 1, 2016 with approximately equal annual payments due annually each June 1, beginning June 1, 2016. The County will pay interest at a taxable rate of 1.434%.

The County of Wayne has determined that it is necessary and expedient to finance new equipment. The County financed the Project through an Installment Financing Agreement, as of September 24, 2015, between the County and Whitney Bank, whereby Whitney Bank shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal component of the installment payments due under the agreement shall be \$905,000 due June 1, 2016 with approximately equal annual payments due annually each June 1, beginning June 1, 2016. The County will pay interest at a taxable rate of 1.434%. The County assisted several fire volunteer nonprofit fire departments with purchases of radios. The fire department tax revenues will be reduced to reimburse the County for the debt payment. Of the \$905,000, \$314,224 was to assist the volunteer fire departments. As of June 30, 2018, a balance of \$84,601 is due from the volunteer fire departments.

The County of Wayne has determined that it is necessary and expedient to finance a portion of the Maxwell Agriculture and Convention Center. The County financed the Project through an USDA Rural Economic Development Loan Program, as of September 1, 2017, between the County and Tri-County Electric Membership Cooperative, whereby U.S. Department of Agriculture shall advance moneys to the County by passing it through the electric cooperative and the County, subject to its right of non-appropriation, shall repay the advance with interest, which is zero as decided by the cooperative, in installments. The principal component of the installment payments due under the agreement shall be \$19,323 due September 1, 2017 with equal monthly payments for 120 months.

Pursuant to Article 8, Chapter 159 of the General Statutes of North Carolina, the County has made proper application to the North Carolina Local Government Commission for approval of the proposed financings.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Governmental activities:

The installment financing agreements are as follows:

\$15,000,000 installment financing agreement, principal due October, 2025 with approximately equal annual sinking fund payments beginning October, 2012. Interest will be paid semi-annually at 4.33% annum. County will receive interest subsidy payments from the U.S. Treasury because the payments are designated as QSCB. Results in a 0% effective interest rate.	\$ 15,000,000
\$9,493,000 installment financing agreement to be paid semi-annually beginning October, 2012 with interest at 1.63% per annum, secured by real property. Final payment due October, 2018.	1,091,000
\$38,452,000 installment financing agreement to be paid annually beginning August, 2015 with interest at 3.55% per annum, secured by real property. Final payment due August, 2034. Refinanced March, 2016 with a reduced rate of 2.75%	32,683,000
\$1,757,000 installment financing agreement to be paid annually beginning June, 2016 with interest at 1.434% per annum, secured by equipment. Final payment due June, 2020.	715,000
\$905,000 installment financing agreement to be paid annually beginning June, 2016 with interest at 1.434% per annum, secured by equipment. Final payment due June, 2020.	368,000
\$2,318,767 installment financing agreement to be paid annually beginning September, 2017 with interest at 0% per annum, secured by the building. Final payment due September, 2028.	2,125,536
	<hr/> <u>\$ 51,982,536</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

For Wayne County, the future minimum payments as of June 30, 2018 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2019	\$ 3,783,877	\$ 1,546,263	\$ 5,330,140
2020	2,699,877	1,476,774	4,176,651
2021	2,154,877	1,416,076	3,570,953
2022	2,154,877	1,363,194	3,518,071
2023	2,154,877	1,310,311	3,465,188
Thereafter	39,034,151	5,429,530	44,463,681
Total	<u>\$ 51,982,536</u>	<u>\$ 12,542,148</u>	<u>\$ 64,524,684</u>

6. Limited Obligation Bond

The County of Wayne has determined that it is necessary and expedient to finance the construction and renovation of various public school projects, in addition to, the construction of the Maxwell Center, the construction of the County Fiber Loop Project, the installation of the Sheriff Office software, and a public street assessment project. Pursuant to Section 160A-20 of the General Statutes of North Carolina, the County financed the NC Limited Obligation Bonds, Series 2017 through an agreement, as of June 28, 2017, between the County and U.S. Bank, whereby U.S. Bank shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal amount of the Series 2017 bonds was \$35,945,000 over 19 years at a true interest cost of 2.72%. The balance as of June 30, 2018 is \$34,435,000.

For Wayne County, the future minimum payments as of June 30, 2018 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2019	\$ 1,610,000	\$ 1,429,950	\$ 3,039,950
2020	1,905,000	1,381,650	3,286,650
2021	1,900,000	1,324,500	3,224,500
2022	1,895,000	1,229,500	3,124,500
2023	1,890,000	1,134,750	3,024,750
Thereafter	25,235,000	7,168,650	32,403,650
Total	<u>\$ 34,435,000</u>	<u>\$ 13,669,000</u>	<u>\$ 48,104,000</u>

Debt Related to Capital Activities – Of the total Governmental Activities debt listed, all relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$14,792,793.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

7. Long-Term Obligation Activity

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2018:

	Balance July 01, 2017	Increases	Decreases	Balance June 30, 2018	Current Portion of Balance
Governmental activities:					
Installment purchase contract	\$ 52,947,778	\$ -	\$ 3,445,414	\$ 49,502,364	\$ 3,375,895
Promissory note payable	1,227,677	-	613,839	613,838	613,838
Limited obligation bond	24,945,000	-	3,330,000	21,615,000	1,060,000
Net OPEB liability	13,488,652	18,077,912	-	31,566,564	-
Total pension liability (LEOSSA)	2,011,362	437,421	-	2,448,783	-
Net pension liability (LGERS)	9,016,911	-	1,976,731	7,040,180	-
Compensated absences	2,169,518	2,277,527	2,169,518	2,277,527	2,277,527
Total governmental activities	<u>\$105,806,898</u>	<u>\$20,792,860</u>	<u>\$11,535,502</u>	<u>\$115,064,256</u>	<u>\$7,327,260</u>
Business-type activities:					
Solid Waste Disposal:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	6,240,643	324,606	-	6,565,249	-
Net OPEB liability	563,837	398,696	-	962,533	-
Net pension liability (LGERS)	486,352	-	104,195	382,157	-
Compensated absences	102,167	99,237	102,167	99,237	99,237
Total governmental activities	<u>\$ 7,392,999</u>	<u>\$ 822,539</u>	<u>\$ 206,362</u>	<u>\$ 8,009,176</u>	<u>\$ 99,237</u>
Business-type activities:					
Sewer:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Limited obligation bond	-	2,370,000	120,000	2,250,000	120,000
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	20,385	22,089	-	42,474	-
Net pension liability (LGERS)	17,813	-	9,321	8,492	-
Compensated absences	-	-	-	-	-
Total governmental activities	<u>\$ 38,198</u>	<u>\$ 2,392,089</u>	<u>\$ 129,321</u>	<u>\$ 2,300,966</u>	<u>\$ 120,000</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Balance	Increases	Decreases	Balance	Current Portion of Balance		
	July 01, 2017			June 30, 2018			
<u>Business-type activities:</u>							
Emergency Medical Services:							
Installment purchase contract	\$ 528,222	\$ -	\$ 173,586	\$ 354,636	\$ 176,106		
Promissory note payable	-	-	-	-	-		
Limited obligation bond	-	-	-	-	-		
Accrued landfill closure and post-closure care costs	-	-	-	-	-		
Net OPEB liability	2,130,363	2,216,350	-	4,346,713	-		
Net pension liability (LGERS)	1,657,734	-	307,445	1,350,289	-		
Compensated absences	207,728	190,077	207,728	190,077	190,077		
Total governmental activities	<u>\$ 4,524,047</u>	<u>\$ 2,406,427</u>	<u>\$ 688,759</u>	<u>\$ 6,241,715</u>	<u>\$ 366,183</u>		
	Balance	Increases	Decreases	Balance	Current Portion of Balance		
	July 01, 2017			June 30, 2018			
<u>Business-type activities:</u>							
Jetport:							
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -		
Promissory note payable	-	-	-	-	-		
Limited obligation bond	-	-	-	-	-		
Accrued landfill closure and post-closure care costs	-	-	-	-	-		
Net OPEB liability	24,551	17,923	-	42,474	-		
Net pension liability (LGERS)	32,423	-	6,946	25,477	-		
Compensated absences	5,607	6,007	5,607	6,007	6,007		
Total governmental activities	<u>\$ 62,581</u>	<u>\$ 23,930</u>	<u>\$ 12,553</u>	<u>\$ 73,958</u>	<u>\$ 6,007</u>		
	Balance	Increases	Decreases	Balance	Current Portion of Balance		
	July 01, 2017			June 30, 2018			
<u>Business-type activities:</u>							
Maxwell Center:							
Installment purchase contract	\$ -	\$ 2,318,767	\$ 193,231	\$ 2,125,536	\$ 231,877		
Promissory note payable	-	-	-	-	-		
Limited obligation bond	11,000,000	-	430,000	10,570,000	430,000		
Accrued landfill closure and post-closure care costs	-	-	-	-	-		
Net OPEB liability	-	-	-	-	-		
Net pension liability (LGERS)	-	25,477	-	25,477	-		
Compensated absences	-	8,567	-	8,567	8,567		
Total governmental activities	<u>\$ 11,000,000</u>	<u>\$ 2,352,811</u>	<u>\$ 623,231</u>	<u>\$ 12,729,580</u>	<u>\$ 670,444</u>		

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Balance	Increases	Decreases	Balance	Current Portion of Balance			
	July 01, 2017			June 30, 2018				
<u>Business-type activities:</u>								
Combined:								
Installment purchase contract	\$ 528,222	\$ 2,318,767	\$ 366,817	\$ 2,480,172	\$ 407,983			
Promissory note payable	-	-	-	-	-			
Limited obligation bond	11,000,000	2,370,000	550,000	12,820,000	550,000			
Accrued landfill closure and post-closure care costs	6,240,643	324,606	-	6,565,249	-			
Net OPEB liability	2,739,136	2,655,058	-	5,394,194	-			
Net pension liability (LGERS)	2,194,322	25,477	427,907	1,791,892	-			
Compensated absences	315,502	303,888	315,502	303,888	303,888			
Total governmental activities	<u>\$ 23,017,825</u>	<u>\$ 7,997,796</u>	<u>\$ 1,660,226</u>	<u>\$ 29,355,395</u>	<u>\$ 1,261,871</u>			

At June 30, 2018, Wayne County had no unissued bonds and a legal debt margin of \$664,384,840.

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

8. Debt Used for Capital Purposes

	Governmental Activities	Business-type Activities	Total Debt
Promissory Note Payable	\$ 613,838	\$ -	\$ 613,838
Installment Purchase Contracts	49,502,364	2,480,173	51,982,537
Limited Obligation Bonds	21,615,000	12,820,000	34,435,000
	<u>\$ 71,731,202</u>	<u>\$ 15,300,173</u>	<u>\$ 87,031,375</u>

Interfund Balances and Activity

Transfers to/from:

Transfers to/from other funds at June 30, 2018 consist of the following:

Description	Amount
From the General Fund to Emergency Services fund to provide resources for emergency operations.	\$ (6,863,130)
From the General Fund to Sewer fund to provide resources for capital projects.	(2,919,489)
From the General Fund to Maxwell fund to provide resources for operations.	(150,000)
From the General Fund to MRAC fund to provide resources for capital assets.	(2,455,218)
Total General Fund Transfers (Exhibit 2)	<u>\$ (12,387,837)</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

Description	Amount
From the General fund to the County Capital Project fund to accumulate resources for future capital projects.	\$ (5,394,465)
From the General fund to Emergency Services fund to provide resources for emergency operations.	(6,863,131)
From the General fund to the Fleet Management fund to provide resources for operations.	(7,829)
From the General fund to Sewer fund to provide resources for capital projects.	(389,725)
From the General fund to Maxwell fund to provide resources for operations.	(150,000)
From the General fund to Maxwell fund to provide resources for capital assets.	(2,455,218)
From the Emergency Telephone Service fund to the County Capital Project 911 Call Center fund to reverse prior year transfer.	(1,162,632)
From the County Public School Capital Project fund to the Sewer fund to facilitate change in ownership of sewer system.	(2,529,764)
From the County Public School Capital Project fund - Renovations to the General fund to close out completed project.	(11,022)
Total Other Governmental Fund transfers out (Exhibit 4)	<u><u>\$ (18,963,786)</u></u>

Description	Amount
From the General fund to the County Capital Project fund to provide resources for future projects.	\$ 3,787,582
From the County Public School Capital Project fund - Renovations to General fund (Sales tax) to reimburse for sales taxes paid on capital projects.	8,238
From the Capital Project fund to the General fund to close out completed project.	2,784
From the General fund to the County Public School Capital Project fund - Meadow Lane to provide resources for capital project.	1,526,244
From the General Fund to the Emergency Telephone Service fund to reverse prior year transfer.	1,162,632
From the General fund to the County Public School Capital Project fund - Buildings to provide resources for capital project.	80,639
Total Other Governmental Fund transfers out (Exhibit 4)	<u><u>6,568,119</u></u>
Total transfers (Exhibit 4)	<u><u>\$ (12,395,667)</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

C. Net Investment in Capital Assets

Net investment in Capital Assets as of June 30, 2018 consists of the following:

	Governmental Activities	Business-type Activities	Total	Wayne County ABC Board
Capital Assets	\$ 141,916,317	\$ 56,474,841	\$ 198,391,158	\$ 1,302,601
less: long-term debt	71,731,202	15,300,174	87,031,376	-
plus: Unspent debt proceeds	<u>13,157,385</u>	<u>1,635,408</u>	<u>14,792,793</u>	<u>-</u>
Net investment in capital assets	<u>\$ 83,342,500</u>	<u>\$ 42,810,075</u>	<u>\$ 126,152,575</u>	<u>\$ 1,302,601</u>

D. Fund Balance

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

Total fund balance - General Fund (Exhibit 3)	\$ 45,437,985
Less:	
Restricted for: Stabilization by state statute	6,465,996
Restricted for: Future debt payments, QSCB	6,431,278
Restricted for: Public Schools	6,158,969
Restricted for: Tax revaluation	758,020
Restricted for: Law enforcement	156,159
Restricted for: Grants	67,205
Restricted for: Court facilities	16,900
Committed for: Future capital projects	1,294,968
Committed for: Community College	169,497
Committed for: Public Schools	1,585,298
Assigned for: Subsequent year's expenditures	310,198
Working Fund Balance Policy	<u>9,064,018</u>
	<u>(32,478,506)</u>
Remaining Fund Balance	<u>\$ 12,959,479</u>

Wayne 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 available fund balance is at least equal to or greater than 14% of budgeted expenditures, including the amount restricted for state stabilization.

IV. Related Organization

The Wayne County Commissioners are responsible for appointing eight members of the ten-member board of the Wayne Health Corporation (Wayne Memorial Hospital), but the County's accountability for this organization does not extend beyond making these appointments. The Hospital is a nonprofit organization. It is funded entirely by fees for services provided.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

V. Joint Ventures

The County, in conjunction with the State of North Carolina and the Wayne County Board of Education, participates in a joint venture to operate Wayne Community College. Each of the three participants appoints four members of the twelve-member board of trustees of the community college. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. No debt is outstanding at this time. 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 \$3,890,355 and \$409,544 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2018. 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, 2018. Complete financial statements for the community college may be obtained from the community college's administrative offices at 3000 Wayne Memorial Drive, Goldsboro, NC 27532.

The Wayne County Commissioners and the Goldsboro City Council created the Goldsboro-Wayne Area Transportation Authority. The Authority is to provide fixed-route bus transportation for all of Wayne County and to consolidate all public transportation services in the County. The Authority consists of a nine-member board of directors, seven voting members and two ex-officio members, appointed to one-year terms by the Wayne County Board of Commissioners and the City of Goldsboro City Council.

The County of Wayne and the City of Goldsboro entered into an Intergovernmental Agreement on August 1, 2016 regarding marketing and communications. The Agreement states that the County and City will share the expenses of one marketing and communications director, who will be supervised by both the County and City Manager. The director will be paid on the County's payroll with half the costs of the salary and related fringes being billed and paid on a quarterly basis by the City.

VI. Benefit Payments Issued by the State

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

	Federal	State
Medicaid	\$ 120,407,750	\$ 61,856,618
N.C. Health Choice	2,317,075	6,083
Temporary Assistance for Needy Families	1,508,240	(24)
Refugee Assistance Program	6,628	-
Special Assistance for Adults	-	1,074,527
Energy Assistance	591,659	-
Women, Infant, Children Program	3,316,935	-
IV-E Foster Care/Adoption Subsidy	1,214,865	302,962
CWS Adoption Subsidy and Vendor	-	680,618
	<hr/>	<hr/>
	\$ 129,363,152	\$ 63,920,784

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

VIII. Summary Disclosure of Significant Commitments and 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.

IX. Unasserted Claims

In October, 2018, the County settled a dispute with a vendor concerning the failure of several software systems for the Detention Center and Sheriff's office. Neither the County nor the vendor filed suit over the dispute. The parties mutually agreed to engage in pre-litigation settlement negotiations. As part of these negotiations, the County and vendor agreed to a resolution whereby the County retained some software systems but received a full refund for the terminated systems. The parties executed a contract amendment to reflect the terms of the settlement. The terms of this agreement were finalized in October, 2018. The County did not record a receivable or a payable due to the timing of the settlement negotiations.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

X. Change in Accounting Principles/Restatement

Change in Accounting Principle

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the County to record beginning net OPEB liability and the effects on net position of benefit payments and administrative expenses paid by the County related to OPEB during the measurement period (June 30, 2017). Beginning deferred outflows and inflows of resources associated with the implementation were excluded from the restatement. See the chart below to summarize changes.

The Wayne County ABC Board implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, in the fiscal year ending June 30, 2018. The implementation of the statement required the ABC Board to adjust beginning balance of net position with a decrease of \$430,085.

Prior Period Adjustment

The County recorded related bond proceeds and debt on the government-wide statements for sewer construction that were originally planned as part of a public school building project. Subsequent discussions and research deemed this project to be an asset of the sewer fund. See the chart below to summarize changes.

	Governmental	Business-type
Change in accounting principle - OPEB	\$ (19,694,395)	\$ (2,931,287)
Transfer of bond proceeds - sewer project	2,370,000	(2,370,000)
Total decrease in net position	\$ (17,324,395)	\$ (5,301,287)

XI. Subsequent Events

On June 22, 2018, the North Carolina Department of Commerce announced that Wayne County was one of ten counties being awarded a grant through the Rural Ready Sites Program. The grant, totaling \$1,785,000, will be used to provide industrial road access, water and sewer to a site with easy access to I-795. The site represents a partnership between the City of Goldsboro, Wayne County and the Wayne County Development Alliance. A total of 118 acres will be served by this grant.

On July 3, 2018, the County of Wayne was notified that it was being awarded a grant for \$7,872,590 for the Hazard Mitigation Grant Program (HMGP) Project. This grant will consist of a federal share of \$5,904,442 and a non-federal share of \$1,968,148. The funds will be used to acquire and demolish 84 properties located within the boundaries of the special flood hazard area. These properties experienced damage caused by the flooding during Hurricane Matthew.

Hurricane Florence made landfall just south of Wrightsville Beach the morning of September 14th, 2018 as a weak category one hurricane. Due to a stalled high pressure ridge, Hurricane Florence moved west at a pace of two to three mph for approximately two

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2018

days. During this slow move, the storm continuously dumped heavy rains totaling 25.18" with localized higher amounts. Three tornadoes were confirmed. The Neuse River crested at 27.60', the third highest historical crest. Wayne County was included in the Presidential State of Emergency declaration which enabled individual and public assistance for both Wayne County citizens and government. Total amounts of assistance have yet to be determined.

In October of 2018, Wayne County was awarded a grant for \$1,530,693 by the NC 911 Board. This money will be used towards the construction of a new 911 Facility. A requirement of the grant will be that the facility be utilized as a back-up center for Duplin County.

Required Supplemental Financial Data

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

Schedule of Changes in Total Other Postemployment (OPEB) Liability and Related Ratios

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

Schedule of County Contributions (LGERS)

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

Schedule of County Contributions (ROD)

Schedule of Changes in Total Pension Liability (LEOSSA) and Related Ratios

Wayne County, North Carolina
Other Postemployment Benefits (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2018*

	2018
Service costs at end of the year**	\$ 1,129,480
Interest on TOL and cash flows	1,179,241
Changes of benefit terms	-
Differences between expected and actual experience	(111,921)
Changes of assumptions	(4,089,514)
Benefit payments	<u>(643,166)</u>
Net change in total OPEB liability	(2,535,880)
Total OPEB liability (TOL) - beginning	39,496,637
Total OPEB liability (TOL) - ending	<u>\$ 36,960,757</u>

***The service cost includes interest for the year.*

Covered payroll	12,052,425
Total OPEB liability as a percentage of covered payroll	306.67%

Notes to Schedule

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

Year	Rate
2018	3.56%

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

Note: Wayne County implemented GASB Statement No. 75 for the fiscal year ended June 30, 2018; therefore, ten years of data is not yet available.

Wayne County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Governmental Employees' Retirement System
Last Five Fiscal Years *

	<u>2018</u>	<u>2017</u>
County's Proportion of the net pension liability (asset) %	0.578%	0.528%
County's proportionate share of the net pension liability (asset) \$	\$ 8,832,072	\$ 11,211,235
County's covered employee payroll	\$ 34,691,540	\$ 31,037,077
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.459%	36.122%
Plan fiduciary net position as a percentage of the total pension liability	94.180%	91.470%

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

Note: Wayne County implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015; therefore, ten years of data is not yet available.

2016	2015	2014
0.533%	0.518%	0.524%
\$ 2,390,956	\$ (3,052,879)	\$ 6,312,596
\$ 30,402,981	\$ 29,463,829	\$ 29,463,829
7.700%	-10.040%	21.420%
98.090%	102.640%	94.350%

Wayne County, North Carolina
Schedule of County Contributions
Local Governmental Employees' Retirement System
Last Five Years

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 2,548,954	\$ 2,586,457
Contribututions in relation to the contractually required contribution	<u>2,548,954</u>	<u>2,586,457</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 36,327,778	\$ 34,691,540
Contributions as a percentage of covered-employee payroll	7.017%	7.456%

Note: Wayne County implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015; therefore, ten years of data is not yet available.

2016	2015	2014
\$ 2,123,597	\$ 2,148,490	\$ 2,091,600
<u>2,123,597</u>	<u>2,148,490</u>	<u>2,091,600</u>
\$ -	\$ -	\$ -
\$ 31,101,885	\$ 30,402,981	\$ 29,463,829
6.830%	7.070%	7.100%

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

	<u>2018</u>	<u>2017</u>
County's Proportion of the net pension liability (asset) %	0.977%	0.980%
County's proportionate share of the net pension liability (asset) \$	\$ (166,701)	\$ (183,300)
County's covered employee payroll	\$ 62,531	\$ 64,808
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-266.589%	-282.835%
Plan fiduciary net position as a percentage of the total pension liability	153.770%	160.170%

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

Note: Wayne County implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015; therefore, ten years of data is not yet available.

<u>2016</u>	<u>2015</u>	<u>2014</u>
0.956%	0.962%	0.925%
\$ (221,556)	\$ (218,061)	\$ (197,627)
\$ 58,761	\$ 57,974	\$ 57,974
-341.870%	-371.100%	-340.890%
197.290%	193.880%	190.500%

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

	<u>2018</u>	<u>2017</u>
Contractually required contribution	\$ 8,486	\$ 7,814
Contribututions in relation to the contractually required contribution	<u>8,486</u>	<u>7,814</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 62,915	\$ 62,531
Contributions as a percentage of covered-employee payroll	13.488%	12.496%

Note: Wayne County implemented GASB Statement No. 68 for the fiscal year ended June 30, 2015; therefore, ten years of data is not yet available.

2016	2015	2014
\$ 8,009	\$ 7,650	\$ 7,855
<hr/> <u>8,009</u>	<hr/> <u>7,650</u>	<hr/> <u>7,855</u>
\$ -	\$ -	\$ -
\$ 64,808	\$ 58,761	\$ 57,974
12.360%	13.020%	13.550%

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

	<u>2018</u>	<u>2017</u>
Service costs at end of the year**	\$ 124,978	\$ 119,982
Interest on TOL and cash flows	76,588	67,593
Changes of benefit terms	-	-
Differences between expected and actual experience	112,524	-
Changes of assumptions	177,740	(50,080)
Benefit payments	(54,409)	(38,993)
Net change in total LEOSSA liability	437,421	98,502
Total LEOSSA liability (TOL) - beginning	2,011,362	1,912,860
Total LEOSSA liability (TOL) - ending	\$ 2,448,783	\$ 2,011,362

***The service cost includes interest for the year.*

Covered payroll	5,497,204	4,948,972
Total LEOSSA liability as a percentage of covered payroll	44.55%	40.64%

Notes to the schedules:

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

Changes in actuarial assumptions or other inputs:

December 31, 2017 Measurement Date: The Municipal Bond Index Rate decreased from 3.86% to 3.16%.

December 31, 2016 Measurement Date: The Municipal Bond Index Rate increased from 3.57% to 3.86%.

The assumed inflation rate has been reduced from 3.00% to 2.50% and assumed wage inflation has been increased from 0.5% to 1.0%.

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

Note: Wayne County implemented GASB Statement No. 73 for the fiscal year ended June 30, 2017; therefore, ten years of data is not yet available.

General Fund

Major Fund

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

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Taxes	\$ 54,522,287	\$ 55,108,421	\$ 586,134
Penalties and interest	275,000	308,702	33,702
Total	<u>54,797,287</u>	<u>55,417,123</u>	<u>619,836</u>
Local option sales tax			
Article 39 one percent	7,518,322	7,435,993	(82,329)
Article 40 one/half of one percent	6,152,071	6,078,947	(73,124)
Article 42 one/half of one percent	4,763,788	4,790,824	27,036
Article 44 one/half of one percent	1,271,460	1,431,787	160,327
Total	<u>19,705,641</u>	<u>19,737,551</u>	<u>31,910</u>
Other taxes and licenses			
Cable TV franchise tax	525,000	492,084	(32,916)
Leased vehicle tax	65,000	60,054	(4,946)
Total	<u>590,000</u>	<u>552,138</u>	<u>(37,862)</u>
Unrestricted intergovernmental revenues			
Beer and wine	306,800	369,495	62,695
Incentives	177,266	180,943	3,677
Total	<u>484,066</u>	<u>550,438</u>	<u>66,372</u>
Restricted intergovernmental			
City of Goldsboro	4,800	4,800	-
Federal and State grants	20,557,155	19,037,051	(1,520,104)
Court facility fees	172,735	172,942	207
Controlled substance tax	11,324	11,062	(262)
Total	<u>20,746,014</u>	<u>19,225,855</u>	<u>(1,520,159)</u>
Permits and fees			
Building permits and inspection fees	409,500	442,678	33,178
Register of Deeds	1,286,916	1,281,938	(4,978)
Total	<u>1,696,416</u>	<u>1,724,616</u>	<u>28,200</u>
Charges for services			
Rents	821,510	820,058	(1,452)
Jail fees	1,379,167	1,744,975	365,808
Service fees	2,387,306	2,441,634	54,328
Tax collection fees	479,000	298,505	(180,495)
Total	<u>5,066,983</u>	<u>5,305,172</u>	<u>238,189</u>
Investment earnings	\$ 127,160	\$ 346,629	\$ 219,469

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues (cont'd)			
Miscellaneous			
Donations	\$ 19,759	\$ 33,815	\$ 14,056
Refunds and reimbursements	333,860	312,119	(21,741)
Other	762,736	783,177	20,441
Total	<u>1,116,355</u>	<u>1,129,111</u>	<u>12,756</u>
Payments from various municipalities	443,044	210,366	(232,678)
Total revenues	104,772,966	104,198,999	(573,967)
Expenditures			
General government			
Board of commissioners			
Board - per diem	150,061	149,603	458
Operating expenditures	128,324	120,531	7,793
Total	<u>278,385</u>	<u>270,134</u>	<u>8,251</u>
County manager			
Salaries and employee benefits	533,757	524,722	9,035
Operating expenditures	56,685	38,739	17,946
Total	<u>590,442</u>	<u>563,461</u>	<u>26,981</u>
Board of elections			
Salaries and employee benefits	302,250	258,042	44,208
Per diem	2,000	402	1,598
Operating expenditures	375,680	210,685	164,995
Total	<u>679,930</u>	<u>469,129</u>	<u>210,801</u>
Finance			
Salaries and employee benefits	677,666	672,621	5,045
Operating expenditures	326,833	314,109	12,724
Total	<u>1,004,499</u>	<u>986,730</u>	<u>17,769</u>
Information and technology			
Salaries and employee benefits	918,707	833,415	85,292
Operating expenditures	763,913	522,078	241,835
Capital outlay	25,000	42,281	(17,281)
Total	<u>1,707,620</u>	<u>1,397,774</u>	<u>309,846</u>
Communications			
Salaries and employee benefits	232,413	156,005	76,408
Operating expenditures	67,926	39,428	28,498
Capital outlay	80,928	41,369	39,559
Total	<u>\$ 381,267</u>	<u>\$ 236,802</u>	<u>\$ 144,465</u>

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (cont'd)			
Tax listing			
Salaries and employee benefits	\$ 949,458	\$ 935,446	\$ 14,012
Operating expenditures	600,225	495,694	104,531
Total	<u>1,549,683</u>	<u>1,431,140</u>	<u>118,543</u>
Tax revaluation			
Salaries and employee benefits	138,129	-	138,129
Operating expenditures	411,260	197,172	214,088
Total	<u>549,389</u>	<u>197,172</u>	<u>352,217</u>
GIS			
Salaries and employee benefits	6,173	6,094	79.00
Operating expenditures	87,200	56,690	30,510
Capital outlay	45,000	-	45,000
Total	<u>138,373</u>	<u>62,784</u>	<u>75,589</u>
County-staff attorney			
Salaries and employee benefits	107,976	103,109	4,867
Operating expenditures	163,959	162,629	1,330
Total	<u>271,935</u>	<u>265,738</u>	<u>6,197</u>
County attorney			
Salaries and employee benefits	176,061	130,047	46,014
Operating expenditures	85,475	68,488	16,987
Capital outlay	22,785	17,465	5,320
Total	<u>284,321</u>	<u>216,000</u>	<u>68,321</u>
Register of Deeds			
Salaries and employee benefits	353,937	353,692	245
Operating expenditures	526,698	501,467	25,231
Total	<u>880,635</u>	<u>855,159</u>	<u>25,476</u>
Buildings and grounds			
Salaries and employee benefits	1,708,685	1,598,669	110,016
Operating expenditures	669,148	582,022	87,126
Utilities	980,000	911,794	68,206
Maintenance	1,088,293	720,856	367,437
Capital outlay	1,247,177	613,040	634,137
Total	<u>5,693,303</u>	<u>4,426,381</u>	<u>1,266,922</u>
Central services			
Salaries and employee benefits	244,995	786,719	(541,724)
Operating expenditures	1,034,852	990,286	44,566
Fixed charges	691,495	662,101	29,394
Contra accounts	(1,999,000)	(1,955,565)	(43,435)
Total	<u>\$ (27,658)</u>	<u>\$ 483,541</u>	<u>\$ (511,199)</u>

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Planning board			
Salaries and employee benefits	\$ 302,160	\$ 281,685	\$ 20,475
Per diem	39,000	39,000	-
Operating expenditures	98,395	36,469	61,926
Total	439,555	357,154	82,401
Personnel			
Salaries and employee benefits	271,132	271,065	67
Operating expenditures	36,510	30,600	5,910
Total	307,642	301,665	5,977
County aid			
Chamber of Commerce	15,326	15,326	-
Miscellaneous	52,416	52,416	-
Total	67,742	67,742	-
Court facilities			
Superior court	96,535	50,000	46,535
Law library	76,200	58,212	17,988
Total	172,735	108,212	64,523
Contingency	1	-	1
Total	1	-	1
Total general government	14,969,799	12,696,718	2,273,081
Public Safety			
Medical examiner			
Professional services	32,000	22,400	9,600
Autopsies	100,000	66,500	33,500
Total	132,000	88,900	43,100
Office of the sheriff			
Salaries and employee benefits	7,644,377	7,279,241	365,136
Operating expenditures	1,427,256	1,363,290	63,966
Capital outlay	432,420	428,114	4,306
Total	9,504,053	9,070,645	433,408
County jail			
Salaries and employee benefits	5,130,252	5,015,373	114,879
Operating expenditures	1,952,743	1,765,789	186,954
Capital outlay	24,711	24,710	1
Total	\$ 7,107,706	\$ 6,805,872	\$ 301,834

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Day reporting center			
Salaries and employee benefits	\$ 310,707	\$ 307,617	\$ 3,090
Operating expenditures	56,966	51,946	5,020
Total	<u>367,673</u>	<u>359,563</u>	<u>8,110</u>
Sheriff grant			
Salaries and employee benefits	228,990	224,350	4,640
Operating expenditures	14,000	6,128	7,872
Total	<u>242,990</u>	<u>230,478</u>	<u>12,512</u>
NC resource officers			
Salaries and employee benefits	667,544	651,327	16,217
Operating expenditures	70,783	71,594	(811)
Total	<u>738,327</u>	<u>722,921</u>	<u>15,406</u>
Emergency services			
Salaries and employee benefits	393,315	454,244	(60,929)
Operating expenditures	313,981	294,333	19,648
Capital outlay	155,485	153,972	1,513
Total	<u>862,781</u>	<u>902,549</u>	<u>(39,768)</u>
Emergency telephone			
Salaries and employee benefits	1,804,471	1,513,789	290,682
Operating expenditures	608,641	471,765	136,876
Capital outlay	7,238	7,238	-
Total	<u>2,420,350</u>	<u>1,992,792</u>	<u>427,558</u>
Inspectors			
Salaries and employee benefits	468,053	462,226	5,827
Operating expenditures	49,750	46,118	3,632
Capital outlay	25,000	-	25,000
Total	<u>542,803</u>	<u>508,344</u>	<u>34,459</u>
Hurricane Matthew			
Operating expenditures	32,474	22,144	10,330
Total	<u>32,474</u>	<u>22,144</u>	<u>10,330</u>
Animal control			
Salaries and employee benefits	668,107	566,993	101,114
Operating expenditures	225,398	201,550	23,848
Capital outlay	48,614	18,114	30,500
Total	<u>942,119</u>	<u>786,657</u>	<u>155,462</u>
Total public safety	\$ 22,893,276	\$ 21,490,865	\$ 1,402,411

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	Budget	Actual	Variance Positive (Negative)
Transportation			
Salaries and employee benefits	\$ 34,722	\$ 34,711	\$ 11
Mount Olive Airport	33,281	33,281	-
Mass transit	245,458	245,458	-
Total	<u>313,461</u>	<u>313,450</u>	<u>11</u>
Total transportation	313,461	313,450	11
Economic and physical development			
Agricultural extension service			
Salaries and employee benefits	131,317	117,093	14,224
Operating expenditures	532,372	496,904	35,468
Capital outlay	94,000	177	93,823
Total	<u>757,689</u>	<u>614,174</u>	<u>143,515</u>
Soil conservation service			
Salaries and employee benefits	211,424	209,781	1,643
Operating expenditures	24,076	16,061	8,015
Total	<u>235,500</u>	<u>225,842</u>	<u>9,658</u>
Forest fire control			
Operating expenditures	114,872	73,022	41,850
Total	<u>114,872</u>	<u>73,022</u>	<u>41,850</u>
Hazardous mitigation			
Operating expenditures	463,883	57,626	406,257
Total	<u>463,883</u>	<u>57,626</u>	<u>406,257</u>
Economic development			
US 70 Corridor	25,000	25,000	-
Other	481,237	327,136	154,101
Capital Outlay	1,353,000	208,032	1,144,968
Total	<u>1,859,237</u>	<u>560,168</u>	<u>1,299,069</u>
Economic Development Commission			
Salaries and employee benefits	321,326	314,309	7,017
Operating expenditures	103,250	102,712	538
Total	<u>424,576</u>	<u>417,021</u>	<u>7,555</u>
Total economic and physical development	3,855,757	1,947,853	1,907,904
Human services			
Veterans service officer			
Salaries and employee benefits	145,024	141,373	3,651
Operating expenditures	19,020	15,790	3,230
Total	<u>\$ 164,044</u>	<u>\$ 157,163</u>	<u>\$ 6,881</u>

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
WAGES/Communities in School			
Transportation	\$ 513,575	\$ 512,897	\$ 678
Total	513,575	512,897	678
4-H Discovery			
Salaries and employee benefits	67,110	53,280	13,830
Operating expenditures	24,106	15,458	8,648
Total	91,216	68,738	22,478
4-H expansion program			
Salaries and employee benefits	159,945	113,650	46,295
Operating expenditures	132,409	96,071	36,338
Capital outlay	65,600	47,285	18,315
Total	357,954	257,006	100,948
4-H fees and donations			
Operating expenditures	21,830	3,929	17,901
Total	21,830	3,929	17,901
Cooperative extension Smart Start			
Operating expenditures	50,530	30,833	19,697
Total	50,530	30,833	19,697
County aid			
Miscellaneous	280,800	280,339	461
Total	280,800	280,339	461
<i>Children and youth council</i>			
Youth council			
Operating expenditures	441,696	441,693	3
Total	441,696	441,693	3
<i>Total children and youth council</i>	441,696	441,693	3
<i>Senior citizens</i>			
Chore			
Salaries and employee benefits	398,823	345,027	53,796
Operating expenditures	34,487	26,565	7,922
Total	433,310	371,592	61,718
Transportation			
Salaries and employee benefits	9,750	5,759	3,991
Transportation	40,671	33,037	7,634
Total	\$ 50,421	\$ 38,796	\$ 11,625

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Senior center health promotion			
Salaries and employee benefits	\$ 12,160	\$ 9,406	\$ 2,754
Operating expenditures	10,502	9,577	925
Total	22,662	18,983	3,679
Transportation general			
Salaries and employee benefits	10,207	10,204	3
Operating expenditures	265	214	51
Transportation	84,729	54,190	30,539
Total	95,201	64,608	30,593
Information/care assistance			
Salaries and employee benefits	47,473	45,613	1,860
Operating expenditures	3,642	2,628	1,014
Total	51,115	48,241	2,874
State chore			
Salaries and employee benefits	14,483	13,127	1,356
Operating expenditures	3,487	1,607	1,880
Total	17,970	14,734	3,236
Family care givers			
Operating expenditures	25,600	25,595	5
Total	25,600	25,595	5
Senior citizens program			
Salaries and employee benefits	165,084	162,337	2,747
Operating expenditures	450,563	360,953	89,610
Total	615,647	523,290	92,357
SHIIP			
Salaries and employee benefits	10,348	7,580	2,768
Operating expenditures	3,447	658	2,789
Total	13,795	8,238	5,557
<i>Total senior citizens program</i>	1,325,721	1,114,077	211,644
<i>Social services</i>			
Administration			
Salaries and employee benefits	564,678	1,076,796	(512,118)
Operating expenditures	14,400	12,277	2,123
Total	\$ 579,078	\$ 1,089,073	\$ (509,995)

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Child support - Title IV-D			
Salaries and employee benefits	\$ 1,125,712	\$ 1,067,517	\$ 58,195
Operating expenditures	214,641	221,007	(6,366)
Professional services	114,151	115,800	(1,649)
Total	1,454,504	1,404,324	50,180
Energy assistance			
Crisis intervention program	591,915	591,527	388
Progress Energy assistance	619,735	613,166	6,569
Total	1,211,650	1,204,693	6,957
Other administrative expenditures			
Operating expenditures	849,628	759,256	90,372
Contracted services	150,572	145,035	5,537
Capital outlay	55,578	53,420	2,158
Total	1,055,778	957,711	98,067
Regular service administrative			
Salaries and employee benefits	4,644,318	3,766,709	877,609
Operating expenditures	85,726	79,940	5,786
Total	4,730,044	3,846,649	883,395
Income maintenance			
Salaries and employee benefits	4,376,298	4,166,007	210,291
Operating expenditures	53,039	51,052	1,987
Total	4,429,337	4,217,059	212,278
Public assistance programs			
Special assistance to adults	1,084,095	1,045,071	39,024
Medicaid	300	254	46
Aid to the blind	9,148	9,148	-
IVE and IVB vendor payments	18,060	12,795	5,265
Adoption assistance	408,022	360,862	47,160
Miscellaneous	1,500	-	1,500
Total	1,521,125	1,428,130	92,995
Purchased services			
State in home care	23,556	8,266	15,290
Day care for children	2,029,688	1,621,361	408,327
Foster care	535,240	571,219	(35,979)
AFDC foster care	672,405	713,284	(40,879)
Transportation	225,810	211,638	14,172
Professional services	138,227	110,739	27,488
Miscellaneous	41,376	16,051	25,325
Total	\$ 3,666,302	\$ 3,252,558	\$ 413,744

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (cont'd)			
Work first block grant			
Education	\$ 500	\$ -	\$ 500
Miscellaneous	36,000	35,708	292
Total	<u>36,500</u>	<u>35,708</u>	<u>792</u>
County only assistance			
Miscellaneous services	7,165	(422)	7,587
Clothing	39,150	27,942	11,208
Total	<u>46,315</u>	<u>27,520</u>	<u>18,795</u>
<i>Total social services</i>	<i>18,730,633</i>	<i>17,463,425</i>	<i>1,267,208</i>
<i>Public health</i>			
Health administration			
Salaries and employee benefits	1,173,403	1,119,663	53,740
Operating expenditures	632,122	467,438	164,684
Capital outlay	3,512	1,360	2,152
Total	<u>1,809,037</u>	<u>1,588,461</u>	<u>220,576</u>
Communicable diseases			
Salaries and employee benefits	61,585	11,122	50,463
Operating expenditures	1,343	214	1,129
Capital outlay	185	72	113
Total	<u>63,113</u>	<u>11,408</u>	<u>51,705</u>
Tuberculosis			
Salaries and employee benefits	218,744	168,328	50,416
Operating expenditures	25,732	15,293	10,439
Capital outlay	740	286	454
Total	<u>245,216</u>	<u>183,907</u>	<u>61,309</u>
Smart Start health services			
Salaries and employee benefits	63,817	34,561	29,256
Operating expenditures	17,454	10,444	7,010
Capital outlay	185	72	113
Total	<u>81,456</u>	<u>45,077</u>	<u>36,379</u>
Health promotion			
Salaries and employee benefits	10,824	-	10,824
Operating expenditures	57,352	23,435	33,917
Capital Outlay	370	143	227
Total	<u>68,546</u>	<u>23,578</u>	<u>44,968</u>
Crippled children			
Salaries and employee benefits	15,248	12,344	2,904
Operating expenditures	674	275	399
Total	<u>\$ 15,922</u>	<u>\$ 12,619</u>	<u>\$ 3,303</u>

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Adult health			
Salaries and employee benefits	\$ 110,187	\$ 101,514	\$ 8,673
Operating expenditures	63,417	46,044	17,373
Total	173,604	147,558	26,046
Maternity care project			
Salaries and employee benefits	1,330,232	1,199,041	131,191
Operating expenditures	387,257	268,590	118,667
Capital outlay	54,621	24,589	30,032
Total	1,772,110	1,492,220	279,890
Child health			
Salaries and employee benefits	220,781	217,099	3,682
Operating expenditures	55,514	48,495	7,019
Capital outlay	925	358	567
Total	277,220	265,952	11,268
Child services coordinator			
Salaries and employee benefits	350,339	338,686	11,653
Operating expenditures	20,429	16,731	3,698
Total	370,768	355,417	15,351
Dental program			
Salaries and employee benefits	70,581	46,511	24,070
Operating expenditures	214,999	43,566	171,433
Capital outlay	185	72	113
Total	285,765	90,149	195,616
Family planning			
Salaries and employee benefits	872,213	774,146	98,067
Operating expenditures	204,256	175,081	29,175
Capital outlay	2,773	1,074	1,699
Total	1,079,242	950,301	128,941
AIDS control			
Salaries and employee benefits	266,957	264,156	2,801
Operating expenditures	36,611	23,978	12,633
Capital outlay	1,110	429	681
Total	304,678	288,563	16,115
Women, infants and children			
Salaries and employee benefits	810,879	713,125	97,754
Operating expenditures	72,798	49,618	23,180
Total	\$ 883,677	\$ 762,743	\$ 120,934

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

Expenditures (cont'd)	Budget	Actual	Variance Positive (Negative)
Environmental health			
Salaries and employee benefits	\$ 511,993	\$ 499,886	\$ 12,107
Operating expenditures	66,198	54,549	11,649
Capital outlay	15,000	-	15,000
Total	<u>593,191</u>	<u>554,435</u>	<u>38,756</u>
Bioterrorism program			
Salaries and employee benefits	26,088	20,824	5,264
Operating expenditures	<u>14,725</u>	<u>5,315</u>	<u>9,410</u>
Total	<u>40,813</u>	<u>26,139</u>	<u>14,674</u>
Project Connect			
Salaries and employee benefits	72,375	39,039	33,336
Operating expenditures	<u>4,836</u>	<u>776</u>	<u>4,060</u>
Total	<u>77,211</u>	<u>39,815</u>	<u>37,396</u>
Minority Health			
Salaries and employee benefits	6,978	-	6,978
Operating expenditures	<u>12,303</u>	<u>11,366</u>	<u>937</u>
Total	<u>19,281</u>	<u>11,366</u>	<u>7,915</u>
Maternal care coordinator			
Salaries and employee benefits	335,268	308,409	26,859
Operating expenditures	14,059	8,999	5,060
Capital outlay	1,109	429	680
Total	<u>350,436</u>	<u>317,837</u>	<u>32,599</u>
School nurse initiative			
Operating expenditures	<u>250,000</u>	<u>267,008</u>	<u>(17,008)</u>
Total	<u>250,000</u>	<u>267,008</u>	<u>(17,008)</u>
Maternal Health			
Salaries and employee benefits	2,544	363	2,181
Operating expenditures	<u>5,750</u>	<u>2,785</u>	<u>2,965</u>
Total	<u>8,294</u>	<u>3,148</u>	<u>5,146</u>
Primary Care			
Salaries and employee benefits	2,000	-	2,000
Operating expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>4,000</u>	<u>-</u>	<u>4,000</u>
<i>Total public health</i>	\$ 8,773,580	\$ 7,437,701	\$ 1,335,879

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Expenditures (cont'd)			
<i>Mental health</i>			
Administration			
Mental health services	\$ 42,000	\$ 42,000	\$ -
Total human services	30,793,579	27,809,801	2,983,778
<i>Cultural and recreational</i>			
Wayne County Public Library			
Salaries and employee benefits	1,768,434	1,641,585	126,849
Operating expenditures	469,522	443,127	26,395
Capital outlay	10,000	9,031	969
Total	2,247,956	2,093,743	154,213
Literacy Connections			
Salaries and employee benefits	155,672	146,525	9,147
Operating expenditures	98,195	98,195	-
Total	253,867	244,720	9,147
County aid			
Museum	20,000	20,000	-
Parks and recreation	43,950	43,947	3
Miscellaneous	25,500	25,500	-
Total	89,450	89,447	3
Total cultural and recreational	2,591,273	2,427,910	163,363
<i>Education</i>			
Wayne Community College			
Current expenditures	3,921,171	3,890,355	30,816
Capital outlay	544,080	409,544	134,536
Total	4,465,251	4,299,899	165,352
Wayne County Public Schools			
Current expenditures	20,157,552	20,157,552	-
Capital outlay	3,109,229	2,427,363	681,866
Total	23,266,781	22,584,915	681,866
Total education	27,732,032	26,884,814	847,218
<i>Debt Service</i>			
Principal payments	5,088,555	5,019,267	69,288
Interest payments	2,690,939	2,483,574	207,365
Total debt service	7,779,494	7,502,841	276,653
Total Expenditures	110,928,671	101,074,252	9,854,419
Revenues over (under) expenditures	\$ (6,155,705)	\$ 3,124,747	\$ 9,280,452

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Other Financing Sources (Uses)			
Transfers in			
Capital Projects Funds	\$ -	\$ 11,022	\$ (11,022)
Special Revenue Funds	319,000	-	319,000
Transfers out			
Internal Service Fund	(7,829)	(7,829)	-
Capital Projects Funds	(5,394,465)	(5,394,465)	-
Proprietary Funds	(9,858,074)	(9,858,074)	-
Sale of capital assets	2,997	277,443	(274,446)
Total other financing sources	<u>(14,938,371)</u>	<u>(14,971,903)</u>	<u>33,532</u>
Revenues and other financing sources under expenditures	(21,094,076)	(11,847,156)	9,246,920
Appropriated fund balance	<u>21,094,076</u>	-	<u>(21,094,076)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	(11,847,156)	<u>\$ (11,847,156)</u>
Fund balance - July 1		57,285,141	
Fund balances - June 30		<u>\$ 45,437,985</u>	

**Wayne County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018**

Exhibit B

Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Emergency Telephone Service Fund	Fire District Fund	Community Development Fund	Utility Fund	Street Assessment Fund	
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	1,354,757	285	-	18,236	10,005	1,365,047
Taxes receivable, net	-	176,225	-	-	-	176,225
Due from other governments	47,800	240,072	187,252	14,609	-	475,124
Total assets	<u>1,402,557</u>	<u>416,582</u>	<u>187,252</u>	<u>32,845</u>	<u>10,005</u>	<u>2,016,396</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	4,946	-	225	-	-	5,171
Interfund payable	-	-	79,141	-	-	79,141
Total liabilities	<u>4,946</u>	<u>-</u>	<u>79,366</u>	<u>-</u>	<u>-</u>	<u>84,312</u>
Deferred Inflows of Resources						
Taxes receivable, net	-	178,194	-	10,311	-	178,194
Total deferred inflows of resources	<u>-</u>	<u>178,194</u>	<u>-</u>	<u>10,311</u>	<u>-</u>	<u>178,194</u>
Fund balances						
Restricted:						
Stabilization by state statute	47,801	238,103	107,886	4,300	-	398,090
Fire protection	-	285	-	-	-	285
Public safety	1,349,810	-	-	-	-	1,349,810
Public schools	-	-	-	-	-	-
Capital Improvements	-	-	-	-	-	-
Transportation	-	-	-	18,235	10,005	28,240
Senior Center	-	-	-	-	-	-
Committed:						
Capital Projects	-	-	-	-	-	-
Unassigned:						
Total fund balances	<u>1,397,611</u>	<u>238,388</u>	<u>107,886</u>	<u>22,535</u>	<u>10,005</u>	<u>1,776,425</u>
Total liabilities, deferred inflows of resources, and fund balances	<u><u>\$ 1,402,557</u></u>	<u><u>\$ 416,582</u></u>	<u><u>\$ 187,252</u></u>	<u><u>\$ 32,846</u></u>	<u><u>\$ 10,005</u></u>	<u><u>\$ 2,038,931</u></u>

County Capital Project Fund	Capital Project Funds					Permanent Fund		
	County Public School Capital Project Fund-School Buildings	County Public School Capital Project Fund-School Renovations	County Capital Reserve Project Fund	County Capital Project-911 Call Center	Total Nonmajor Capital Project Funds	Permanent Fund-Senior Center	Total Nonmajor Funds	
\$ 4,446,733	\$ -	\$ -	\$ 2,323,193	\$ 3,762,274	\$ 10,532,200	\$ -	\$ 10,532,200	
57,396	3,411,308	-	-	-	3,468,704	7,170	4,840,921	
-	-	-	-	-	-	-	176,225	
36,074	36,051	-	-	-	72,125	-	547,249	
4,540,203	3,447,359	-	2,323,193	3,762,274	14,073,029	7,170	16,096,595	
168,474	19,000	-	-	3,562	191,036	-	196,207	
-	-	-	-	-	-	-	79,141	
168,474	19,000	-	-	3,562	191,036	-	275,348	
-	-	-	-	-	-	-	178,194	
-	-	-	-	-	-	-	178,194	
-	-	-	-	-	-	-	398,090	
-	-	-	-	-	-	-	285	
-	-	-	-	-	-	-	1,349,810	
-	3,428,358	-	-	-	3,428,358	-	3,428,358	
57,396	-	-	-	-	57,396	-	57,396	
-	-	-	-	-	-	-	28,240	
-	-	-	-	-	-	7,170	7,170	
4,314,333	-	-	2,323,193	3,758,711	10,396,237	-	10,396,237	
-	-	-	-	-	-	-	-	
4,371,729	3,428,358	-	2,323,193	3,758,711	13,881,991	7,170	15,665,586	
\$ 4,540,203	\$ 3,447,358	\$ -	\$ 2,323,193	\$ 3,762,273	\$ 14,073,027	\$ 7,170	\$ 16,119,128	

Wayne County, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2018

Exhibit C

Special Revenue Funds						Total Nonmajor Special Revenue Funds
Revenues	Emergency Telephone Service Fund	Fire District Fund	Community Development Fund	Utility Fund	Street Assessment Fund	
Property Taxes	\$ -	\$ 3,366,013	\$ -	\$ -	\$ -	\$ 3,366,013
Sales and miscellaneous taxes	- -	1,343,479	- -	16,864	10,000	1,370,343
Licenses and permits	517,364	- -	- -	- -	- -	517,364
Unrestricted intergovernmental	- -	45,000	- -	- -	- -	45,000
Restricted intergovernmental	- -	- -	193,456	- -	- -	193,456
Investment earnings	5,703	1,489	- -	150	5	7,347
Total revenues	<u>523,067</u>	<u>4,755,981</u>	<u>193,456</u>	<u>17,014</u>	<u>10,005</u>	<u>5,499,523</u>
 Expenditures						
Current:						
Public Safety	416,389	4,742,048	- -	- -	- -	5,158,437
Community development	- -	- -	176,439	- -	- -	176,439
Education	- -	- -	- -	- -	- -	- -
Transportation	- -	- -	- -	12,640	- -	12,640
Capital Outlay	379,558	- -	- -	- -	- -	379,558
Total Expenditures	<u>795,947</u>	<u>4,742,048</u>	<u>176,439</u>	<u>12,640</u>	<u>- -</u>	<u>5,727,074</u>
Excess (deficiency) of revenues over expenditures	<u>(272,880)</u>	<u>13,933</u>	<u>17,017</u>	<u>4,374</u>	<u>10,005</u>	<u>(227,551)</u>
 Other Financing Sources (Uses)						
Other use						
Transfers from other funds	1,162,632	- -	- -	- -	- -	1,162,632
Transfers to other funds	- -	- -	- -	- -	- -	- -
Total other financing sources and uses	<u>1,162,632</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>1,162,632</u>
Net change in fund balances	<u>889,752</u>	<u>13,933</u>	<u>17,017</u>	<u>4,374</u>	<u>10,005</u>	<u>935,081</u>
Fund balances - beginning	<u>507,859</u>	<u>224,455</u>	<u>90,869</u>	<u>18,161</u>	<u>- -</u>	<u>841,344</u>
Fund balances - ending	<u>\$ 1,397,611</u>	<u>\$ 238,388</u>	<u>\$ 107,886</u>	<u>\$ 22,535</u>	<u>\$ 10,005</u>	<u>\$ 1,776,425</u>

Capital Project Funds						Permanent Fund	
County Capital Project Fund	County Public School Capital Project Fund-School Buildings	County Public School Capital Project Fund-School Renovations	County Capital Reserve Project Fund	County Capital Project-911 Call Center	Total Nonmajor Capital Project Funds	Permanent Fund-Senior Center	Total Nonmajor Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,366,013
-	-	-	-	-	-	-	1,370,343
-	-	-	-	-	-	-	517,364
-	-	-	-	-	-	-	45,000
-	-	-	-	-	-	-	193,456
20,250	67,912	-	14,181	26,674	129,017	44	136,408
20,250	67,912	-	14,181	26,674	114,836	44	5,628,584
-	-	-	-	-	-	-	5,158,437
-	-	-	-	-	-	-	176,439
-	414,361	-	-	-	414,361	-	414,361
1,878,606	-	-	-	-	1,878,606	-	1,891,246
494,071	-	-	-	187,790	681,861	-	1,061,419
2,372,677	414,361	-	-	187,790	2,974,828	-	8,701,902
(2,352,427)	(346,449)	-	14,181	(161,116)	(2,845,811)	44	(3,073,318)
3,787,582	80,639	-	-	-	3,868,221	-	5,030,853
-	(2,529,764)	(11,022)	-	(1,162,632)	(3,703,418)	-	(3,703,418)
3,787,582	(2,449,125)	(11,022)	-	(1,162,632)	164,803	-	1,327,435
1,435,155	(2,795,574)	(11,022)	14,181	(1,323,748)	(2,681,008)	44	(1,745,883)
2,936,574	6,223,932	11,022	2,309,012	5,082,459	16,562,999	7,126	17,411,469
\$ 4,371,729	\$ 3,428,358	\$ -	\$ 2,323,193	\$ 3,758,711	\$ 13,881,991	\$ 7,170	\$ 15,665,586

Special Revenue Funds

Nonmajor Funds

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

Emergency Telephone System Fund - This fund accounts for the 911 revenues collected by the telephone industry to fund the 911 emergency system.

Fire District Fund - This fund accounts for the ad valorem tax levies of the 28 fire districts in Wayne County.

Community Development Fund – This fund accounts for the costs of construction and the collection of resources from Federal Community Development Block Grant programs designated for specific development projects.

Utility Fund – This fund accounts for the costs of street lights and the collection of resources from residents in specific neighborhoods in Wayne County.

Street Assessment Fund – This fund accounts for the costs of improvements to the streets and the collection of resources from residents in specific neighborhoods in Wayne County.

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Emergency Telephone Service Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Restricted intergovernmental	\$ 517,364	\$ 517,364	\$ -
Investment earnings	-	5,703	5,703
Total revenues	<u>517,364</u>	<u>523,067</u>	<u>5,703</u>
Expenditures			
Current:			
Public safety	656,949	416,389	240,560
Capital outlay	1,560,470	379,558	1,180,912
Total expenditures	<u>2,217,419</u>	<u>795,947</u>	<u>1,421,472</u>
Revenues under expenditures	(1,700,055)	(272,880)	1,427,175
Other Financing Sources			
Transfers in	1,162,632	1,162,632	-
Transfers out	-	-	-
Total other financing sources	<u>1,162,632</u>	<u>1,162,632</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	(537,423)	889,752	1,427,175
Appropriated fund balance	<u>537,423</u>	<u>-</u>	<u>(537,423)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>889,752</u>	<u>\$ 889,752</u>
Fund balance - July 1		507,859	
Fund balance - June 30		<u>\$ 1,397,611</u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Fire District Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Ad valorem taxes			
Current year	\$ 3,305,999	3,311,898	\$ 5,899
Vehicle tax	6,357	-	(6,357)
Prior year tax	118,537	54,115	(64,422)
County sales taxes	1,268,064	1,343,479	75,415
County fire allotment	45,000	45,000	-
Investment earnings	-	1,489	1,489
Miscellaneous	-	-	-
Total revenues	<u>4,743,957</u>	<u>4,755,981</u>	<u>12,024</u>
Expenditures			
Current:			
Public safety	4,743,957	4,742,048	1,909
Total expenditures	<u>4,743,957</u>	<u>4,742,048</u>	<u>1,909</u>
Revenues over (under) expenditures	-	13,933	13,933
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	13,933	<u>\$ 13,933</u>
Fund balance - July 1		224,455	
Fund balance - June 30		<u>\$ 238,388</u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Community Development Fund
For the Fiscal Year Ended June 30, 2018

	Project Author- ization	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Scattered Housing (11-C-2329)	\$ 400,000	\$ 399,748	\$ -	\$ 399,748	\$ (252)
Catalyst Category (11-C-2382)	500,000	500,000	-	500,000	-
Disaster Recovery (17-R-3003)	16,940,000	-	186,391	186,391	(16,753,609)
Mortgage payments	-	61,696	3,324	65,020	65,020
Interest payments	-	47,301	3,741	51,042	51,042
Total revenues	<u>17,840,000</u>	<u>1,008,745</u>	<u>193,456</u>	<u>1,202,201</u>	<u>(16,637,799)</u>
Expenditures					
Economic development:					
Scattered Housing (11-C-2329)	400,000	400,089	-	400,089	(89)
Catalyst Category (11-C-2382)	500,000	530,500	-	530,500	(30,500)
Disaster Recovery (17-R-3003)	16,940,000	-	176,439	176,439	16,763,561
Total expenditures	<u>17,840,000</u>	<u>930,589</u>	<u>176,439</u>	<u>1,107,028</u>	<u>16,732,972</u>
Revenues over (under) expenditures	-	78,156	17,017	95,173	95,173
Other financing sources					
Operating transfers in:					
General Fund	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 78,156</u>	<u>17,017</u>	<u>\$ 95,173</u>	<u>\$ 95,173</u>
Fund balance - July 1			90,869		
Fund balance - June 30			<u>\$ 107,886</u>		

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Utility Fund-Street Lights
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Fees and fines	\$ 17,101	\$ 16,864	\$ (237)
Investment earnings	-	150	150
Total revenues	<u>17,101</u>	<u>17,014</u>	<u>(87)</u>
Expenditures			
Current:			
Transportation	17,101	12,640	4,461
Total expenditures	<u>17,101</u>	<u>12,640</u>	<u>4,461</u>
Revenues over (under) expenditures	-	4,374	4,374
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	4,374	<u>\$ 4,374</u>
Fund balance - July 1		18,161	
Fund balance - June 30		<u>\$ 22,535</u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Transportation Fund-Street Assessment
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Miscellaneous taxes	\$ 220,000	\$ 10,000	\$ (210,000)
Investment earnings	99,000	5	(98,995)
Total revenues	<u>319,000</u>	<u>10,005</u>	<u>(308,995)</u>
Expenditures			
Current:			
Transportation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	319,000	10,005	(308,995)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	<u>(319,000)</u>	<u>-</u>	<u>(319,000)</u>
Total other financing sources	<u>(319,000)</u>	<u>-</u>	<u>(319,000)</u>
Revenues and other financing sources over (under) expenditures	-	10,005	10,005
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>10,005</u>	<u>\$ 10,005</u>
Fund balance - July 1		-	
Fund balance - June 30		<u>\$ 10,005</u>	

Capital Projects Funds

Major and Nonmajor Funds

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.

Major Fund

Wayne County Public School Capital Projects Fund-Meadow Lane - This fund accounts for the costs of construction and related funding sources for school related capital projects

Nonmajor Funds

County Capital Projects Fund - This fund accounts for the costs of construction and related funding sources for capital projects of a general nature.

Wayne County Public School Capital Projects Fund-School Buildings - This fund accounts for the costs of construction and related funding sources for school related capital projects.

Wayne County Public School Capital Projects Fund-School Renovations - This fund accounts for the costs of school renovations and related funding sources for school related capital projects.

County Capital Reserve Project Fund – This fund accounts for the accumulation of resources for future capital projects.

County Capital Outlay-911 Call Center Fund – This fund accounts for the costs of construction and related funding sources for capital projects of a 911 Call Center.

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Public School Capital Project Fund-Meadow Lane
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 167,795	\$ 167,795
Total revenues	<u>-</u>	<u>167,795</u>	<u>167,795</u>
Expenditures			
Current:			
Capital outlay	18,525,484	7,358,201	11,167,283
Total expenditures	<u>18,525,484</u>	<u>7,358,201</u>	<u>11,167,283</u>
Revenues under expenditures	(18,525,484)	(7,190,406)	11,335,078
Other Financing Sources			
Transfers in			
General Fund	1,526,244	1,526,244	-
Transfers out			
General Fund	-	-	-
Total other financing sources	<u>1,526,244</u>	<u>1,526,244</u>	<u>-</u>
Revenues and other financing sources under expenditures	(16,999,240)	(5,664,162)	11,335,078
Appropriated fund balance	<u>16,999,240</u>	<u>-</u>	<u>(16,999,240)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(5,664,162)</u>	<u>\$ (5,664,162)</u>
Fund balance - July 1		16,999,240	
Fund balance - June 30		<u><u>\$ 11,335,078</u></u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Capital Project Fund
For the Fiscal Year Ended June 30, 2018

	Project Author- ization	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues					
Investment earnings	\$ -	\$ 26,845	\$ 20,250	\$ 47,095	\$ 47,095
Miscellaneous	-	-	-	-	-
Total revenues	<u>-</u>	<u>26,845</u>	<u>20,250</u>	<u>47,095</u>	<u>47,095</u>
Expenditures					
Current:					
Transportation - Street Assessment	1,773,505	60,694	1,878,606	1,939,300	(165,795)
Capital Outlay					
Fiber Optic Loop Project	670,007	284,228	339,950	438,349	231,658
Spillman/Superion Project	1,260,564	970,823	154,121	3,343,500	(2,082,936)
Total expenditures	<u>3,704,076</u>	<u>1,315,745</u>	<u>2,372,677</u>	<u>5,721,149</u>	<u>(2,017,073)</u>
Revenues over (under) expenditures	(3,704,076)	(1,288,900)	(2,352,427)	(3,641,327)	62,749
Other Financing Sources (Uses)					
Proceeds-bond issuance, par amount	3,260,000	3,260,000	-	3,260,000	-
Proceeds-bond issuance, premium	444,076	444,076	-	444,076	-
Transfers in:					
General Fund					
Transportation - Street	-	-	142,982	-	-
Advance Manufacturing Center	-	-	3,500,000	3,500,000	3,500,000
Spillman/Superion Project			144,600		
Total financing sources	<u>3,704,076</u>	<u>3,704,076</u>	<u>3,787,582</u>	<u>7,204,076</u>	<u>3,500,000</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 2,415,176</u>	<u>1,435,155</u>	<u>\$ 3,562,749</u>	<u>\$ 3,562,749</u>
Fund balance - July 1			2,936,574		
Fund balance - June 30			<u>\$ 4,371,729</u>		

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Public School Capital Project Fund-School Buildings
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 67,912	\$ 67,912
Total revenues	<u>-</u>	<u>67,912</u>	<u>67,912</u>
Expenditures			
Current:			
Capital outlay	3,605,712	414,361	3,191,351
Total expenditures	<u>3,605,712</u>	<u>414,361</u>	<u>3,191,351</u>
Revenues under expenditures	(3,605,712)	(346,449)	3,259,263
Other Financing Sources			
Transfers in			
General Fund	80,639	80,639	-
Transfers out			
Proprietary Funds	(2,529,764)	(2,529,764)	-
Total other financing sources	<u>(2,449,125)</u>	<u>(2,449,125)</u>	<u>-</u>
Revenues and other financing sources under expenditures	(6,054,837)	(2,795,574)	3,259,263
Appropriated fund balance	<u>6,054,837</u>	<u>-</u>	<u>(6,054,837)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(2,795,574)</u>	<u>\$ (2,795,574)</u>
Fund balance - July 1		6,223,932	
Fund balance - June 30		<u>\$ 3,428,358</u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Public School Capital Project Fund-School Renovations
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Total revenues	<u> -</u>	<u> -</u>	<u> -</u>
Expenditures			
Current:			
Education	-	-	-
Total expenditures	<u> -</u>	<u> -</u>	<u> -</u>
Revenues over (under) expenditures	-	-	-
Other Financing Sources			
Transfers in			
General Fund	-	-	-
Transfers out			
General Fund	-	(11,022)	11,022
Total other financing sources	<u> -</u>	<u>(11,022)</u>	<u>11,022</u>
Appropriated fund balance	<u> -</u>	<u> -</u>	<u> -</u>
Revenues and other sources over (under) expenditures	\$ -	(11,022)	\$ (11,022)
Fund balance - July 1		11,022	
Fund balance - June 30	<u> -</u>		

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Capital Reserve Project Fund
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
Revenues			
Investment earnings	\$ -	\$ 14,181	\$ 14,181
Total revenues	<u> -</u>	<u>14,181</u>	<u>14,181</u>
Expenditures			
Current:			
General government	-	-	-
Total expenditures	<u> -</u>	<u> -</u>	<u> -</u>
Revenues over (under) expenditures	-	14,181	14,181
Other Financing Sources			
Transfers in			
Capital Projects Funds	-	-	-
Transfers out			
Capital Projects Funds	-	-	-
Total other financing sources	<u> -</u>	<u> -</u>	<u> -</u>
Appropriated fund balance	-	-	-
Revenues and other sources over (under) expenditures	\$ -	14,181	\$ 14,181
Fund balance - July 1		2,309,012	
Fund balance - June 30		<u> \$ 2,323,193</u>	

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Capital Project-911 Call Center
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 1,000,000	\$ -	\$ (1,000,000)
Investment earnings	-	26,674	26,674
Total revenues	<u>1,000,000</u>	<u>26,674</u>	<u>(973,326)</u>
Expenditures			
Current:			
Capital Outlay	4,910,716	187,790	4,722,926
Total expenditures	<u>4,910,716</u>	<u>187,790</u>	<u>4,722,926</u>
Revenues under expenditures	(3,910,716)	(161,116)	3,749,600
Other Financing Sources			
Transfers in			
General Fund	-	-	-
Special Revenue Funds	-	-	-
Transfers out			
General Fund	-	-	-
Special Revenue Funds	(1,162,632)	(1,162,632)	-
Total other financing sources	<u>(1,162,632)</u>	<u>(1,162,632)</u>	<u>-</u>
Appropriated fund balance	<u>5,073,348</u>	<u>-</u>	<u>(5,073,348)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(1,323,748)</u>	<u>\$ (1,323,748)</u>
Fund balance - July 1		5,082,459	
Fund balance - June 30		<u>\$ 3,758,711</u>	

Permanent Funds

Nonmajor Fund

Permanent Funds are used to account for resources received by other entities, whereby the use of the resources is restricted to the extent that only earnings, and not principal, may be used for purposes that support the County's programs.

Nonmajor Fund

Permanent Fund-Senior Center – This fund accounts for the principal funds and earnings of an endowment for the specific purpose of funding projects and expenses related to the Senior Center.

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Permanent Fund-Senior Center
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 44	\$ 44
Total revenues	<u>-</u>	<u>44</u>	<u>44</u>
Expenditures			
Senior Center	- -	- -	- -
Total expenditures	<u>- -</u>	<u>- -</u>	<u>- -</u>
Revenues over (under) expenditures	- -	44	44
Other Financing Sources			
Permanent fund donation	- -	- -	- -
Total other financing sources	<u>- -</u>	<u>- -</u>	<u>- -</u>
Revenues and other financing sources over (under) expenditures	- -	44	44
Appropriated fund balance	- -	- -	- -
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	44	<u>\$ 44</u>
Fund balance - July 1		7,126	
Fund balance - June 30		<u>\$ 7,170</u>	

Enterprise Funds

Major Funds

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

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

EMS Fund - This fund is used to account for the operations of the County's emergency and non-emergency transportation medical services.

Maxwell Regional Agricultural and Convention Center Fund (Maxwell Center) – This fund is used to account for the costs of construction and related funding sources for capital projects of an agricultural center.

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Solid Waste Disposal
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Operating revenues			
User fees - solid waste	\$ 2,892,848	\$ 2,961,922	\$ 69,074
User fees - household	1,255,000	1,265,020	10,020
Recycling fees	67,000	84,848	17,848
Total operating revenues	<u>4,214,848</u>	<u>4,311,790</u>	<u>96,942</u>
Non-operating revenues			
Restricted intergovernmental revenues	293,000	314,885	21,885
Interest and investment revenue	-	66,888	66,888
Miscellaneous revenue	344,996	343,750	(1,246)
Operating grants and contributions	<u>14,000</u>	<u>9,967</u>	<u>(4,033)</u>
Total non-operating revenues	<u>651,996</u>	<u>735,490</u>	<u>83,494</u>
Appropriated retained earnings	<u>25,903</u>	<u>-</u>	<u>(25,903)</u>
Total revenues	<u>4,892,747</u>	<u>5,047,280</u>	<u>154,533</u>
Expenditures			
Operating expenditures			
Salaries and employee benefits	1,767,925	1,479,472	288,453
Contractual services	93,150	107,456	(14,306)
Repairs and maintenance	390,653	362,511	28,142
Other departmental expenses	765,398	625,930	139,468
Other supplies and expenses	288,051	288,629	(578)
Indirect costs	<u>368,238</u>	<u>335,435</u>	<u>32,803</u>
Total	<u>3,673,415</u>	<u>3,199,433</u>	<u>473,982</u>
Budgetary appropriations			
Capital outlay	<u>1,219,332</u>	<u>1,215,571</u>	<u>3,761</u>
Total	<u>1,219,332</u>	<u>1,215,571</u>	<u>3,761</u>
Total expenditures	<u>4,892,747</u>	<u>4,415,004</u>	<u>477,743</u>
Revenues over (under) expenditures	-	632,276	632,276
Other financing sources (uses):			
Sale of capital assets	-	(77,769)	(77,769)
Total other financing sources (uses)	<u>-</u>	<u>(77,769)</u>	<u>(77,769)</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 554,507</u>	<u>\$ 554,507</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Solid Waste Disposal
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 5,047,280
Total expenditures	(4,415,004)
Other financing	<u>(77,768)</u>
Revenues and expenditures	554,508
Reconciling items:	
Capital outlay	1,215,571
Depreciation	(747,945)
Bad debt allowance	(66,989)
Increase in Landfill closure & postclosure costs	(324,605)
(Increase) decrease in OPEB liability	(398,696)
(Increase) decrease in deferred outflows of resources - OPEB	21,571
Decrease (increase) in deferred inflows of resources - OPEB	(91,964)
(Increase) decrease in net pension liability	103,895
(Increase) decrease in deferred outflows of resources - pensions	119,977
Decrease (increase) in deferred inflows of resources - pensions	8,313
Accrued vacation pay	<u>2,930</u>
Change in net position	<u>\$ 396,566</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
EMS Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues			
User fees	\$ 5,122,654	\$ 7,458,393	\$ 2,335,739
Total operating revenues	<u>5,122,654</u>	<u>7,458,393</u>	<u>2,335,739</u>
Non-operating revenues			
Interest and investment revenue	-	11,200	11,200
Miscellaneous revenue	3,423	10,658	7,235
Operating grants and contributions	1,000,000	725,774	(274,226)
Total non-operating revenues	<u>1,003,423</u>	<u>747,632</u>	<u>(255,791)</u>
Appropriated retained earnings	<u>56,946</u>	<u>-</u>	<u>(56,946)</u>
Total revenues	6,183,023	8,206,025	2,023,002
Expenditures			
Operating expenditures			
Salaries and employee benefits	7,515,570	5,282,980	2,232,590
Contractual services	637,346	570,725	66,621
Repairs and maintenance	131,251	87,812	43,439
Other departmental expenses	182,022	181,921	101
Other supplies and expenses	1,010,213	824,019	186,194
Indirect costs	<u>1,345,590</u>	<u>1,099,659</u>	<u>245,931</u>
Total	<u>10,821,992</u>	<u>8,047,116</u>	<u>2,774,876</u>
Debt service			
Interest and other charges	7,576	7,486	90
Debt principal	<u>173,573</u>	<u>173,572</u>	<u>1</u>
Total	<u>181,149</u>	<u>181,058</u>	<u>91</u>
Budgetary appropriations			
Capital outlay	<u>2,043,012</u>	<u>848,515</u>	<u>1,194,497</u>
Total	<u>2,043,012</u>	<u>848,515</u>	<u>1,194,497</u>
Total expenditures	<u>13,046,153</u>	<u>9,076,689</u>	<u>3,969,464</u>
Revenues over (under) expenditures	(6,863,130)	(870,664)	5,992,466
Other financing sources (uses):			
Transfers in (out)	6,863,130	6,863,130	-
Sale of capital assets	<u>-</u>	<u>143,490</u>	<u>143,490</u>
Total other financing sources	<u>6,863,130</u>	<u>7,006,620</u>	<u>143,490</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 6,135,956</u>	<u>\$ 6,135,956</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
EMS Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 8,206,025
Total expenditures	(9,076,689)
Other financing	<u>7,006,620</u>
Revenues and expenditures	6,135,956
Reconciling items:	
Capital outlay	848,515
Depreciation	(541,764)
Debt principal	173,572
Bad debt allowance	(2,170,873)
(Increase) decrease in OPEB liability	(2,216,349)
(Increase) decrease in deferred outflows of resources - OPEB	(97,412)
Decrease (increase) in deferred inflows of resources - OPEB	(415,299)
(Increase) decrease in net pension liability	307,446
(Increase) decrease in deferred outflows of resources - pensions	431,002
Decrease (increase) in deferred inflows of resources - pensions	(2,569)
Accrued vacation pay	<u>19,735</u>
Change in net position	<u>\$ 2,471,960</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Maxwell Center Fund
Proprietary Capital Project
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

	Project Authorization	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues					
Operating revenues					
User fees	\$ -	\$ -	\$ 480,614	\$ 480,614	\$ 480,614
Total operating revenues	-	-	480,614	480,614	480,614
Non-operating revenues					
Restricted intergovernmental	-	335,164	314,907	650,071	650,071
Interest and investment revenue	-	7,306	32,396	39,702	39,702
Donations	-	1,353,000	3,500	1,356,500	1,356,500
Operating grants and contributions	-	1,000,000	500,000	1,500,000	1,500,000
Total non-operating revenues	-	2,695,470	850,803	3,546,273	3,546,273
Total revenues	-	2,695,470	1,331,417	4,026,887	4,026,887
Expenditures					
Operating expenditures					
Salaries and employee benefits	-	15,057	173,454	188,511	188,511
Contractual services	-	-	20,705	20,705	20,705
Utilities	-	-	14,257	14,257	14,257
Repairs and maintenance	-	-	49,816	49,816	49,816
Other departmental expenses	-	-	90,937	90,937	90,937
Other supplies and expenses	-	19,163	74,532	93,695	93,695
Interest expense	-	-	409,738	409,738	409,738
Debt principal	-	-	623,231	623,231	623,231
Bond issuance costs	-	137,472	11,341	148,813	148,813
Total	-	171,692	1,468,011	1,639,703	1,639,703
Budgetary appropriations					
Capital outlay	18,399,488	15,219,512	10,439,228	25,658,740	7,259,252
Total	18,399,488	15,219,512	10,439,228	25,658,740	7,259,252
Total expenditures	18,399,488	15,391,204	11,907,239	27,298,443	8,898,955
Other financing sources					
Transfers in (out)	6,197,614	5,731,707	2,605,219	8,336,926	2,139,312
Proceeds from bond issuance	11,000,000	11,000,000	-	11,000,000	-
Proceeds from bond, premium	1,201,874	1,201,874	-	1,201,874	-
Proceeds from debt issuance	-	-	2,318,767	2,318,767	2,318,767
Capital contributions	-	2,010,000	-	2,010,000	2,010,000
Total	18,399,488	19,943,581	4,923,986	24,867,567	6,468,079
Revenues over (under) expenditures	\$ -	\$ 7,247,847	\$ (6,132,450)	\$ 1,115,397	\$ 1,115,397

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Maxwell Center Fund
Proprietary Capital Project
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 1,331,417
Total expenditures	(11,907,239)
Other financing	<u>4,923,986</u>
Revenues, other financing sources, and expenditures	(5,651,836)
Reconciling items:	
Capital outlay	10,439,228
Depreciation	(237,448)
Accrued vacation pay	(7,818)
(Increase) decrease in net pension liability	(25,477)
(Increase) decrease in deferred outflows of resources - pensions	(18,829)
Decrease (increase) in deferred inflows of resources - pensions	(932)
Bad debt	(25,000)
Long term debt proceeds	(2,318,767)
Debt principal	623,231
Accrued interest	<u>(23,042)</u>
Change in net position	<u><u>\$ 2,753,310</u></u>

Enterprise Funds

Nonmajor Funds

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

Jetport Fund - This fund is used to account for the operations of the County's municipal airport.

Sewer Fund - This fund is used to account for the operations of the County's sewer activities.

Wayne County, North Carolina
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2018

Business-type Activities			
	Jetport Fund	Sewer Fund	Total
Assets			
Current assets:			
Cash and cash equivalents	\$ 220,488	\$ 1,498,267	\$ 1,718,755
Accounts receivable, net	63,076	74,949	138,025
Receivables from other governments	31,136	2,173	33,309
Inventories	47,429	-	47,429
Total current assets	<u>362,129</u>	<u>1,575,389</u>	<u>1,937,518</u>
Capital assets:			
Land	603,934	23,628	627,562
Other capital assets, net of depreciation	6,115,179	2,802,918	8,918,097
Total capital assets	<u>6,719,113</u>	<u>2,826,546</u>	<u>9,545,659</u>
Total non-current assets	<u>6,719,113</u>	<u>2,826,546</u>	<u>9,545,659</u>
Total assets	<u>7,081,242</u>	<u>4,401,935</u>	<u>11,483,177</u>
Deferred Outflows of Resources	19,781	7,228	27,009
Liabilities			
Current liabilities:			
Accounts payable	47,711	177,329	225,040
Salaries payable	1,585	-	1,585
Accrued interest payable	-	5,417	5,417
Payable to other governments	(37)	-	(37)
Compensated absences	6,007	-	6,007
Bonds, notes and loans payable	-	120,000	-
Total current liabilities	<u>55,266</u>	<u>302,746</u>	<u>238,012</u>
Non-current liabilities:			
OPEB liability	42,474	42,474	84,948
Net pension liability	25,477	8,492	33,969
Bonds, notes and loans payable	-	2,130,000	2,130,000
Total non-current liabilities	<u>67,951</u>	<u>2,180,966</u>	<u>118,917</u>
Total liabilities	<u>123,217</u>	<u>2,483,712</u>	<u>356,929</u>
Deferred Inflows of Resources	147,735	4,369	152,104
Net Position			
Net investment in capital assets	6,719,113	2,147,706	8,866,819
Unrestricted	110,957	(226,619)	(115,662)
Total net position	<u>\$ 6,830,070</u>	<u>\$ 1,921,087</u>	<u>\$ 8,751,157</u>

Wayne County, North Carolina
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2018

Business-type Activities			
	Jetport Fund	Sewer Fund	Total
Operating revenues:			
User fees	\$ 719,439	\$ 436,567	\$ 1,156,006
Total operating revenues	<u>719,439</u>	<u>436,567</u>	<u>1,156,006</u>
Operating expenses:			
Salaries and employee benefits	115,337	54,901	170,238
Contractual services	20,975	19,096	40,071
Repairs and maintenance	24,292	60,090	84,382
Other departmental expenses	568,188	398,852	967,040
Indirect costs	109,125	36,346	145,471
Depreciation	412,478	97,611	510,089
Total Operating Expenses	<u>1,250,395</u>	<u>666,896</u>	<u>1,917,291</u>
Operating loss	<u>(530,956)</u>	<u>(230,329)</u>	<u>(761,285)</u>
Non-operating revenues (expenses)			
Interest and investment revenue	1,539	206	1,745
Miscellaneous revenue	12,120	13,675	25,795
Operating grants and contributions	251,859	-	251,859
Interest expense	-	(95,142)	(95,142)
Total non-operating revenues (expenses)	<u>265,518</u>	<u>(81,261)</u>	<u>184,257</u>
Income (loss) before contributions and trans	<u>(265,438)</u>	<u>(311,590)</u>	<u>(577,028)</u>
Transfers in	<u>-</u>	<u>2,919,489</u>	<u>2,919,489</u>
Change in net position	<u>(265,438)</u>	<u>2,607,899</u>	<u>2,342,461</u>
Total net position - beginning	7,115,607	1,707,451	8,823,058
Restatement	<u>(20,099)</u>	<u>(2,394,263)</u>	<u>(2,414,362)</u>
Net position, beginning, restated	<u>7,095,508</u>	<u>(686,812)</u>	<u>6,408,696</u>
Total net position - ending	<u><u>\$ 6,830,070</u></u>	<u><u>\$ 1,921,087</u></u>	<u><u>\$ 8,751,157</u></u>

**Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2018**

	Business-type Activities		
	Nonmajor		
	Jetport Fund	Sewer Fund	Totals
Cash flows from operating activities:			
Receipts from customers	\$ 822,139	\$ 425,815	\$ 1,247,954
Payments to employees for services	(120,968)	(57,517)	(178,485)
Payments to suppliers of goods & services	(699,990)	(364,504)	(1,064,494)
Miscellaneous revenues	<u>12,120</u>	<u>13,675</u>	<u>25,795</u>
Net cash provided (used) by operating activities	13,301	17,469	30,770
Cash flows from noncapital financing activities:			
Grant proceeds	251,859	-	251,859
Transfers (to) from other funds	<u>-</u>	<u>2,919,489</u>	<u>2,919,489</u>
Net cash provided (used) by noncapital financing activities	251,859	2,919,489	3,171,348
Cash flows from capital & related financing activities:			
Principal payments related to capital debt	-	(120,000)	(120,000)
Interest payments related to capital debt	-	(95,142)	(95,142)
(Costs) of capital assets	<u>(315,271)</u>	<u>(1,277,502)</u>	<u>(1,592,773)</u>
Net cash provided (used) by capital and related financing activities	(315,271)	(1,492,644)	(1,807,915)
Cash flows from investing activities			
Interest payments received	<u>1,539</u>	<u>205</u>	<u>1,744</u>
Net cash provided (used) by investing activities	<u>1,539</u>	<u>205</u>	<u>1,744</u>
Net increase (decrease) in cash and cash equivalents	(48,572)	1,444,519	1,395,947
Cash and cash equivalents, July 1	<u>269,060</u>	<u>53,748</u>	<u>322,808</u>
Cash and cash equivalents, June 30	<u>220,488</u>	<u>1,498,267</u>	<u>1,718,755</u>

Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2018

Operating income	(530,956)	(230,329)	(761,285)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	412,478	97,611	510,089
Non operating income (expense)	12,120	13,675	25,795
Changes in assets and liabilities			
(Increase) decrease			
Accounts receivable	102,700	(10,752)	91,948
Inventory	12,682	-	12,682
Increase (decrease)			
Accounts payable	9,908	149,880	159,788
Postemployment liability	(2,175)	(2,175)	(4,350)
Pensions	(3,873)	(441)	(4,314)
Other liabilities	417	-	417
Total adjustments	<u>544,257</u>	<u>247,798</u>	<u>792,055</u>
Net cash provided (used) by operating activities	<u>\$ 13,301</u>	<u>\$ 17,469</u>	<u>\$ 30,770</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Jetport Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Operating revenues			
User fees	\$ 689,573	\$ 719,439	\$ 29,866
Total operating revenues	<u>689,573</u>	<u>719,439</u>	<u>29,866</u>
Non-operating revenues			
Interest and investment revenue	-	1,539	1,539
Miscellaneous revenue	25,102	12,120	(12,982)
Operating grants and contributions	<u>939,224</u>	<u>251,859</u>	<u>(687,365)</u>
Total non-operating revenues	<u>964,326</u>	<u>265,518</u>	<u>(698,808)</u>
Appropriated retained earnings	<u>180,107</u>	<u>-</u>	<u>(180,107)</u>
Total revenues	<u>1,834,006</u>	<u>984,957</u>	<u>(849,049)</u>
Expenditures			
Operating expenditures			
Salaries and employee benefits	120,006	107,414	12,592
Contractual services	23,023	20,975	2,048
Repairs and maintenance	70,905	24,292	46,613
Other departmental expenses	88,925	80,672	8,253
Other supplies and expenses	460,282	471,100	(10,818)
Indirect costs	<u>110,000</u>	<u>109,125</u>	<u>875</u>
Total	<u>873,141</u>	<u>813,578</u>	<u>59,563</u>
Budgetary appropriations			
Capital outlay	<u>960,865</u>	<u>290,782</u>	<u>670,083</u>
Total	<u>960,865</u>	<u>290,782</u>	<u>670,083</u>
Total expenditures	<u>1,834,006</u>	<u>1,104,360</u>	<u>729,646</u>
Other financing sources			
Transfers in (out)	-	-	-
Sale of capital assets	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (119,403)</u>	<u>\$ (119,403)</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Jetport Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 984,957
Total expenditures	(1,104,360)
Other financing	-
 Revenues and expenditures	 (119,403)
 Reconciling items:	
Capital outlay	290,782
Sale of assets	-
Accrued vacation pay	(18)
(Increase) decrease in OPEB liability	(17,924)
(Increase) decrease in deferred outflows of resources - OPEB	(952)
Decrease (increase) in deferred inflows of resources - OPEB	(4,058)
Bad debt	(16,416)
(Increase) decrease in net pension liability	6,946
(Increase) decrease in deferred outflows of resources - pensions	7,529
Decrease (increase) in deferred inflows of resources - pensions	554
Depreciation	<u>(412,478)</u>
 Change in net position	 <u>\$ (265,438)</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues			
Operating revenues			
User fees	\$ 428,400	\$ 436,567	\$ 8,167
Total operating revenues	<u>428,400</u>	<u>436,567</u>	<u>8,167</u>
Non-operating revenues			
Interest and investment revenue	-	205	205
Miscellaneous revenue	13,676	13,675	(1)
Operating grants and contributions	411,249	-	(411,249)
Total non-operating revenues	<u>424,925</u>	<u>13,880</u>	<u>(411,045)</u>
Appropriated retained earnings	<u>103,539</u>	<u>-</u>	<u>(103,539)</u>
Total revenues	956,864	450,447	(506,417)
Expenditures			
Operating expenditures			
Salaries and employee benefits	57,629	51,014	6,615
Contractual services	50,000	19,096	30,904
Utilities	14,982	-	14,982
Repairs and maintenance	59,676	60,090	(414)
Other departmental expenses	430,596	398,852	31,744
Indirect costs	52,162	36,346	15,816
Interest expense	124,696	89,725	34,971
Debt principal	89,725	120,000	(30,275)
Total	<u>879,466</u>	<u>775,123</u>	<u>104,343</u>
Budgetary appropriations			
Capital outlay	<u>2,996,887</u>	<u>1,189,662</u>	<u>1,807,225</u>
Total	<u>2,996,887</u>	<u>1,189,662</u>	<u>1,807,225</u>
Total expenditures	<u>3,876,353</u>	<u>1,964,785</u>	<u>1,911,568</u>
Other financing sources			
Transfers in (out)	2,919,489	2,919,489	-
Proceeds from debt issuance	-	2,370,000	2,370,000
Total	<u>2,919,489</u>	<u>5,289,489</u>	<u>2,370,000</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 3,775,151</u>	<u>\$ 3,775,151</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 450,447
Total expenditures	(1,964,785)
Other financing	<u>5,289,490</u>
Revenues and expenditures	3,775,152
Reconciling items:	
Capital outlay	1,189,662
Long term debt proceeds	(2,370,000)
Debt payments	120,000
Accrued interest	(5,417)
(Increase) decrease in OPEB liability	(22,088)
(Increase) decrease in deferred outflows of resources - OPEB	(952)
Decrease (increase) in deferred inflows of resources - OPEB	(4,058)
(Increase) decrease in net pension liability	9,321
(Increase) decrease in deferred outflows of resources - pensions	10,020
Decrease (increase) in deferred inflows of resources - pensions	3,870
Depreciation	<u>(97,611)</u>
Change in net position	<u>\$ 2,607,899</u>

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 departments or agencies of the County on a cost reimbursement basis.

Hospital Self-Insurance Fund - This fund is used to account for the operation of the hospital self-insurance program for County employees.

Workmen's Compensation Self-Insurance Fund – This fund is used to account for the operation of the workmen's compensation self-insurance program for the County employees.

Fleet Management Fund – This fund is used to account for the operations, repairs, and maintenance of the County's fleet of vehicles.

Wayne County, North Carolina
Combining Balance Sheet
Internal Service Funds
June 30, 2018

	WC Self Insurance Fund	Hospital Self Insurance Fund	Fleet Management Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,428,267	\$ 2,026,325	\$ 28,475	\$ 3,483,067
Accounts receivables, net	(38,942)	15	13,248	(25,679)
Inventories	-	-	16,361	16,361
Total current assets	<u>1,389,325</u>	<u>2,026,340</u>	<u>58,084</u>	<u>3,473,749</u>
Non-current assets:				
Capital Assets:				
Other capital assets, net of depreciation	-	-	18,233	18,233
Total capital assets	-	-	18,233	18,233
Total assets	<u>1,389,325</u>	<u>2,026,340</u>	<u>76,317</u>	<u>3,491,982</u>
Liabilities				
Accounts payable	-	581,923	3,844	585,767
Due to other funds	-	-	40,000	40,000
Total current liabilities	<u>-</u>	<u>581,923</u>	<u>43,844</u>	<u>625,767</u>
Total liabilities	<u>-</u>	<u>581,923</u>	<u>43,844</u>	<u>625,767</u>
Net Position				
Invested in capital assets, net of related debt	-	-	18,233	18,233
Unrestricted	<u>1,389,325</u>	<u>1,444,416</u>	<u>14,240</u>	<u>2,847,981</u>
Total net position	<u><u>\$ 1,389,325</u></u>	<u><u>\$ 1,444,416</u></u>	<u><u>\$ 32,473</u></u>	<u><u>\$ 2,866,214</u></u>

Wayne County, North Carolina
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Fiscal Year Ended June 30, 2018

Exhibit J-2

	WC Self Insurance Fund	Hospital Self Insurance Fund	Fleet Management Fund	Total
Operating revenues:				
Insurance premiums	\$ 494,750	\$ 7,988,969	\$ -	\$ 8,483,719
Fleet services	-	-	397,754	397,754
Total operating revenues	<u>494,750</u>	<u>7,988,969</u>	<u>397,754</u>	<u>8,881,473</u>
Operating expenses:				
Salaries and employee benefits	-	-	165,212	165,212
Repairs and maintenance	-	-	3,581	3,581
Other departmental expenses	-	10,754	2,000	12,754
Other supplies and expenses	-	-	200,243	200,243
Utilities	-	-	1,331	1,331
Insurance claims and expenses	513,772	7,237,277	-	7,751,049
Depreciation	-	-	2,388	2,388
Total operating expenses	<u>513,772</u>	<u>7,248,031</u>	<u>374,755</u>	<u>8,136,558</u>
Operating income (loss)	(19,022)	740,938	22,999	744,915
Non-operating revenues (expenses):				
Investment earnings	8,193	6,096	233	14,522
Miscellaneous revenue	-	35,956	-	35,956
Gain (loss)-disposal of asset	-	-	438	438
Total non-operating revenues	<u>8,193</u>	<u>42,052</u>	<u>671</u>	<u>50,916</u>
Transfers in	-	-	7,829	7,829
Change in net position	(10,829)	782,990	31,499	803,660
Total net position - beginning	1,400,154	661,426	974	2,062,554
Total net position - ending	<u>\$ 1,389,325</u>	<u>\$ 1,444,416</u>	<u>\$ 32,473</u>	<u>\$ 2,866,214</u>

Wayne County, North Carolina
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2018

	Business-type Activities					
	Major			Fleet Management Fund		
	WC Self-Insurance Fund	Hospital Self-Insurance Fund				
Cash flows from operating activities:						
Receipts from customers	\$ 500,217	\$ 7,988,954	\$ 396,054	\$ 8,885,225		
Payments to suppliers of goods & services	(513,772)	(7,273,800)	(373,199)	(8,160,771)		
Proceeds from unrestricted revenues	-	35,956	-	35,956		
Net cash provided (used) by operating activities	(13,555)	751,110	22,855	760,410		
Cash flows from noncapital financing activities:						
Loan from other fund	-	-	(20,000)	(20,000)		
Transfers (to) from other funds	-	-	7,829	7,829		
Net cash provided (used) by noncapital financing activities	-	-	(12,171)	(12,171)		
Cash flows from capital and related financing activities:						
Proceeds from sale of capital assets	-	-	438	438		
Net cash provided (used) by capital and related financing activities	-	-	438	438		
Cash flows from investing activities						
Interest payments received	8,193	6,096	235	14,524		
Net cash provided (used) by investing activities	8,193	6,096	235	14,524		
Net increase (decrease) in cash and cash equivalents	(5,362)	757,206	11,357	763,201		
Cash and cash equivalents, July 1	1,433,629	1,269,119	17,118	2,719,866		
Cash and cash equivalents, June 30	1,428,267	2,026,325	28,475	3,483,067		
Operating income	(19,022)	740,938	22,999	744,915		
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	-	-	2,389	2,389		
Non operating income	-	35,957	-	35,957		
Changes in assets and liabilities						
(Increase) decrease						
Accounts receivable	5,467	(15)	(1,700)	3,752		
Inventory	-	-	(975)	(975)		
Increase (decrease)						
Accounts payable	-	(25,770)	142	(25,628)		
Total adjustments	5,467	10,172	(144)	15,495		
Net cash provided (used) by operating activities	\$ (13,555)	\$ 751,110	\$ 22,855	\$ 760,410		

Wayne County, North Carolina
Schedule of Revenues and Expenditures
WC - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Exhibit K-1

	Budget	Actual	Variance Positive (Negative)
Revenues			
Insurance premiums	\$ 494,000	\$ 494,750	\$ 750
Total operating revenues	<u>494,000</u>	<u>494,750</u>	<u>750</u>
Non-operating revenues:			
Investment earnings	-	8,193	8,193
Total non-operating revenues	<u>-</u>	<u>8,193</u>	<u>8,193</u>
Total revenues	<u>494,000</u>	<u>502,943</u>	<u>8,943</u>
Expenditures			
Insurance claims and expenses	527,337	513,772	13,565
Total expenditures	<u>527,337</u>	<u>513,772</u>	<u>13,565</u>
Other financing sources			
Appropriated fund balance	<u>33,337</u>	<u>-</u>	<u>(33,337)</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (10,829)</u>	<u>\$ (10,829)</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

	2018
Total revenues	\$ 502,943
Total expenditures	<u>(513,772)</u>
Revenues over expenditures	(10,829)
Reconciling items:	
No reconciling items	<u>-</u>
Change in net position	<u>\$ (10,829)</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Hospital - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Exhibit K-2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Insurance premiums	\$ 7,397,860	\$ 7,988,969	\$ 591,109
Total operating revenues	<u>7,397,860</u>	<u>7,988,969</u>	<u>591,109</u>
Non-operating revenues:			
Investment earnings	-	6,096	6,096
Miscellaneous revenue	32,000	35,956	3,956
Total non-operating revenues	<u>32,000</u>	<u>42,052</u>	<u>10,052</u>
Total revenues	7,429,860	8,031,021	601,161
Expenditures			
Operating expenditures			
Other departmental expenses	25,852	10,754	15,098
Insurance claims and expenses	7,404,008	7,237,277	166,731
Total expenditures	<u>7,429,860</u>	<u>7,248,031</u>	<u>181,829</u>
Revenues over (under) expenditures	-	782,990	782,990
Other financing sources			
Appropriated fund balance	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 782,990</u>	<u>\$ 782,990</u>
Reconciliation from budgetary basis (modified accrual) to full accrual:			
	<u>2018</u>		
Total revenues		\$ 8,031,021	
Total expenditures		(7,248,031)	
Other financing		-	
Revenues over expenditures		782,990	
Reconciling items:			
No reconciling items		-	
Change in net position		<u>\$ 782,990</u>	

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Fleet Management
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2018

Exhibit K-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Charges for services			
Operating revenues:			
Fleet services	\$ 406,750	\$ 397,754	\$ (8,996)
Total operating revenues	<u>406,750</u>	<u>397,754</u>	<u>(8,996)</u>
Non-operating revenues:			
Investment earnings	-	233	233
Total non-operating revenues	<u>-</u>	<u>233</u>	<u>233</u>
Total revenues	406,750	397,987	(8,763)
Expenditures			
Operating expenditures			
Salaries and wages	165,653	165,212	441
Repairs and maintenance	2,500	3,581	(1,081)
Other departmental expenses	28,551	2,000	26,551
Other supplies and expenses	213,775	200,243	13,532
Utilities	4,100	1,331	2,769
Total operating expenditures	<u>414,579</u>	<u>372,367</u>	<u>42,212</u>
Revenues over (under) expenditures	(7,829)	25,620	33,449
Budgetary appropriations			
Capital outlay	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>414,579</u>	<u>372,367</u>	<u>42,212</u>
Other financing sources			
Transfers in	7,829	7,829	-
Sale of capital assets	-	438	438
Total other financing sources	<u>7,829</u>	<u>8,267</u>	<u>438</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 33,654</u>	<u>\$ 33,216</u>

Reconciliation from budgetary basis (modified accrual) to full accrual:

	<u>2018</u>
Total revenues	\$ 397,987
Total expenditures	(372,367)
Other financing	<u>8,267</u>
Revenues over expenditures	33,887
Reconciling items:	
Capital outlay	-
Depreciation	<u>(2,388)</u>
Change in net position	<u>\$ 31,499</u>

Agency Funds

Agency Funds are used to account for assets held by the County as an agent for individuals and/or other governments.

Agency Funds

Court Costs Fund - This fund accounts for moneys collected by the tax office that is required to be remitted to the courts.

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

Fines and Forfeitures Fund - This fund accounts for fines and forfeitures collected by the County that are required to be remitted to the Wayne County Board of Education and the five percent interest on the first month of delinquent motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles.

Sheriffs Agency Fund - This fund accounts for the moneys collected by the Sheriffs Department that are required to be remitted to governmental agencies.

Municipal Tax Fund - This fund accounts for property tax proceeds collected by the County and distributed to the municipalities within the County.

Miscellaneous Agency Funds - These funds account for moneys collected from various civic organizations and held in a fiduciary capacity to augment the activities financed by public funds.

Wayne County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2018

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
Court Costs				
Assets:				
Cash and cash equivalents	\$ 29,013	\$ 38,815	\$ 21,218	\$ 46,610
Liabilities:				
Miscellaneous liabilities	<u>\$ 29,013</u>	<u>\$ 38,815</u>	<u>\$ 21,218</u>	<u>\$ 46,610</u>
Social Services				
Assets:				
Cash and cash equivalents	\$ 54,923	\$ 477,887	\$ 467,842	\$ 64,968
Liabilities:				
Miscellaneous liabilities	<u>\$ 54,923</u>	<u>\$ 477,887</u>	<u>\$ 467,842</u>	<u>\$ 64,968</u>
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 70,679	\$ 70,679	\$ -
Liabilities:				
Miscellaneous liabilities	<u>\$ -</u>	<u>\$ 70,679</u>	<u>\$ 70,679</u>	<u>\$ -</u>
Sheriff Account				
Assets:				
Cash and cash equivalents	\$ 50,030	\$ 689,293	\$ 680,155	\$ 59,168
Liabilities:				
Miscellaneous liabilities	<u>\$ 50,030</u>	<u>\$ 689,293</u>	<u>\$ 680,155</u>	<u>\$ 59,168</u>
Municipal Tax				
Assets:				
Cash and cash equivalents	\$ -	\$ 19,438,687	\$ 19,438,687	\$ -
Liabilities:				
Miscellaneous liabilities	<u>\$ -</u>	<u>\$ 19,438,687</u>	<u>\$ 19,438,687</u>	<u>\$ -</u>
Miscellaneous				
Assets:				
Cash and cash equivalents	\$ 16,434	\$ 14,939	\$ 11,852	\$ 19,521
Liabilities:				
Miscellaneous liabilities	<u>\$ 16,434</u>	<u>\$ 14,939</u>	<u>\$ 11,852</u>	<u>\$ 19,521</u>
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 150,400	\$ 20,730,300	\$ 20,690,433	\$ 190,267
Liabilities:				
Miscellaneous liabilities	<u>\$ 150,400</u>	<u>\$ 20,730,300</u>	<u>\$ 20,690,433</u>	<u>\$ 190,267</u>

Other Schedules

This section includes additional information on property taxes, and Emergency Telephone System Unspent Balance.

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures
- Emergency Telephone System Unspent Balance

Wayne County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivables
June 30, 2018

Fiscal Year	Uncollected			Uncollected		
	Balance	June 30, 2016	Additions	Collections	Balance	June 30, 2017
2017-2018	\$ -	\$ 48,928,075	(a)	47,997,195	(b)	\$ 930,880
2016-2017	1,066,581	375		591,029		475,927
2015-2016	444,725	271		158,821		286,175
2014-2015	284,150	270		77,280		207,140
2013-2014	281,753	213		58,613		223,353
2012-2013	259,662	224		46,213		213,673
2011-2012	212,453	-		32,841		179,612
2010-2011	189,347	-		21,296		168,051
2009-2010	172,459	-		14,283		158,176
2009 and before	476,071	-		18,884		457,187
	\$ <u>3,387,201</u>	\$ <u>48,929,428</u>		\$ <u>49,016,455</u>	(d)	\$ <u>3,300,174</u>

Less: allowance for uncollectible accounts:
 General Fund (1,384,113)

Ad valorem taxes receivable - net:
 General Fund \$ 1,916,061

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 48,907,605
Interest collected on ad valorem taxes-General Fund	<u>321,539</u>
Reconciling items:	
Interest collected	(321,539)
Rebates & releases	77,970
Late listing	30,880
Total reconciling items	<u>(212,689)</u>
Total collections and credits	\$ <u>49,016,455</u> (d)

Wayne County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2018

	County - wide			Total Levy	Registered Motor Vehicles
	Property Valuation	Rate	Amount of Levy	Property excluding Registered Motor Vehicles	
Original levy:					
Property taxes at current year's rate	\$ 8,182,133,488	0.6635	\$ 54,288,458	\$ 48,083,233	\$ 6,205,225
Penalties	-		26,998	26,998	-
Total	<u>8,182,133,488</u>		<u>54,315,456</u>	<u>48,110,231</u>	<u>6,205,225</u>
Discoveries:					
Current year taxes	180,273,700	0.6635	1,196,116	1,196,116	-
Penalties			3,882	3,882	-
Total	<u>180,273,700</u>		<u>1,199,998</u>	<u>1,199,998</u>	<u>-</u>
Abatements:					
Current year taxes	57,596,684	0.6635	382,154	382,154	-
Total property valuation	<u>\$ 8,304,810,504</u>				
Net levy			55,133,300	48,928,075 (a)	6,205,225
Uncollected taxes at June 30, 2017			930,880 (c)	930,880	-
Current year's taxes collected		\$ 54,202,420	\$ 47,997,195 (b)	\$ 6,205,225	
Current levy collection percentage		<u>98.31%</u>	<u>98.10%</u>	<u>100.00%</u>	

Wayne County , North Carolina
Secondary Market Disclosures
County-wide Levy
For the Fiscal Year Ended June 30, 2018

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 5,972,540,856
Personal Property	1,608,666,874
Public Service Companies ²	<u>723,602,774</u>
Assessed Valuation at Current Year Rates	<u>8,304,810,504</u>
Tax Rate per \$100	<u>0.6635</u>
Penalties	55,102,420
Levy (includes discoveries, releases and abatements) ³	<u>30,880</u>
	<u>55,133,300</u>
Total Assessed Valuation	<u><u>\$ 8,304,810,504</u></u>
Levy (includes discoveries, releases and abatements)-all rates	<u><u>\$ 55,133,300</u></u>

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

School Districts	\$ -
Fire Protection Districts	<u>2,851,647</u>
Total	<u><u>\$ 2,851,647</u></u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

Wayne County , North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
For the Fiscal Year Ended June 30, 2018

Amounts reported on the Emergency Telephone System Fund budget to actual (Exhibit D-1) are different from the PSAP Revenue-Expenditure Report because:

Net Change in Fund Balance, reported Budget to Actual	\$ 889,752
Eligible 911 expenditures from the change in accrued payables Transfer to New 911 Call Center from County Capital Project June 30, 2017 denied expenditures transferred to General Fund	4,947 (1,162,632) (5,303)
Beginning Balance, PSAP Revenue-Expenditure Report	<u>1,680,013</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u>\$ 1,406,777</u>

Statistical Section

Statistical Section

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

<u>Contents</u>	<u>Page</u>
Financial Trends <i>These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i>	169
Revenue Capacity <i>These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	179
Debt Capacity <i>These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i>	184
Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i>	189
Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i>	191

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:			
Net investment in capital assets	\$ 25,407,199	\$ 34,397,474	\$ 45,059,412
Restricted for:			
General government			464,687
Future debt obligations			-
Capital improvements			-
Public safety			3,766,579
Education			9,942,419
Stabilization by State Statute			6,350,099
Register of Deeds pension plan			-
Permanent fund-Senior Center			-
Unrestricted	<u>63,709,104</u>	<u>67,085,608</u>	<u>39,902,413</u>
Total governmental activities net position	<u>89,116,303</u>	<u>101,483,082</u>	<u>105,485,609</u>
Business-type activities:			
Net investment in capital assets	16,871,566	17,418,652	24,531,072
Unrestricted	<u>9,697,259</u>	<u>8,946,058</u>	<u>9,357,399</u>
Total business-type activities net position	<u>26,568,825</u>	<u>26,364,710</u>	<u>33,888,471</u>
Primary government:			
Net investment in capital assets	42,278,765	51,816,126	69,590,484
Restricted for:			
General government			464,687
Future debt obligations			-
Capital improvements			-
Public safety			3,766,579
Education			9,942,419
Register of Deeds pension plan			6,350,099
Stabilization by State Statute			-
Permanent fund-Senior Center			-
Unrestricted	<u>73,406,363</u>	<u>76,031,666</u>	<u>49,259,812</u>
Total primary government net position	<u>\$ 115,685,128</u>	<u>\$ 127,847,792</u>	<u>\$ 139,374,080</u>

Note: Data presented for the 2011 fiscal year and beyond implements GASB Statement 54.

Note: Data presented above has been updated to represent the nomenclature as defined by GASB Statement 63.

Source: Annual audited financial statements of this entity.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	32,189,480	\$ 43,911,545	\$ 49,308,882	\$ 48,979,040	\$ 74,488,975	\$ 84,009,596	\$ 83,342,500
	473,862	443,048	3,774,081	2,568,863	1,260,698	1,183,193	928,043
-	1,071,859	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	
-	-	-	-	-	2,626,905	-	
3,036,088	2,875,580	2,088,112	1,886,348	1,696,044	485,593	1,505,969	
17,767,074	17,042,786	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	
5,984,117	5,940,064	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	
-	-	-	-	-	183,300	166,701	
-	-	-	2,100	7,106	7,100	7,170	
<u>47,623,691</u>	<u>43,891,572</u>	<u>48,538,748</u>	<u>53,457,527</u>	<u>36,385,546</u>	<u>6,014,025</u>	<u>563,477</u>	
<u>107,074,312</u>	<u>115,176,454</u>	<u>123,763,262</u>	<u>128,094,665</u>	<u>133,086,334</u>	<u>135,912,890</u>	<u>107,632,195</u>	
28,970,463	28,903,951	28,324,030	28,469,555	30,696,293	33,151,761	42,870,075	
5,111,858	4,151,565	4,397,099	4,550,695	8,658,123	8,600,185	1,718,563	
<u>34,082,321</u>	<u>33,055,516</u>	<u>32,721,129</u>	<u>33,020,250</u>	<u>39,354,416</u>	<u>41,751,946</u>	<u>44,588,638</u>	
61,159,943	72,815,496	77,632,912	77,448,595	105,185,268	117,161,357	126,212,575	
473,862	443,048	3,774,081	2,568,863	1,260,698	1,183,193	928,043	
-	1,071,859	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	
-	-	-	-	-	2,626,905	-	
3,036,088	2,875,580	2,088,112	1,886,348	1,696,044	485,593	1,505,969	
17,767,074	17,042,786	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	
5,984,117	5,940,064	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	
-	-	-	-	-	183,300	166,701	
-	-	-	2,100	7,106	7,100	7,170	
<u>52,735,549</u>	<u>48,043,137</u>	<u>52,935,847</u>	<u>58,008,222</u>	<u>45,043,669</u>	<u>14,614,210</u>	<u>2,282,040</u>	
<u>\$ 141,156,633</u>	<u>\$ 148,231,970</u>	<u>\$ 156,484,391</u>	<u>\$ 161,114,915</u>	<u>\$ 172,440,750</u>	<u>\$ 177,664,836</u>	<u>\$ 152,220,833</u>	

Wayne County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2009	2010	2011
Expenses			
Governmental Activities:			
General government	\$ 10,283,363	\$ 11,859,358	\$ 12,773,531
Public safety	16,707,368	16,425,839	18,487,470
Transportation	827,400	550,917	542,461
Human services	33,661,265	29,573,058	30,389,790
Cultural and recreation	1,291,429	1,277,251	1,939,735
Education	25,199,155	24,548,906	24,617,866
Interest on long-term debt	552,444	819,746	342,169
Environmental protection	785,183	830,073	895,768
Economic and physical development	2,460,626	791,999	1,452,148
Total government activities expenses	<u>91,768,233</u>	<u>86,677,147</u>	<u>91,440,938</u>
Business-type activities:			
Solid waste disposal	3,424,930	3,648,811	3,835,603
EMS	5,298,993	5,436,737	5,738,875
Sewer	251,360	247,649	278,262
EMS nonemergency transportation	1,043,759	1,163,807	1,069,165
Jetport	-	470,560	930,215
Maxwell Center	-	-	-
Total business-type activities expenses	<u>10,019,042</u>	<u>10,967,564</u>	<u>11,852,120</u>
Total primary government expenses	<u>101,787,275</u>	<u>97,644,711</u>	<u>103,293,058</u>
Program Revenues			
Governmental Activities:			
Charges for services:			
General government	3,023,096	2,721,729	2,566,342
Public safety	2,499,382	2,481,533	2,450,248
Human services	3,711,242	3,060,523	3,249,232
Culture and recreation	-	-	82,507
Environmental protection	4,112	3,441	3,185
Economic and physical development	-	-	-
Operating grants and contributions	18,919,713	22,214,134	19,381,503
Total governmental activities program revenues	<u>28,157,545</u>	<u>30,481,360</u>	<u>27,733,017</u>
Business-type activities:			
Charges for services:			
Solid waste disposal	3,906,259	3,680,365	3,800,021
EMS	3,633,886	3,905,215	4,064,060
Sewer	190,374	212,127	210,431
EMS Nonemergency transportation	1,258,943	1,146,607	1,116,250
Jetport	-	453,256	601,391
Maxwell Center	-	-	-
Operating grants and contributions	1,080,310	1,209,513	3,596,917
Total business-type activities program revenues	<u>10,069,772</u>	<u>10,607,083</u>	<u>13,389,070</u>
Total primary government program revenues	<u>38,227,317</u>	<u>41,088,443</u>	<u>41,122,087</u>
Net (Expense)/Revenue			
Governmental activities	(63,610,688)	(56,195,787)	(63,707,921)
Business-type activities	50,730	(360,481)	1,536,950
Total primary government net expense	<u>\$ (63,559,958)</u>	<u>\$ (56,556,268)</u>	<u>\$ (62,170,971)</u>

	2012	2013	2014	2015	2016	2017	2018
\$	11,799,821	\$ 12,343,016	\$ 12,490,505	\$ 12,368,863	\$ 12,325,585	\$ 12,413,717	\$ 15,851,523
19,034,770	22,037,055	21,625,673	21,654,541	24,195,295	27,757,877	28,265,627	
497,354	490,796	1,020,522	381,974	255,919	288,553	342,179	
31,212,335	32,077,683	30,053,084	29,901,977	29,695,951	29,748,429	27,676,367	
1,689,613	1,942,729	1,933,460	2,334,770	2,151,928	2,398,219	2,458,207	
30,885,950	25,592,686	24,879,620	24,559,080	26,186,821	28,927,009	29,700,156	
412,106	778,716	319,874	2,271,474	2,174,838	1,312,337	1,604,188	
749,108	843,822	835,274	775,891	852,483	883,895	915,707	
1,101,149	753,397	804,303	2,216,080	1,696,922	1,201,470	1,330,486	
97,382,206	96,859,900	93,962,315	96,464,650	99,535,742	104,931,506	108,144,440	
4,384,080	4,158,736	4,294,326	4,304,345	4,422,152	4,503,860	4,552,742	
5,998,722	6,919,508	7,015,107	7,138,260	11,233,893	12,766,445	12,510,315	
412,951	481,878	579,083	629,487	654,838	470,379	760,054	
1,287,788	1,373,590	1,386,321	1,223,057	-	-	-	
991,804	1,118,540	1,062,101	962,283	1,050,842	1,117,726	1,249,400	
-	-	-	-	-	37,073	1,181,564	
13,075,345	14,052,252	14,336,938	14,257,432	17,361,725	18,895,483	20,254,075	
110,457,551	110,912,152	108,299,253	110,722,082	116,897,467	123,826,989	128,398,515	
3,206,793	3,504,880	3,779,248	2,913,747	3,605,184	4,284,428	4,215,884	
1,565,457	1,734,612	1,679,764	1,654,030	1,800,539	2,182,244	3,410,822	
3,492,224	3,024,589	2,220,629	2,264,735	2,128,060	2,058,240	2,179,407	
75,842	64,879	56,360	62,162	68,559	67,090	65,323	
5,917	4,598	5,887	6,352	6,335	7,194	5,275	
-	-	(912.00)	-	-	-	-	
18,392,666	20,275,546	22,013,478	24,104,254	25,141,864	25,552,030	18,726,600	
26,738,899	28,609,104	29,754,454	31,005,280	32,750,541	34,151,226	28,603,311	
4,338,788	3,841,329	4,005,749	4,307,139	3,969,204	4,505,640	4,577,771	
4,231,765	4,292,843	4,164,330	4,983,531	6,660,861	7,668,760	7,470,911	
233,440	282,539	338,057	373,186	460,580	390,201	450,242	
1,391,602	1,501,554	1,325,703	1,149,005	-	-	-	
610,446	659,051	636,232	525,894	495,218	603,961	723,674	
-	-	-	-	-	1,537,039	795,521	
1,712,263	1,006,570	995,529	1,394,245	4,267,065	2,491,345	1,813,870	
12,518,304	11,583,886	11,465,600	12,733,000	15,852,928	17,196,946	15,831,989	
39,257,203	40,192,990	41,220,054	43,738,280	48,603,469	51,348,172	44,435,300	
(70,643,307)	(68,250,796)	(64,207,861)	(65,459,370)	(66,785,201)	(70,780,280)	(79,541,129)	
(557,041)	(2,468,366)	(2,871,338)	(1,524,432)	(1,508,797)	(1,698,537)	(4,422,086)	
\$ (71,200,348)	\$ (70,719,162)	\$ (67,079,199)	\$ (66,983,802)	\$ (68,293,998)	\$ (72,478,817)	\$ (83,963,215)	

Wayne County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

General Revenues and Other Changes in Net Position

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:			
Taxes:			
Property taxes	\$ 51,074,358	\$ 51,872,806	\$ 51,693,856
Local option sales tax	19,997,678	16,285,490	15,799,436
Other taxes and licenses	227,720	149,472	198,820
Investment earnings, unrestricted	878,278	237,594	319,220
Miscellaneous, unrestricted	120,000	129,000	194,912
Transfers	(500,000)	(111,800)	(1,666,737)
Total governmental activities	<u>71,798,034</u>	<u>68,562,562</u>	<u>66,539,507</u>
Business-type activities:			
Investment earnings, unrestricted	243,898	44,566	65,128
Miscellaneous, unrestricted	-	-	-
Transfers	500,000	111,800	1,666,737
Total business-type activities	<u>743,898</u>	<u>156,366</u>	<u>1,731,865</u>
Total primary government	<u>72,541,932</u>	<u>68,718,928</u>	<u>68,271,372</u>

Change in Net Position

Governmental activities	8,187,346	12,366,775	2,831,586
Business activities	794,628	(204,115)	3,268,815
Total primary government	<u>\$ 8,981,974</u>	<u>\$ 12,162,660</u>	<u>\$ 6,100,401</u>

Note: Data presented for the 2011 fiscal year and beyond implements GASB Statement 54.

Note: Data presented above has been updated to represent the nomenclature as defined by GASB Statement 63.

Source: Annual audited financial statements of this entity.

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	54,901,333	\$ 57,083,125	\$ 57,746,209	\$ 56,375,308	\$ 58,672,780	\$ 57,741,770	\$ 58,872,411
17,627,241	17,389,549	17,485,548	18,683,423	19,379,479	21,073,395	20,952,048	
196,555	206,338	416,469	357,554	306,924	311,970	283,924	
187,099	115,525	59,314	85,950	80,801	164,342	622,168	
170,500	443,751	279,589	115,847	421,945	190,526	242,115	
(714,896)	(1,426,009)	(2,529,152)	(2,482,848)	(4,037,905)	(4,051,886)	(12,387,837)	
<u>72,367,832</u>	<u>73,812,279</u>	<u>73,457,977</u>	<u>73,135,234</u>	<u>74,824,024</u>	<u>75,430,117</u>	<u>68,584,829</u>	
35,992	15,552	7,800	9,278	28,741	44,183	112,228	
-	-	-	-	(461)	-	-	
<u>714,896</u>	<u>1,426,009</u>	<u>2,529,152</u>	<u>2,482,848</u>	<u>4,037,905</u>	<u>4,051,886</u>	<u>12,387,837</u>	
<u>750,888</u>	<u>1,441,561</u>	<u>2,536,952</u>	<u>2,492,126</u>	<u>4,066,185</u>	<u>4,096,069</u>	<u>12,500,065</u>	
<u>73,118,720</u>	<u>75,253,840</u>	<u>75,994,929</u>	<u>75,627,360</u>	<u>78,890,209</u>	<u>79,526,186</u>	<u>81,084,894</u>	
1,724,525	5,561,483	9,250,116	7,675,864	8,038,823	4,649,837	(10,956,300)	
193,847	(1,026,805)	(334,386)	967,694	2,557,388	2,397,532	8,077,979	
<u>\$ 1,918,372</u>	<u>\$ 4,534,678</u>	<u>\$ 8,915,730</u>	<u>\$ 8,643,558</u>	<u>\$ 10,596,211</u>	<u>\$ 7,047,369</u>	<u>\$ (2,878,321)</u>	

Wayne County, North Carolina
Fund Balances - Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2009	2010	2011	2012
General Fund				
Reserved	\$ 6,617,970	\$ 5,726,883	\$ -	\$ -
Unreserved	26,454,138	29,008,242	-	-
Restricted for:				
Stabilization by State Statute			8,839,995	5,657,578
Future debt payments, QSCB			-	-
Fire protection			-	-
Public schools			8,358,110	10,317,695
Law enforcement			148,632	218,160
Tax revaluation			880,187	706,813
Court facilities			393,135	392,894
Economic development			-	-
Grants			-	-
Committed for:				
LEO Pension			-	-
Future capital projects			3,965,000	3,165,000
Community College			750,805	758,600
Public schools			1,797,436	1,878,145
Assigned for:				
Subsequent year's expenditures			3,666,668	4,981,469
Donations			107,383	127,380
Unassigned			20,426,629	28,134,917
Total general fund	<u>33,072,108</u>	<u>34,735,125</u>	<u>49,333,980</u>	<u>56,338,651</u>
All Other Governmental Funds				
Reserved	3,864,567	9,090,942	-	-
Unreserved, reported in:				
Special revenue funds	14,543,259	13,090,446	-	-
Capital projects funds	8,629,890	7,978,442	-	-
Debt service funds	2,526,888	2,334,539	-	-
Restricted for:				
Stabilization by State Statute			944,765	326,540
Fire protection			847,591	481,178
Public schools			1,584,309	7,449,379
Capital improvements			-	-
Public safety			3,489,514	2,417,718
Community development			-	-
Transportation			-	-
Permanent fund-Senior Center			-	-
Committed for:				
Future capital projects			6,033,839	9,688,004
Public Schools			-	-
Assigned for:				
Subsequent year's expenditures			-	-
Donations			-	-
Unassigned			-	1,242,791
Total all other governmental funds	<u>\$ 29,564,604</u>	<u>\$ 32,494,369</u>	<u>\$ 12,900,018</u>	<u>\$ 21,605,610</u>

Note: Data presented for the 2011 fiscal year and beyond implements GASB Statement 54.

Source: Annual audited financial statements of this entity.

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,734,752	5,160,470	6,309,654	6,564,718	9,428,553	6,465,996
1,071,859	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278
-	-	-	-	-	-
10,304,722	12,510,648	5,579,616	5,767,329	7,268,541	6,158,969
401,893	286,214	234,161	82,237	69,309	156,159
649,500	729,968	818,003	899,701	904,008	758,020
362,079	425,935	-	-	-	16,900.00
-	3,069,192	1,554,352	35,459	-	-
200,000	187,866	121,554	235,736	119,007	67,205
-	-	-	947,742	-	-
-	7,000,000	-	32,000	1,258,000	1,294,968
483,881	483,881	764,812	704,925	445,566	169,497
3,170,566	3,068,199	1,270,720	2,536,751	2,178,268	1,585,298
10,453,723	5,512,988	5,876,487	1,549,268	766,743	310,198
141,399	15,713	34,811	1,200	31,244	-
28,794,879	29,757,299	26,346,813	34,806,329	29,456,661	22,023,497
<u>61,769,253</u>	<u>70,352,145</u>	<u>52,126,470</u>	<u>58,450,706</u>	<u>57,285,141</u>	<u>45,437,985</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
205,312	238,548	404,723	442,256	264,872	398,090
10,336	2,850	6,360	4,651	7,249	285
1,386,912	-	5,688,105	2,082,730	23,234,194	14,763,436
-	-	-	-	2,626,905	57,396
2,277,481	1,801,898	1,645,827	1,616,170	478,344	1,349,810
88,071	88,238	74,954	82,789	90,869	-
-	-	-	-	-	28,240
-	-	2,100	7,106	7,126	7,170
9,732,563	6,776,076	15,526,441	4,705,007	7,701,140	10,396,237
-	-	6,447,561	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
\$ <u>13,700,675</u>	\$ <u>8,907,610</u>	\$ <u>29,796,071</u>	\$ <u>8,940,709</u>	\$ <u>34,410,699</u>	\$ <u>27,000,664</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Revenues				
Ad valorem taxes	\$ 51,054,956	\$ 51,800,515	\$ 51,640,299	\$ 54,901,333
Local option sales taxes	19,997,678	16,285,490	15,799,436	17,627,241
Other taxes and licenses	708,307	389,239	558,693	592,946
Unrestricted intergovernmental	800,401	649,448	666,842	547,823
Restricted intergovernmental	18,207,536	21,863,941	19,133,967	18,376,782
Permits and fees	2,765,399	2,754,476	2,717,584	1,667,041
Sales and services	4,854,054	4,258,351	4,362,725	4,986,208
Investment earnings	856,555	236,970	307,344	184,467
Miscellaneous	476,076	430,067	535,172	1,118,814
Payments from other municipalities	-	-	-	-
Total revenues	<u>99,720,962</u>	<u>98,668,497</u>	<u>95,722,062</u>	<u>100,002,655</u>
Expenditures				
General government	9,701,413	9,918,844	12,658,058	10,746,721
Public safety	16,082,502	15,693,801	16,830,357	18,129,010
Transportation	566,087	429,916	429,657	393,420
Economic and physical development	3,191,685	1,716,596	2,002,172	1,430,211
Human services	32,419,560	28,691,085	28,852,669	30,162,548
Cultural and recreational	1,170,132	1,277,251	1,801,549	1,733,815
Intergovernmental: education	25,077,430	24,548,906	24,371,452	33,492,505
Capital outlay	1,382,300	6,407,286	1,616,808	509,419
Debt service:				
Principal	3,259,319	4,725,519	1,545,087	1,218,511
Interest and other charges	576,481	618,463	419,333	843,860
Total expenditures	<u>93,426,909</u>	<u>94,027,667</u>	<u>90,527,142</u>	<u>98,660,020</u>
Excess of revenues over (under) expenditures	6,294,053	4,640,830	5,194,920	1,342,635
Other Financing Sources (Uses)				
Transfers from other funds	14,517,586	13,839,767	2,512,862	5,157,105
Transfers to other funds	(16,217,586)	(13,951,567)	(4,179,599)	(5,872,001)
Permanent fund donation	-	-	-	-
Issuance of debt	9,700,000	-	-	15,055,730
Sale of capital assets	16,533	63,752	47,081	26,830
Total other financing sources (uses)	<u>8,016,533</u>	<u>(48,048)</u>	<u>(1,619,656)</u>	<u>14,367,664</u>
Net change in fund balances	<u>\$ 14,310,586</u>	<u>\$ 4,592,782</u>	<u>\$ 3,575,264</u>	<u>\$ 15,710,299</u>
Debt service as a percentage of noncapital expenditures	4.2%	6.1%	2.2%	2.1%

Source: Annual audited financial statements of this entity.

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$	57,083,132	57,928,863	57,149,804	58,611,538	57,873,488	58,783,137
17,389,550	17,485,548	18,775,454	19,486,558	20,985,491	21,107,894	
584,906	586,728	601,781	586,345	582,477	552,138	
794,455	795,501	3,675,237	799,519	642,827	595,438	
20,238,732	21,966,970	21,896,044	25,570,656	23,439,360	19,419,311	
1,709,077	1,813,760	1,982,384	2,115,803	2,260,700	2,241,981	
4,511,955	4,055,767	3,741,525	3,882,954	3,456,995	5,305,173	
113,640	57,787	70,645	76,805	157,371	650,832	
1,489,452	1,192,089	951,631	1,941,563	1,340,810	1,129,108	
-	-	195,988	190,955	210,656	210,366	
<u>103,914,899</u>	<u>105,883,013</u>	<u>109,040,493</u>	<u>113,262,696</u>	<u>110,950,175</u>	<u>109,995,378</u>	
11,378,957	11,858,726	11,414,481	12,029,395	12,140,294	12,696,719	
22,556,043	20,936,011	21,965,497	23,514,436	26,539,211	26,649,302	
382,381	455,646	294,890	223,495	343,488	2,204,696	
1,794,229	3,180,155	3,915,820	1,772,339	1,510,719	1,947,853	
31,194,221	29,772,137	30,983,424	30,398,607	29,390,247	27,986,240	
1,887,005	1,854,046	2,305,648	2,181,044	2,388,494	2,427,910	
31,780,339	25,138,251	24,546,990	24,538,805	26,835,179	27,299,175	
1,730,005	7,227,501	44,065,315	20,461,562	5,558,304	8,419,620	
1,512,000	1,470,000	2,058,838	4,308,703	4,279,692	5,019,267	
776,010	823,724	1,488,737	2,073,005	1,734,533	2,483,574	
<u>104,991,190</u>	<u>102,716,197</u>	<u>143,039,640</u>	<u>121,501,391</u>	<u>110,720,161</u>	<u>117,134,356</u>	
(1,076,291)	3,166,816	(33,999,147)	(8,238,695)	230,014	(7,138,978)	
109,545	4,798,797	38,452,000	590,001	7,001,682	6,568,119	
(1,535,554)	(7,327,949)	28,260,732	(5,229,354)	(11,057,292)	(18,963,786)	
-	-	-	5,000	-	-	
-	3,069,192	(30,743,580)	971,527	28,005,133	-	
27,934	82,917	690,687	414,351	124,892	277,443	
<u>(1,398,075)</u>	<u>622,957</u>	<u>36,659,839</u>	<u>(3,248,475)</u>	<u>24,074,415</u>	<u>(12,118,224)</u>	
\$ <u>(2,474,366)</u>	\$ <u>3,789,773</u>	\$ <u>2,660,692</u>	\$ <u>(11,487,170)</u>	\$ <u>24,304,429</u>	\$ <u>(19,257,201)</u>	
2.2%	2.4%	3.6%	6.3%	5.7%	6.9%	

Wayne County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year Ended June 30,	Real Property	Personal Property	Less: Tax-Exempt Property		Subtotal Property	Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate
2009	\$ 5,238,386	\$ 1,379,475	\$ 575,747	\$ 6,042,114	\$ 315,235	\$ 6,357,349	0.764	
2010	5,360,829	1,321,023	577,091	6,104,761	362,331	6,467,092	0.764	
2011	5,399,801	1,275,876	578,627	6,097,050	339,909	6,436,959	0.764	
2012	6,372,707	1,313,050	669,031	7,016,726	430,185	7,446,911	0.703	
2013	6,382,770	1,326,749	641,208	7,068,311	641,208	7,709,519	0.664	
2014	6,223,729	1,435,246	470,252	7,188,723	635,210	7,823,933	0.664	
2015	6,267,862	633,307	472,242	6,428,927	642,458	7,071,385	0.664	
2016	6,329,035	1,602,490	473,012	7,458,513	669,929	8,128,442	0.664	
2017	6,383,407	1,669,376	473,849	7,578,934	653,525	8,232,459	0.664	
2018	6,445,468	1,608,667	472,927	7,581,208	723,603	8,304,811	0.664	

Source: Original levy as reported by the Tax Assessor for the entity.

Wayne County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Fiscal Year Ended June 30,	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Wayne County (Note 2)	0.664	0.664	0.664	0.664	0.664	0.664	0.703	0.764	0.764	0.764
Municipality Rates:										
City of Goldsboro	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650
Town of Mount Olive	0.640	0.640	0.640	0.640	0.590	0.590	0.590	0.590	0.590	0.590
Town of Seven Springs	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540	0.540
Town of Fremont	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650
Town of Pikeville	0.690	0.690	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
Town of Eureka	0.750	0.750	0.750	0.750	0.700	0.700	0.700	0.700	0.700	0.660
Village of Walnut Creek	0.420	0.420	0.380	0.380	0.380	0.380	0.380	0.380	0.380	0.360
Fire Districts:										
Mar Mac Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Patetown Fire District	0.063	0.063	0.070	0.063	0.050	0.050	0.050	0.050	0.050	0.050
Grantham Fire District	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.080	0.080
Dudley Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.070	0.070
Oakland Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.070	0.070
Rosewood Fire District	0.055	0.055	0.055	0.055	0.055	0.055	0.045	0.045	0.050	0.050
Arrington Fire District	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.078	0.078
Pinewood Fire District	N/A	N/A	N/A	N/A	0.070	0.070	0.070	0.057	0.070	0.070
Nahunta Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Saulston Fire District	0.075	0.060	0.060	0.055	0.055	0.055	0.055	0.055	0.060	0.060
Belfast Fire District	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.065	0.065
Eureka Fire District	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080	0.080	0.080
Thoroughfare Fire District	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.080	0.080
Smith Chapel Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Jordan Chapel Fire District	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.070	0.070
New Hope Fire District	0.075	0.075	0.063	0.063	0.063	0.060	0.055	0.055	0.060	0.060
Pleasant Grove Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Elroy Fire District	0.063	0.063	0.063	0.063	0.065	0.065	0.065	0.065	0.065	0.050
Little River Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Northern Wayne Fire District	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.060	0.060
Pricetown Fire District	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.060	0.060
East Wayne Fire District	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080	0.080	0.080
Polly Watson Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Indian Springs Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Antioch Fire District	N/A	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Waylin Fire District	0.070	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045	0.045
Seven Springs Fire District	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Faro Fire District	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080	0.080	0.080
Moseley Hall Fire District	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Boon Hill Fire District	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Northeast Wayne Fire District	0.080	0.080	0.080	0.080	0.080	N/A	N/A	N/A	N/A	N/A
Downtown Special Service District	0.235	0.235	0.235	0.235	0.235	0.235	0.235	0.235	0.250	0.250

Note: Tax rates are based on \$100 per assessed valuation for Wayne County and all overlapping governments.

Note 2: Wayne County does not allocate any of the total direct rate to any special funds.

Source: Tax Assessor of Wayne County.

Wayne County, North Carolina
Principal Property Taxpayers
Current Year and Nine Years Ago

Name of Taxpayer	Type of Business	2018			2007			Percentage of Total Assessed Value
		Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank		
Duke Progress Energy	Electric/Utility	\$ 575,537,298	1	7.81%	\$ 250,584,073	1	4.26%	
Mount Olive Pickle, Inc.	Pickle Processing	54,093,803	2	0.73%	27,982,452	3	0.48%	
Georgia Pacific Corporation	Wood Processing	50,554,892	3	0.69%				
Piedmont Natural Gas	Gas/Utility	50,249,031	4	0.68%	20,003,176	9	0.34%	
Walmart Stores East LP	Retail Stores	35,055,879	5	0.48%				
Case Farms Processing, Inc.	Poultry Prod/Processing	31,778,955	6	0.43%	17,595,954	10	0.30%	
Tri-County EMC	Electric/Utility	28,766,442	7	0.39%	20,226,138	8	0.34%	
Cooper-Standard Automotive, Inc.	Auto Parts Manufacturer	27,644,336	8	0.38%	27,486,451	4	0.47%	
Butterball, LLC	Poultry Prod/Processing	23,244,161	9	0.32%				
Time Warner Cable	Electric/Utility	23,229,387	10	0.32%				
BellSouth Telephone Company	Telephone/Utility				41,306,072	2	0.70%	
Sleepy Creek Farms	Poultry Farm				25,836,667	5	0.44%	
Berkeley Mall, LLC	Shopping Mall				22,597,120	6	0.38%	
Franklin Baking	Wholesale Bakery				22,363,912	7	0.38%	
Total		\$ <u>900,154,184</u>		<u>12.23%</u>	\$ <u>475,982,015</u>		<u>8.09%</u>	

Source: Tax Assessor of Wayne County.

Wayne County , North Carolina
Property Tax Levy and Collections
Last Ten Fiscal Years
(Amounts expressed in thousands)

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2009	\$ 48,609	\$ 46,495	95.65%	\$ 2,044	\$ 48,539	99.86%
2010	49,443	47,310	95.69%	1,984	49,295	99.70%
2011	49,208	47,077	95.67%	2,048	49,125	99.83%
2012	52,343	50,040	95.60%	1,927	51,967	99.28%
2013	54,190	51,895	95.76%	2,044	53,939	99.54%
2014	49,691	48,127	96.85%	2,141	50,268	101.16%
2015	47,173	46,210	97.96%	1,741	47,951	101.65%
2016	47,820	46,754	97.77%	1,165	47,919	100.21%
2017	48,159	47,059	97.72%	1,163	48,222	100.13%
2018	48,928	47,997	98.10%	1,019	49,016	100.18%

Source: Original levy as reported by the Tax Assessor for the entity.

Wayne County, North Carolina
Taxable Sales by Category
Last Ten Fiscal Years
(in thousands of dollars)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Apparel stores	\$ 17,755	\$ 26,794	\$ 32,011	\$ 35,685	\$ 37,609	\$ 37,391	\$ 41,369	\$ 45,938	\$ 47,334	\$ 47,569
Automotive	63,543	65,390	69,750	72,719	74,036	75,410	82,502	91,737	98,760	95,839
Food	182,296	172,190	166,084	175,000	183,609	187,338	199,681	215,165	214,756	219,211
Furniture	42,215	33,142	32,455	35,684	29,855	34,727	38,087	38,649	40,616	43,656
General merchandise	415,008	319,057	297,079	322,110	312,264	312,997	334,453	352,116	380,903	362,419
Lumber and building material	107,644	89,677	93,725	112,112	100,931	92,697	106,667	103,803	114,143	120,676
Unclassified	114,958	164,927	205,888	261,188	234,012	231,063	241,149	244,945	265,501	275,256
Total	943,419	871,177	896,992	1,014,498	972,316	971,623	1,043,908	1,092,353	1,162,013	1,164,626
1% Tax	-	3	193	-	-	-	-	-	-	-
2%, 2.5%, 3%, 4.75% Tax	13,106	5,978	5,233	6,088	4,558	5,564	5,538	7,035	6,975	9,148
Total Taxable Sales	\$ 956,525	\$ 877,158	\$ 902,418	\$ 1,020,586	\$ 976,874	\$ 977,187	\$ 1,049,446	\$ 1,099,388	\$ 1,168,988	\$ 1,173,774
County direct sales tax rate	2.50%	2.50%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Wayne County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands)

Governmental Activities

Fiscal Year	General Obligation Bonds	Limited Obligation Bonds	Certificates of Participation	Installment Purchase Contracts	Promissory Notes Payable
2009	\$ 2,070	\$ -	\$ 1,265	\$ 11,960	\$ 1,672
2010	280	-	650	11,312	-
2011	-	-	-	10,697	-
2012	-	-	-	24,493	-
2013	-	-	-	22,981	-
2014	-	-	-	21,511	3,069
2015	-	-	-	58,518	2,455
2016	-	-	-	56,614	1,842
2017	-	24,945	-	52,948	1,228
2018	-	21,615	-	49,502	614

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

Table 3-A

Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita
Limited Obligation Bonds	Installment Purchase Contracts	Promissory Notes Payable				
\$ -	\$ 326	\$ 34		\$ 17,327	0.88%	\$ 152
-	125	27		12,394	0.88%	109
-	9	18		10,724	0.86%	92
-	-	10		24,503	0.82%	200
-	-	-		22,981	0.80%	185
-	-	-		24,580	0.80%	197
-	-	-		60,973	1.21%	489
-	699	-		59,155	1.17%	473
11,000	528	-		90,649	1.92%	708
12,820	2,480	-		87,031	1.90%	701

Wayne County, North Carolina
Ratios of General Bonded Debt Outstanding and Legal Debt Margin
Last Ten Fiscal Years
(amounts expressed in thousands)

	2009	2010	2011	2012
General bonded debt outstanding				
General obligation bonds	\$ 2,070	\$ 280	\$ -	\$ -
Total	2,070	280	-	-
Assessed value	6,357,348	6,467,092	6,436,959	7,446,912
Percentage of estimated actual property value	0.033%	0.004%	0.000%	0.000%
Per capita	18.21	2.46	0.00	0.00
Less: Amounts set aside to repay general debt	<u>667</u>	<u>280</u>	<u>-</u>	<u>-</u>
Total net debt applicable to debt limit	1,403	-	-	-
Legal debt limit - eight percent (8%) of assessed valuation	<u>508,588</u>	<u>517,367</u>	<u>514,957</u>	<u>595,753</u>
Legal debt margin	<u>\$ 507,185</u>	<u>\$ 517,367</u>	<u>\$ 514,957</u>	<u>\$ 595,753</u>
Legal debt margin as a percentage of the debt limit	99.72%	100.00%	100.00%	100.00%

Source: Annual audited financial statements of this entity.

2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,709,519	7,823,933	7,071,385	8,128,442	8,232,459	8,304,810,504
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0.00	0.00	0.00	0.00	0.00	0.00
—	—	—	—	—	—
—	—	—	—	—	—
616,762	625,915	565,711	650,275	658,597	664,384,840
\$ <u>616,762</u>	\$ <u>625,915</u>	\$ <u>565,711</u>	\$ <u>650,275</u>	\$ <u>658,597</u>	\$ <u>664,384,840</u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Wayne County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2018
 (amounts expressed in thousands)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Debt repaid with property taxes			
Direct Bonded Debt Wayne County	\$ -	100%	\$ -
Overlapping Bonded Debt			
Goldsboro	57,095	100%	57,095
Eureka	-	100%	-
Fremont	799	100%	799
Town of Mount Olive	7,958	100%	7,958
Pikeville	1,380	100%	<u>1,380</u>
Subtotal, overlapping debt			67,232
Other debt			
Limited Obligation Bonds	21,615	100%	21,615
Installment Purchase Contracts	49,502	100%	49,502
Promissory Notes Payable	614	100%	<u>614</u>
Total direct and overlapping debt			\$ <u>138,963</u>

Source: Assessed value data used to estimate applicable percentages provided by Wayne County and Assessment Debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the County. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the County. This process recognizes that, when considering the County'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.

Wayne County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (thousands)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)	County Gross Retail Sales (thousands)
2009	113,671	\$ 3,350,566	\$ 29,476	19,377	9.1%	\$ 956,525
2010	113,811	3,402,152	29,893	18,754	9.5%	877,158
2011	116,864	N/A	N/A	18,908	9.8%	902,225
2012	122,623	N/A	N/A	19,240	9.0%	1,020,586
2013	124,246	N/A	N/A	18,837	9.2%	976,875
2014	124,583	N/A	N/A	19,373	6.6%	977,188
2015	124,775	N/A	N/A	19,021	6.5%	1,049,446
2016	124,984	N/A	36,950	18,713	5.6%	1,099,388
2017	128,020	N/A	N/A	18,460	4.8%	1,168,988
2018	124,172	N/A	N/A	18,460	4.5%	1,173,773

(1) US Census Bureau and Bureau of Economic Analysis

(2) NC Dept of Public Instruction, Statistical Research & Data

(3) Employment Security Commission

N/A -Not Available

Wayne County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Name of Taxpayer	Type of Business	2018			2007		
		Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Seymour Johnson Air Force Base	Military Base	7,456	1	14.19%	7,200	1	14.89%
Wayne County Public Schools	Public Education	3,064	2	5.83%	2,711	2	5.61%
Wayne Memorial Hospital, Inc.	Health Care	1,616	3	3.08%	1,482	3	3.06%
County of Wayne	Local Government (full & part-time)	1,150	4	2.19%	1,031	6	2.13%
Case Farms Processing, Inc.	Poultry Processing	1,100	5	2.09%	934	8	1.93%
Cherry Hospital	State Psychiatric Hospital	1,076	6	2.05%	1,075	4	2.22%
Mount Olive Pickle Company, Inc.	Pickle Production (seasonal)	966	7	1.84%	861	9	1.78%
Goldsboro Milling Company	Turkey Feed Products	875	8	1.67%	1,000	7	2.07%
O'Berry Center	State Center for Handicapped	649	9	1.24%	1,069	5	2.21%
Georgia Pacific	Wood Processing	526	10	1.00%			
Cooper Standard Automotive Co.	Automotive Parts Manufacturer				550	10	1.14%
Total		<u>18,478</u>		<u>35.17%</u>	<u>17,913</u>		<u>37.04%</u>
Total County Employment		<u>52,543</u>			<u>48,363</u>		

Source: Wayne County Development Alliance, Inc.

Wayne County, North Carolina
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
General government										
Board of commissioners	7	7	7	7	7	7	7	7	7	7
County manager	3	3	3	3	3	3	4	4	5	4
Finance	6	6	6	6	6	8	8	9	9	9
Human resources	4	4	4	4	4	3	3	4	4	4
Tax administration	18	18	16	19	17	16	15	15	15	16
GIS	2	2	2	2	2	2	2	2	2	2
County attorney	1	1	1	1	1	1	1	1	1	2
Court facility	-	-	-	-	1	-	1	2	2	2
Public affairs	-	-	-	-	-	2	2	2	2	3
Board of elections	8	8	8	20	7	7	5	5	5	4
Register of deeds	10	10	9	9	9	8	8	8	8	8
Central services	3	3	3	5	5	2	2	2	2	2
IT department	10	10	10	10	9	10	9	10	10	11
Building and grounds	31	31	30	30	33	35	35	37	38	39
Public safety										
Sheriff	117	115	116	125	125	106	100	119	127	128
Detention center	69	66	69	76	67	67	64	80	94	103
Day reporting	3	2	2	2	2	6	6	6	6	6
Electronic monitoring	1	1	2	2	-	-	-	-	-	-
NC school resource officers	7	7	7	7	7	9	11	12	12	11
Emergency management	36	34	37	37	30	34	34	38	38	110
Inspections	6	6	7	8	7	7	7	7	7	7
Animal control	8	12	12	12	13	13	13	13	14	15
EM telephone	1	1	1	2	5	1	1	1	1	-
622 EMS	71	71	73	83	76	100	97	107	108	110
Wayne Net	19	21	19	21	26	24	22	26	50	49
Transportation										
Goldsboro Wayne Airport	3	3	3	3	4	3	3	3	3	3
Goldsboro/Wayne Transp. Authority	1	1	2	1	1	1	1	-	-	-
Economic and physical development										
Economic development	4	4	3	4	4	4	4	3	3	4
Cooperative extension	3	3	3	3	3	1	2	2	3	3
Soil and water conservation	4	4	4	4	4	4	4	4	4	4
Environmental protection										
Planning	5	5	5	10	5	4	4	3	4	5

Wayne County, North Carolina
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Education										
Library	-	-	47	45	45	28	33	34	36	36
Literacy connection	-	-	-	2	3	3	3	3	3	3
Human services										
Coop ext smart start	2	2	2	2	-	-	-	-	-	-
Smart start-PAT	2	2	2	2	5	2	2	-	-	-
4-H	24	22	23	22	21	9	7	10	10	5
Veterans	2	2	2	2	2	2	2	3	3	3
Senior citizens	39	38	38	37	38	17	16	15	16	17
Social services	187	186	193	193	193	204	210	201	232	218
Health	121	123	124	136	129	123	121	117	117	114
Utilities										
Solid waste	54	55	57	56	53	46	46	45	45	45
Genoa sewer	-	1	1	1	-	1	1	1	1	1
Internal Service Fund										
Fleet Management	-	-	-	-	-	-	-	2	2	2

Source: County payroll department. Transportation information provided by each entity.

N/A = Not Available

Wayne County, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Inspections department										
Building permits issued	452	560	506	441	429	478	443	548	622	543
Building inspections conducted	4,317	3,948	3,542	4,010	4,167	3,346	3,101	3,836	7,101	6,721
Sheriff										
Arrests	3,818	3,688	3,491	3,609	1,365	3,641	3,862	4,560	5,041	4,503
Citations	1,623	1,293	1,179	1,092	1,111	3,947	5,020	7,502	5,225	3,420
Fire										
Inspections	130	115	202	129	154	163	175	174	92	91
Permits	N/A	67	119	129	120	115	112	110	110	107
EMS										
Calls	15,123	15,193	15,791	16,342	16,818	16,613	17,690	18,391	18,725	19,520
EMS Non-emergency										
Calls	N/A	N/A	N/A	N/A	N/A	6,524	5,774	6,514	12,832	11,916
Wastewater										
Avg daily sewer treatment (thousands of gal)	211,000	N/A								
Solid waste disposal										
MSW (tons)	73,200.73	62,296.31	62,964.38	65,529.39	65,229.10	67,867.91	70,312.17	67,161.82	77,780.31	75,427.14
C&D (tons)	22,501.45	29,735.67	26,536.98	38,488.88	21,018.06	16,944.54	20,732.16	17,370.40	21,291.25	22,230.89
Storm debris (tons)	1.34	-	-	21.05	-	-	-	-	12,526.36	2.93
Recycle (tons)	2,790.69	2,893.71	3,001.13	2,668.26	4,493.31	3,824.44	5,751.74	5,710.13	6,174.14	5,111.46
Tires (count)	168,356	145,143	157,387	231,729	1,849	2,211	1,943	1,971	2,145	2,163
Oil (gallons)	19,440	19,425	19,200	17,980	17,495	22,820	14,965	16,750	16,250	24,500
Batteries (count)	1,391	697	346	309	287	207	72	0	0	0
Jail										
Inmates admitted (average)	593	619	456	511	507	552	561	579	545	538
Inmates (daily average)	226	216	231	227	225	223	214	220	395	363
Department of social services										
Adult medicaid (active cases)	37,521	36,967	34,747	39,568	39,777	40,111	40,477	100,551	140,143	145,302
Family and childrens medicaid (active cases)	130,078	141,687	164,859	159,271	161,496	122,788	127,779	255,350	331,271	347,251
Food stamps (active cases)	13,896	17,200	23,420	24,430	24,101	11,843	129,560	143,720	163,359	133,931
Children in foster care	861	632	549	554	729	850	479	458	675	859
Children in DSS custody	1,225	1,055	1,008	1,130	945	865	864	1,063	1,488	1,413
Day care (children served)	15,693	16,937	16,092	14,114	15,479	15,285	14,863	13,532	12,898	12,898
Child support (collections)	\$15,048,264	\$14,544,256	\$14,407,330	\$14,396,755	\$13,994,979	\$13,804,748	\$13,979,704	\$13,433,177	\$12,763,225	\$12,381,435
Work first (active cases)	9,226	7,699	6,919	7,089	5,533	3,911	4,664	2,858	3,506	3,690
Reception services (clients seen)	62,652	70,650	66,980	70,021	64,366	41,455	41,015	52,173	52,081	54,640
Health department										
TB (clients seen)	1,180	1,160	975	1,182	1,202	576	475	340	385	552
Communicable disease/STD (client visits)	2,937	3,811	2,422	2,824	5,139	3,874	3,421	3,508	3,143	2,573
Pharmacy (prescriptions filled)	13,189	13,446	12,941	9,167	9,011	8,030	5,464	4,189	4,448	4,496
BCCCP (client visits)	367	349	307	292	308	358	351	274	293	182
Wisewoman (client visits)	215	230	206	149	212	55	171	129	134	81
HIV/AIDS (tests)	4,732	2,669	2,688	4,840	4,622	4,386	2,425	2,181	3,780	1,723
Dental (client visits)	3,894	3,451	3,760	3,258	2,105	2,583	2,331	1,860	517	801
Immunizations (administered)	5,130	7,250	3,621	7,941	3,905	4,694	4,503	4,381	4,672	4,182
Lab (tests)	38,780	64,299	62,599	53,787	51,115	50,708	45,611	39,979	43,008	43,297
Environmental health (onsite inspections)	1,501	1,485	1,221	1,261	1,261	674	890	1,235	1,169	1,289
Environmental health (restaurant inspections)	1,808	1,587	1,442	1,532	1,532	1,615	1,531	1,231	1,081	1,227
WIC (caseloads)	4,577	4,534	4,534	4,359	4,315	4,373	4,373	4,387	4,152	3,916
Total prenatal visits	7,644	6,979	7,175	6,517	6,288	6,204	6,723	6,634	5,936	6,286

Wayne County, North Carolina
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Health department, continued										
Post partum home assessments	597	633	485	479	440	476	432	387	280	391
Family planning visits	6,608	7,496	6,945	6,761	6,139	11,368	5,345	2,658	5,184	5,083
Health Education/H.P. (persons reached)	13,290	15,922	12,953	6,907	12,974	9,704	17,036	20,992	11,432	2,312
4-H										
Elementary afterschool enrollment	526	478	367	307	235	235	185	238	60	158
Middle school afterschool enrollment	406	412	63	46	60	53	92	126	50	45
Elementary afterschool sites	7	6	9	6	9	10	9	9	6	8
Middle school afterschool sites	3	3	1	4	1	1	3	2	1	1
4H volunteer hours	3,500	6,500	3,668	7,500	8,745	8,354	3,000	4,400	4,819	4,818
Youth workshop attendance	4,751	9,781	7,412	9,875	8,010	10,196	1,050	1,440	1,052	2,849
Cooperative extension										
Workshop attendance	18,907	35,346	107,969	26,466	31,682	3,519	27,965	16,738	32,737	13,069
Extension training (farmers)	791	528	9,486	2,611	1,702	45	3,483	3,550	4,162	2,968
Home horticulture class attendance	443	1,097	966	594	1,248	877	2,479	2,071	2,099	1,177
Master gardeners volunteer hours	2,407	2,223	3,400	2,433	2,403	2,225	2,009	2,372	2,199	2,401
Equine training participants	188	841	228	236	65	50	-	-	-	-
Family and consumer science nutrition and wellness training attendance	2,079	4,906	10,159	16,329	8,903	7,037	5,644	1,215	2,721	794
Extension and community association volunteer hours	11,478	10,070	11,996	10,911	11,249	9,560	9,378	9,000	9,800	7,856
Tax										
% of collections	97.18%	97.03%	97.10%	97.03%	97.19%	97.27%	97.93%	97.77%	97.78%	98.10%
Real estate parcels	58,981	59,462	59,836	60,037	60,199	60,396	60,649	65,721	61,080	66,308
Real property value	4,700,257,906	4,779,721,611	4,817,569,216	5,708,965,343	5,717,010,929	5,753,477,381	5,795,619,962	5,880,791,751	5,922,885,319	5,972,540,856
Personal property value	891,743,559	950,187,503	895,688,756	988,291,122	1,214,588,634	1,210,261,595	1,295,625,527	1,360,313,955	1,326,370,989	1,608,666,874
Licensed vehicles value (Old DMV System)	832,692,670	785,551,255	733,411,667	771,927,062	822,446,832	486,234,509	-	-	-	-
Licensed vehicles value (New VTS System)						621,028,507	867,399,464	907,481,124	942,708,042	723,602,774
Airport										
Gallons-Aviation gas sold (yearly)	N/A	N/A	32,981	38,029	35,723	39,118	39,401	50,782	55,182	64,691
Gallons-Jet A fuel sold (yearly)	N/A	N/A	79,681	66,388	80,320	74,466	51,319	48,825	76,694	90,910
Total transient flights (yearly)	N/A	N/A	641	1,474	1,314	1,236	698	627	482	563
Library										
Number of brances	N/A	N/A	4	4	4	4	4	4	4	4
Number of hours open to public	N/A	N/A	8,298	8,103	8,061	8,063	8,044	8,122	8,122	8,104
Total book & serial volumes	N/A	N/A	150,420	150,757	190,698	201,416	151,321	137,849	133,083	129,310
Total circulation	N/A	N/A	323,346	323,080	314,195	263,761	300,075	288,742	264,274	253,177
Number of persons entering library	N/A	N/A	614,962	670,772	316,379	290,049	295,405	280,344	260,598	235,677
Total childrens program attendance	N/A	N/A	18,546	17,016	17,103	13,693	15,537	16,704	20,521	24,368
Total adult program attendance	N/A	N/A	818	1,927	2,817	1,423	4,414	3,827	4,019	3,632

Sources: Various county departments

N/A = Not Available

County of Wayne, North Carolina
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<u>General government</u>										
Buildings and grounds										
Building values	\$ 57,996,244	\$ 66,794,114	\$ 73,671,518	\$ 76,258,658	\$ 78,943,571	\$ 74,432,440	\$ 72,778,938	\$ 97,884,728	\$ 107,334,228	\$ 106,062,118
Contents value	\$ 9,974,000	\$ 10,570,000	\$ 13,484,307	\$ 13,484,307	\$ 14,834,307	\$ 13,302,770	\$ 14,867,499	\$ 17,473,912	\$ 25,384,499	\$ 27,896,313
Sheriff										
Patrol units	125	108	104	106	114	114	124	135	138	148
Canine units	6	3	3	3	4	4	4	5	5	6
Boats	1	1	1	1	1	1	2	2	2	2
Helicopters	1	1	1	1	2	2	2	2	2	2
EMS										
Stations	9	9	9	9	9	9	9	9	9	10
Ambulances	18	20	18	18	18	18	18	16	18	16
Defibrillator	15	7	10	18	22	12	12	16	11	9
WayneNet										
Stations	1	1	1	1	1	1	1	3	3	2
Ambulances	2	3	4	6	6	5	4	8	8	11
Defibrillator	2	4	5	6	5	-	1	1	1	2
Wastewater										
Sanitary sewers (miles)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	4.3
Treatment capacity (gal)	600,000	N/A	4.3							
Avg daily containment	-	100,000	100,000	160,000	160,000	1,000,000	23,000	23,000	10,000	10,000
Pump stations	2	2	2	2	2	2	2	2	1	1
Solid Waste Disposal										
Sanitation trucks	5	5	5	5	5	5	5	5	4	4
Department of Social Services										
Vehicles	7	6	9	9	7	7	8	8	11	10
Info Technology Services										
Servers	60	59	36	46	39	39	43	52	66	48
Computers	606	788	723	624	442	477	497	427	401	559
Laptops	101	261	234	345	185	258	268	260	131	184
Thin Clients	N/A	N/A	N/A	550	650	552	658	470	469	598
4-H										
Vehicles	4	2	3	3	3	3	3	3	3	2
Airport										
Vehicles	N/A	N/A	2	3	3	3	3	3	3	3

Source: Various county departments

N/A = Not Available

Compliance Section

NUNN, BRASHEAR & UZZELL, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

1106 PARKWAY DRIVE
P.O. BOX 10127

GOLDSBORO, NORTH CAROLINA 27532-0127

PAUL L. NUNN, CPA, CFP
HAROLD D. BRASHEAR, CPA
DIANNE L. UZZELL, CPA

ALBERT S. WHITFIELD, CPA
DANNA J. LAYNE, CPA, CFE
BARBARA H. EVERTON, CPA
MARJORIE C. FICKLING, CPA

TEL: (919) 778-1000
FAX: (919) 751-1782
E-Mail: NBCo@NBCo.com

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

Independent Auditors' Report

To the Board of Commissioners
And Management of Wayne County
Goldsboro, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the Wayne County, North Carolina, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprises the Wayne County's basic financial statements, and have issued our report thereon dated November 21, 2018. Our report includes a reference to other auditors who audited the financial statements of the Wayne County ABC Board and our audit as a separate engagement of the Wayne County Tourism Development Authority, as described in our report on the Wayne County's financial statements. This report does not include the results of the other auditors' or our separate engagement's testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of the Wayne County ABC Board and the Wayne County Tourism Development Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Nunn, Brashears, & Uzzell, P.A.

Goldsboro, North Carolina
November 21, 2018

NUNN, BRASHEAR & UZZELL, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

1106 PARKWAY DRIVE
P.O. BOX 10127

GOLDSBORO, NORTH CAROLINA 27532-0127

PAUL L. NUNN, CPA, CFP
HAROLD D. BRASHEAR, CPA
DIANNE L. UZZELL, CPA

ALBERT S. WHITFIELD, CPA
DANNA J. LAYNE, CPA, CFE
BARBARA H. EVERTON, CPA
MARJORIE C. FICKLING, CPA

TEL: (919) 778-1000
FAX: (919) 751-1782
E-Mail: NBCo@NBCo.com

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

Independent Auditors' Report

To the Board of Commissioners
and Management of Wayne County
Goldsboro, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the compliance of Wayne County, North Carolina, with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect to each of its major federal programs of Wayne County for the year ended June 30, 2018. Wayne County, North Carolina's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Wayne County complied, in all material respects, with the compliance requirements referred to above that are could have a direct and material effect on each of its major federal programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Nunn, Brashears & Uzzell, PA

Goldsboro, North Carolina
November 21, 2018

NUNN, BRASHEAR & UZZELL, P.A.
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
1106 PARKWAY DRIVE
P.O. BOX 10127
GOLDSBORO, NORTH CAROLINA 27532-0127

PAUL L. NUNN, CPA, CFP
HAROLD D. BRASHEAR, CPA
DIANNE L. UZZELL, CPA

ALBERT S. WHITFIELD, CPA
DANNA J. LAYNE, CPA, CFE
BARBARA H. EVERTON, CPA
MARJORIE C. FICKLING, CPA

TEL: (919) 778-1000
FAX: (919) 751-1782
E-Mail: NBCo@NBCo.com

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

Independent Auditors' Report

To the Board of Commissioners
and Management of Wayne County
Goldsboro, North Carolina

Report on Compliance for Each Major State Program

We have audited Wayne County, North Carolina, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2018. Wayne County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major State Program

In our opinion, Wayne County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

Report on Internal Control Over Compliance

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

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

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

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

Nunn, Brashears & Uzzell, PA

Goldsboro, North Carolina
November 21, 2018

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency identified that is not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Federal Awards

Internal control over major federal programs:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiencies identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported

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

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

Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
10.551 - CL	Supplemental Nutrition Assistance Program - Administrative Funds
93.563	Child Support Services
93.568	Low-Income Home Energy Assistance
93.778	Medical Assistance Program - Administrative Funds

Federal program that did not meet the criteria for a major program using the criteria discussed in OMB Uniform Guidance Section 200.518 but was tested as a major program because the State awards met the threshold for a major State program are included in the list of major federal programs (Special Programs for the Aging).

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

Auditee qualified as low-risk auditee? Yes No

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

State Awards

Internal control over major State programs:

Material weakness identified? Yes No

Significant Deficiency(s) identified that are not
considered to be material weaknesses Yes None reported

Noncompliance material to State awards Yes No

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

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act Yes No

Identification of major State programs:

Program Name

Public School Building Capital Fund

N.C. School Resource Officer Program

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

II. Findings Related to the Audit of the Basic Financial Statements of Wayne County

None Noted

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2018

III. Federal Awards Findings and Questioned Costs

None Noted

IV. State Awards Findings and Questioned Costs

None Noted

Corrective Action Plan
For the Fiscal Year Ended June 30, 2018

II. Basic Financial Statement Findings and Questioned Costs

None Noted

III. Federal Awards Findings and Questioned Costs

None Noted

IV. State Awards Findings and Questioned Costs

None Noted

Wayne County, North Carolina
Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2018

Finding: 2017-1

Status: Not applicable

Finding: 2017-2

Status: Not applicable

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Federal Awards:						
<u>Food and Nutrition Service</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
Supplemental Nutrition Assistance Program (SNAP):						
SNAP Administrative	10.561		\$ 1,165,227	\$ -	\$ -	\$ 1,165,227
SNAP Fraud Administration	10.561		28,890	-	-	28,890
Total SNAP Cluster			<u>1,194,117</u>	<u>-</u>	<u>-</u>	<u>1,194,117</u>
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557		762,038	-	-	76,448
Total U.S. Dept. of Agriculture			<u>1,956,155</u>	<u>-</u>	<u>-</u>	<u>1,270,565</u>
<u>U.S. Environmental Protection Agency</u>						
Passed-through the N.C. Division of Soil and Water						
Soil Conservation		566001520	9,956	23,232	-	248,119
Soil Conservation - State Matching Funds			-	3,600	-	-
Total U. S. Election Assistance Commission			<u>9,956</u>	<u>26,832</u>	<u>-</u>	<u>248,119</u>
<u>U.S. Dept. of Justice</u>						
Office of Justice Programs						
Federal Bureau Investigation-Anit-Gang Initiative	16.203		24,960	-	-	122,054
Total U. S. Department of Justice			<u>24,960</u>	<u>-</u>	<u>-</u>	<u>122,054</u>
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management						
Federal Emergency Management Agency (FEMA)	97.036	FEMA-4285-DR-NC	15,378	-	-	-
Emergency Performance Grants	97.042	EMPG-2017-17096/37151	53,017	-	-	53,017
Total U. S. Department of Homeland Security			<u>68,395</u>	<u>-</u>	<u>-</u>	<u>53,017</u>
<u>U.S. Department of Education</u>						
N.C. Department of Education						
Passed-through the Wayne County Public Schools:						
21st Century Community Learning Centers	84.287		\$ 113,483	\$ -	\$ -	\$ -
Total U.S. Department of Education			<u>\$ 113,483</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>U.S. Institute of Museum and Library Services</u>						
Passed-through the N.C. Dept. of Cultural Resources						
Library Services & Technology Act - Lifelong Learning Grant	45.310	5299	\$ 71,474	\$ -	\$ -	\$ -
Total U.S. Department of EPA			<u>71,474</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Transportation</u>						
Passed-through the N.C. Dept. of Transportation						
National Priority Safety Programs	20.616	22017.15.12/22018.15.18	177,906	-	-	52,571
Airport Improvement Program	20.106	36237.22.14.1/15.1	152,716	-	-	16,969
Total U.S. Department of Transportation			<u>330,622</u>	<u>-</u>	<u>-</u>	<u>69,540</u>
<u>U.S. Dept. of Health & Human Services</u>						
<u>Administration on Aging</u>						
<u>Division of Aging and Adult Services</u>						
Passed-through Eastern Carolina Council:						
Aging Cluster:						
Title III Preventive Health - Title III-D	93.043		8,723	513	-	1,026
Special Programs for the Aging - Title III B:						
Access	93.044		66,116	96,254	-	18,041
In-Home	93.044		68,055	217,174	-	31,692
Special Programs for the Aging - Title III C:						
Congregate Nutrition C-1	93.045		92,654	5,450	98,104	10,901
Home Delivered Meals C-2	93.045		96,170	110,777	206,947	22,994
NSIP - Nutrition	93.053		75,344	-	75,344	-
Total Aging Cluster			<u>407,062</u>	<u>430,168</u>	<u>380,395</u>	<u>84,654</u>
Social Services Block Grant - In-Home Services	93.667					
Family Caregiver Support	93.052		31,474	2,098	-	-
Total Eastern Carolina Council			<u>438,536</u>	<u>432,266</u>	<u>380,395</u>	<u>84,654</u>
Passed-through N.C. Department of Insurance						
Senior Health Insurance Information Program	93.779		\$ 12,757	\$ -	\$ -	\$ -
Total N.C. Department of Insurance			<u>12,757</u>	<u>-</u>	<u>-</u>	<u>-</u>

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Administration for Children and Families						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
<u>Foster Care and Adoption (Note 3)</u>						
Title IV-E CPS	93.658	\$	100,399	\$ 55,408	\$ -	\$ 44,991
Title IV-E Foster Care Training	93.658		14,007	-	-	4,669
Title IV-E Foster Care/Off Trn	93.658		148,140	-	-	148,140
Title IV-E Adoption/Off Trn	93.659		40,856	-	-	40,856
Title IV-E Admin County Paid to CCI	93.658		140,249	70,124	-	70,124
Total Foster Care and Adoption			443,651	125,532	-	308,780
<u>Temporary Assistance for Needy (Note 3)</u>						
Families (TANF) - Administration	93.558		80,830	-	-	126,940
Division of Public Health: TANF	93.558		21,046	-	-	-
Total Temporary Assistance for Needy			101,876	-	-	126,940
N.C. Child Support Enforcement Section						
Title IV-D Administration	93.563		1,103,613	-	-	568,528
Title IV-D Offset Fees	93.563		7,492	(6)	-	3,866
Low-Income Home Energy Assistance Block Grant:						
Administration	93.568		83,888	-	-	-
Energy Assistance Payments- Direct Benefit Payments	93.568		591,659	-	-	-
Crisis Intervention Program	93.568		591,527	-	-	-
Child Welfare Services - State Grants						
- Permanency Planning - Families for Kids-Special	93.645		34,628	-	-	11,543
AFDC Payments and Penalties	93.560		(47)	(13)	-	(13)
SSBG - CPS TANF	93.667		338,775	-	-	-
SSBG - Other Service and Training	93.667		532,463	-	-	177,487
Independent Living Grant	93.674		20,130	5,033	-	41,233
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		109,928	82,456	-	2,000,699
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - In Home Service Fund Over 60	93.667	\$	9,350	\$ -	\$ -	\$ 1,336

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Division of Child Development: Subsidized Child Care (Note 3) <u>Child Care Development Fund Cluster:</u>						
Division of Social Services: Child Care Development Fund-Administration	93.596		\$ 196,120	\$ -	\$ -	\$ -
Division of Child Development: Child Care and Development Fund -- Discretionary	93.575		644,178	-	-	35,413
Child Care and Development Fund -- Mandatory	93.596		202,170	-	-	-
Child Care and Development Fund -- Match	93.596		272,901	133,502	-	-
Total Child Care Development Fund Cluster (Note 3)			1,119,249	133,502	-	35,413.00
TANF Maintenance of Effort			-	141,939	-	-
Smart Start			-	16,054	-	52,790
State Appropriations			-	118,311	-	-
Total Subsidized Child Care			1,315,369	409,806	-	88,203
Passed-through Eastpointe						
Division of Public Health						
Child Substance Abuse Prevention	93.959		65,365	-	-	-
<u>Centers for Medicare and Medicaid Services</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
EMS Medicaid Enhancement Program	93.778		725,774	-	-	-
Medical Assistance Program (Public Health)						
Pregnancy Care Management/Care Coordination 4 Children	93.778		671,762	-	-	-
Division of Social Services:						
Medical Assistance Program/Administration:						
Adult Care Home Case Mgmt/Spec	93.778		57,771	16,833	-	40,937
Medical Assistance Administration	93.778		2,333,591	-	-	782,390
Medical Transportation Administration	93.778		121,873	-	-	121,873
State County Special Assistance	93.778		153,123	-	-	51,103
State Children's Ins. Program - N.C. Health Choice	93.767		(11,973)	(7)	-	-
<u>Office of the Secretary</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health						
Pregnancy Assistance Fund Program	93.500		\$ 51,714	\$ -	\$ -	\$ -

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>Office of Population Affairs</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Office of Population Affairs						
Family Planning Services	93.217		\$ 59,279	\$ -	\$ -	\$ 931,319
<u>Centers for Disease Control</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program and Public Health	93.074		32,368	\$ -	\$ -	\$ 1,421
Emergency Preparedness Aligned Coop. Agreements						
Well-Integrated Screening and Evaluation for Women	93.094		25,724	\$ -	\$ -	\$ 2,270
Across the Nation (Wisewoman)						
Project Grants and Cooperative Agreements for	93.116		25,723	\$ -	\$ -	\$ 89,206
Tuberculosis Control Program						
PPHF Capacity Building Assistance to Strengthen	93.539		26,630	\$ -	\$ -	\$ 113,175
Public Health Immunization Infrastructure						
Cancer Prevention and Control Programs for State	93.752		765	\$ -	\$ -	\$ 87,697
Financed in Part by Prevention and Public Health Funds						
Preventive Health and Health Services Block Grant	93.758		25,701	\$ -	\$ -	\$ -
Funded solely with Prevention and PH Funds						
Cancer Prevention and Control Programs for State	93.898		35,190	\$ -	\$ -	\$ -
Preventive Health Services-STD Control Grants	93.977		42	\$ -	\$ -	\$ -
Total U.S. Dept. of Health and Human Services			10,136,017	\$ 1,071,900	\$ 380,395	\$ 5,634,647
Total federal awards			\$ 12,711,062	\$ 1,098,732	\$ 380,395	\$ 7,397,942
<u>State Awards:</u>						
<u>N.C. Dept. of Commerce:</u>						
Rural Center Grant - Stormberg Foods			\$ -	\$ 193,133	\$ -	\$ -
Total N. C. Dept. of Commerce			\$ -	\$ 193,133	\$ -	\$ -
<u>N.C. Dept. of Military & Veteran Affairs</u>						
Veteran Services			\$ -	\$ 2,175	\$ -	\$ 156,527
Total N.C. Dept. of Military & Veteran Affairs			\$ -	\$ 2,175	\$ -	\$ 156,527
<u>N.C. Department of Natural and Cultural Resources:</u>						
State Library of North Carolina			\$ -	\$ 163,051	\$ -	\$ 67,524
Library State Aid Grant			\$ -	\$ 58,430	\$ -	\$ -
Library Smart Start-Every Child Read			\$ -	\$ 7,250	\$ -	\$ -
Library State Aid Edge Grant			\$ -	\$ 228,731	\$ -	\$ 67,524
Total N.C. Department of Cultural Resources			\$ -	\$ -	\$ -	\$ -

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
N.C. Department of Environmental Quality						
Division of Environmental Health						
Electronics Management	566001520	\$ -	\$ 9,967	\$ -	\$ -	\$ 87,668
Stream Debris Removal				48,515		
Total N.C. Dept. of Environmental and Natural Resources				<u>58,482</u>		<u>87,668</u>
N.C. Dept. of Health and Human Services						
Division of Aging and Adult Services						
Passed through Eastern Carolina Council:						
Operation Fan			657			
Senior Center General Purpose			<u>8,891</u>			<u>2,964</u>
Total Eastern Carolina Council			9,548			<u>2,964</u>
Division of Social Services						
Energy Assist Private Grants			21,935			
Non-Allocating County Cost			-			69,650
SFHF Maximization			141,604			141,604
Foster Care at Risk Maximization			17,358			4,220
AFDC Incentive/Prog Integrity			118			
State Foster Home			<u>109,072</u>			<u>109,071</u>
Total Division of Social Service			290,087			324,545
Division of Public Health						
General Aid to Counties			118,711			643,690
Food and Lodging Fees			20,265			592,858
Public Health Nursing			1,400			
School Nurse Funding Initiative			250,000			
Communicable Disease Control			4,927			37,570
HMHC-Family Planning			11,327			
Maternal Health (HMHC)			34,306			
Breast and Cervical Cancer Program			16,830			
Child Health			38,077			
Women's Health Service Fund			14,572			
HIV/STD State			2,993			422,595
Sexually Transmitted Diseases			756			
Tuberculosis			<u>52,520</u>			<u>89,206</u>
Total Division of Public Health			<u>566,684</u>			<u>1,785,919</u>
Total N. C. Department of Health and Human Services		\$ -	\$ 866,319	\$ -	\$ -	\$ 2,113,428

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>N.C. Dept. of Transportation</u>						
State Aid to Airports Program	46334.1.1	\$	-	\$ 37,611	\$ -	\$ 44,563
Rural Operating Assistance Program (ROAP)						
- ROAP Elderly and Disabled Transportation Assistance Program	36220.10.7.1		-	94,490	94,490	-
- ROAP Employment	36236.11.6.1		-	29,658	29,658	-
- ROAP Rural General Public Program	36228.22.7.1		-	92,244	92,244	-
Total ROAP			-	254,003	216,392	44,563
<u>N.C. Dept. of Public Instruction:</u>						
Public School Building Capital Fund			-	1,279,017	-	-
N.C. School Resource Officer Grant	488015683		-	549,078	-	538,886
Total N. C. Dept. of Public Instruction			-	1,828,095	-	538,886
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs			-	441,696	441,696	-
Total Dept. of Public Safety			-	441,696	441,696	-
<u>N.C. Dept. of Agriculture and Consumer Services</u>						
N.C. Tobacco Trust Fund Commission	2016-008-03		-	500,000	-	9,844,698
Total Dept. of Agriculture and Consumer Services			-	500,000	-	9,844,698
<u>Wayne County Partnership for Children</u>						
Smart Start - Health Service Team			-	46,734	-	-
Total Wayne County Partnership for Children			-	46,734	-	-
Total State awards			-	4,419,368	658,088	12,853,294
Total federal and State awards		\$ 12,711,062	\$ 5,518,100	\$ 1,038,483	\$ 20,251,236	

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2018

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
---	------------------------------------	---	--	-------------------------------	--	-------------------------------

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

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Wayne County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2018. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal REgulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Wayne County, it is not intended to and does not present the financial position, changes in net position or cash flows of Wayne County.

2. Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursements. Wayne County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

3. Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:
 Subsidized Child Care and Foster Care/Adoption.