

**Comprehensive Annual  
Financial Report  
of the  
County of Wayne  
Goldsboro, North Carolina  
For the Fiscal Year Ended  
June 30, 2019**

**Craig Honeycutt  
County Manager**

**Allison W. Speight  
Finance Director**

**Wayne County, North Carolina**  
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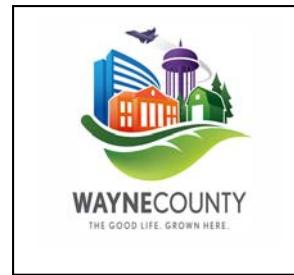
## **Introductory Section**

## Letter of Transmittal

# County of Wayne

## Craig Honeycutt

County Manager / Budget Officer



November 22, 2019

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, 2019 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, 2019.

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 1<sup>st</sup>.

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, 2019 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, 2019 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. The County is the 4th largest

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agricultural county in the state, 6<sup>th</sup> in the state and nation in the production of flue cured tobacco and 4<sup>th</sup> in the state in livestock production. Wayne County is the 15th largest county in the United States in the production of hogs. 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 represent 20% of the county's employment and 22% of the county's total gross income. According to the 2017 Census of Agriculture there are 165,345 acres of farmland. 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. The County is located in the eastern coastal plain region of North Carolina. The County joined the Southeast NC Partnership in 2018, consisting of 18 counties. Two major four-lane highways (East/West by US Highway 70 (future Interstate 42 and North/South by US Highway 117) bisect Goldsboro, the county seat. Highway 117 is 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 has an estimated population of 124,496 and workforce of over 56,848 per source JobsEQ. The September 2019 county unemployment rate was 3.7%. The strength of the County's economy rests on a diverse mixture of manufacturing, military, government and service enterprises. No one industry dominates the manufacturing base as indicated by the county's major manufacturing and distributing base of over 65 companies including automotive, electronics, food and beverages, plastics, agriculture, wood products and aerospace. Seymour Johnson Air Force Base, located in Goldsboro, supplies the labor pool with highly trained and technically skilled separating airmen, retirees and spouses. Seymour Johnson Air Force Base provided in 2018 \$770,000,000 annually in economic stimulus in Wayne County.

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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 \$625,646,617. SJAAB is Wayne County's largest employer, with 6,456 military members (combined active duty and reservists) and 993 civilians. In addition, they fund local expenditures of approximately \$144,516,931 per year, and creates 10,194 in local jobs and an employment impact of \$369,430,560 per year.

Agriculture and Agribusiness is one of the major industries in the county with over a \$1 billion impact. Current agriculture census data has gross farm income totaling \$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, wholesaling and distribution, and machine shops. Manufacturing operations range from simple assembly to complex processes resulting in products ranging from bread and poultry to automotive parts, electric transformers and aviation/aerospace support. The Wayne County Development Alliance, Inc. recognizes over 65 major industries in the county who account for over 9,000 jobs. A continued focus on partnerships with our neighboring communities such as Lenoir and Craven Counties helped to form the NC Aerospace Corridor to assist in strengthening the marketability of eastern NC. The WCDA is very proactive in creating product as we move forward with our Business Campus to focus on smaller entrepreneurs and marketing our strengths as a community and region. The WCDA continues to market our industrial parks in our County and is actively seeking new ventures to grow our area. Several successes include expansions of companies such as Case Farms and Mt. Olive Pickles. New companies are locating to the County such as Tactical Gear and Electropin Technologies (a relocation from NE United States). The WCDA continues to market our clusters and be active with consultants and other allies to achieve successes.

### **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 2017 at a 2.81% average interest rate. No tax increase was needed 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 2017 to fund a replacement for the Meadow Lane Elementary School, HVAC systems for four schools, a new Gym at Southern Wayne High School and six additional classrooms. All of this was funded in a June 2017 bond issue. As of June 30, 2019, the new Meadow Lane school is complete and opened to students in the fall of 2019. The six additional classrooms have been removed

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from the plans of the Southern Wayne High School Gym, and the gym will now be a full competition gym facility.

3. 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, designed the 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. On March 5, 2019, the Board of Commissioners approved the construction bid be awarded to Jackson Builders, Inc. of Goldsboro for \$3,981,971. Construction began on this project and is expected to be completed in 2020. Mission Critical Partners has once again been retained to assist the County in monitoring the 911-related expenditures and make recommendations for maximizing revenue from the 911 restricted funds and the 911 grant.
4. Dunn and Dalton Architects and Jackson Builders were engaged to design and build the 50,000 square foot shell industrial building in the ParkEast Industrial Park on Lot #8. The shell building will have 35-foot ceilings that may be required for some of the manufacturing processes in today's climate. Shell buildings, like this, are a useful marketing tool in a very competitive market with surrounding counties and states in the recruitment of new and expanding companies.
5. The County has closed on a five-year option agreement with Bryan Holdings for approximately 118 acres of property located close to one of our smaller industrial parks located on Patetown Road in Goldsboro. The "Goldsboro Business Campus" designed as a business incubator park and according to the National Business Incubation Association, business incubators provide a nurturing environment that helps entrepreneurial companies grow and survive, especially during the crucial start-up period when many companies are vulnerable. The Goldsboro Business Campus is modeled after the Bladen County incubator park in Elizabethtown, NC after the successes and the seemingly good match for the environment in the Wayne County area. The option allows the county the ability to develop the Business Campus without tying up all the money on the front end in purchasing the property. A three-party agreement between the County, the City of Goldsboro, and the WCDA as a partnership to develop and designate the different assets and shared costs for the Campus are in place. In order to avoid annexation into the City, the County agreed to split its property tax with the City. The City has agreed to install the water and sewer infrastructure at their expense. Also included in the agreement that if any profits after the completion of the Campus, then those profits would be shared between the County and City.
6. The County approved WithersRavenel as the Preferred Engineer Firm for the Goldsboro Business Campus. WithersRavenel, Inc. is conducting developmental studies, design, covenants and associated costs for the property. Additionally, WithersRavenel, Inc. were authorized in August 2018 to apply for a \$1,785,000 Rural Ready Sites Grant with the NC

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Department of Commerce to assist with this project. The grant was awarded to the County in 2018 and WithersRavenel, Inc. is proceeding with the development of the Campus. Tree removal began in November 2019 and infrastructure construction will begin in 2020. Renderings have been completed and design specs are being drawn now for bid purposes and should be completed by year-end.

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. The final station was completed in October 2019.
8. A Stream Debris Removal Project contract following Hurricane Matthew has been awarded. The County has received over \$1,054,350 in two grants from the NCDA&CS Division of Soil & Water Conservation and The 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. The Disaster recovery Act of 2016 will allow storm debris removal from Hurricane Matthew, and Tropical Storm Hermine and Julia. “Snag and drag” program - must follow US Army Corps of Engineers 1992 Woody Removal Guide. Only those log accumulations obstructing flow shall be removed. Minimal disturbance to stream banks is required - hand-operated equipment will be the first choice in removal. Debris to be placed 15'-30' up the bank from the stream. Beaver dams may be removed in the process. The end result will be improved flow in these areas and less potential for flooding.
9. 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. The portion between the Jail and the new 911 Center has been completed, short of running it into the unfinished building. Another extension of this loop will also be added to run fiber to the Dixie Trail building before Social Services moves in it. The project is about 85% finished.
10. The County has negotiated the engineering contract with WithersRavenel to design a replacement sewer lift station near SPX. The County received a \$478,382 grant from Golden Leaf Foundation for this work, as it flooded during Hurricane Matthew. In April of 2019, the Board of Commissioners approved a bid for construction be awarded to Step Construction, Inc. for a total of \$338,638.25.
11. 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

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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. The report was presented at the January 15, 2019 Board of Commissioners' meeting by Freese and Nichols, Inc. They made a recommendation to first replace Eureka's entire wastewater collection system before a regionalization/merger arrangement can move forward. 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.

12. 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.
13. 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.
14. 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.
15. 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.
16. 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 and add internet access antennas on all E911 communications towers.
17. The Perimeter Fence project at the Jetport is needed to increase safety for users of the airport. The current fencing at the airport is only 4.5-feet tall with no underground skirt of concrete footer. The current fencing is insufficient to keep wildlife off the airfield, particularly deer that can easily jump the existing fence. The USDA APHIS Wildlife Services performed a Wildlife Hazard Site Visit (WHSV) and issued a report of their findings in January 2019. The WHSV report recommended the installation of a wildlife resistant perimeter fence, consisting of a 10-foot tall fence, with barbed wire at the top and a four-foot section of chain link fence buried at a 45-degree angle along the bottom. The current project is to design a perimeter fence around the airport's property. The fence construction will be split into three separate phases/projects. Upon completion of design, all three phases will be "shovel ready" and better situated to secure future funding for construction. The Perimeter Fence design will be funded 90% by FAA Non-Primary Entitlement (NPE) funds, with a 10% local match supplied by the County.

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18. The Jetport Apron Pavement Investigation project is needed to determine the cause of deflections in the existing asphalt pavement that have been regularly occurring, to identify a recommended method of pavement rehabilitation, and to develop an estimated cost for the rehabilitation. The deflections are caused by aircraft parked on the asphalt apron and create “dimples” under the aircraft’s wheels. The deflections are often severe enough that the airplanes cannot propel themselves and must be tugged by airport employees. This often happens during fueling operations. Many planes have been turned away due to the pavement issue and larger planes are often unable to refuel at the airport to avoid the additional weight on the pavement. The apron pavement issues have caused many impacts to airport operations and fuel sales. The Apron Pavement Investigation will be funded 90% by FAA Non-Primary Entitlement (NPE) funds, with a 10% local match supplied by the County.
19. The Corporate Hangar project is for the construction of a 100’x100’ corporate aircraft hangar located on one of the sites prepared by the recently completed Corporate Area Expansion project. The Corporate Hangar design and bidding was recently completed and funded by a 90% FAA NPE/10% County grant. The current grant will be amended to add the remainder of the airport’s NPE funds towards construction, with the balance of the construction cost being funded by the County. The County has a high demand for new hangars, and they help make the airport financially independent. Aircraft are taxed in the county they are stored in, not the owner’s home county. Property taxes, as well as the profit from fuel sales and ground or ground/hangar leases, are the airport’s primary sources of income. The new hangar is being built by the County to rent to potential tenants and/or to be used as a tool to help recruit potential new businesses/industry to the airport and County.
20. On January 15, 2019, the Board of Commissioners awarded the RFQ for Architectural Services for the Adaptive Reuse of property at 210 Dixie Trail in Goldsboro to Skinner Farlow Kirwan Architecture. The building will be used to house the entire Department of Social Services.
21. During the 18-19 budget process, \$125,000 was allocated to conduct a study on the County’s sewer system. The purpose of the study was to conduct various investigative tests, identify operational and/or critical issues and provide recommendations, along with priorities, for improved performance of the sewer system. In April of 2019, a bid was awarded to WithersRavenel, Inc. for \$110,000 to conduct this study.
22. During the August 2019 Board of Commissioners’ meeting, a motion was approved to allow Moseley Architects to conduct a Wayne County Jail Study Update. The study will evaluate the current needs, project future inmate population and space needs and provide recommendations to renovate or construct facilities for long-term solutions.
23. After much analysis of Wayne NET operations, the Board of Commissioners agreed to franchise with a private company to cover non-emergency medical transport during designated night and weekend schedules. A bid process was conducted, and the Board

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voted on October of 2019 to begin contract negotiations with North State Medical Transport for the franchise agreement. The details of the agreement will be negotiated and monitored to determine the positive or negative effect of the franchise on Wayne NET.

### 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.

### 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 2019 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, 2018. The 2018 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 (23) years. We believe the Report for fiscal year 2019 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

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.

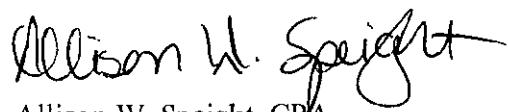
## Letter of Transmittal

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 E. Honeycutt  
Wayne County Manager  
& Budget Officer



Allison W. Speight, CPA  
Finance Director



## County Commissioners



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



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



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



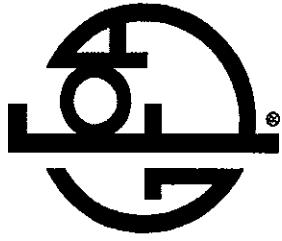
John M. Bell  
 District 3  
 507 Stadium Drive  
 Goldsboro, NC 27530  
 Phone: (919) 735-0253



Joe Daugherty  
 District 6  
 125 Oxford 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



The Government Finance Officers Association  
of the United States and Canada

*presents this*

## AWARD OF FINANCIAL REPORTING ACHIEVEMENT

*to*

### Finance Office

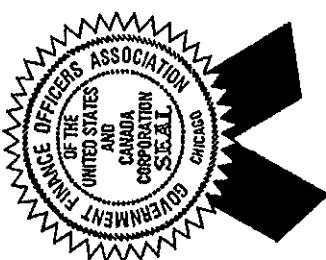
County of Wayne, North Carolina

*The award of Financial Reporting Achievement is presented by the Government Finance Officers Association to the individual(s) designated as instrumental in their government unit achieving a Certificate of Achievement for Excellence in Financial Reporting. A Certificate of Achievement is presented to those government units whose annual financial reports are judged to adhere to program standards and represents the highest award in government financial reporting.*

Executive Director

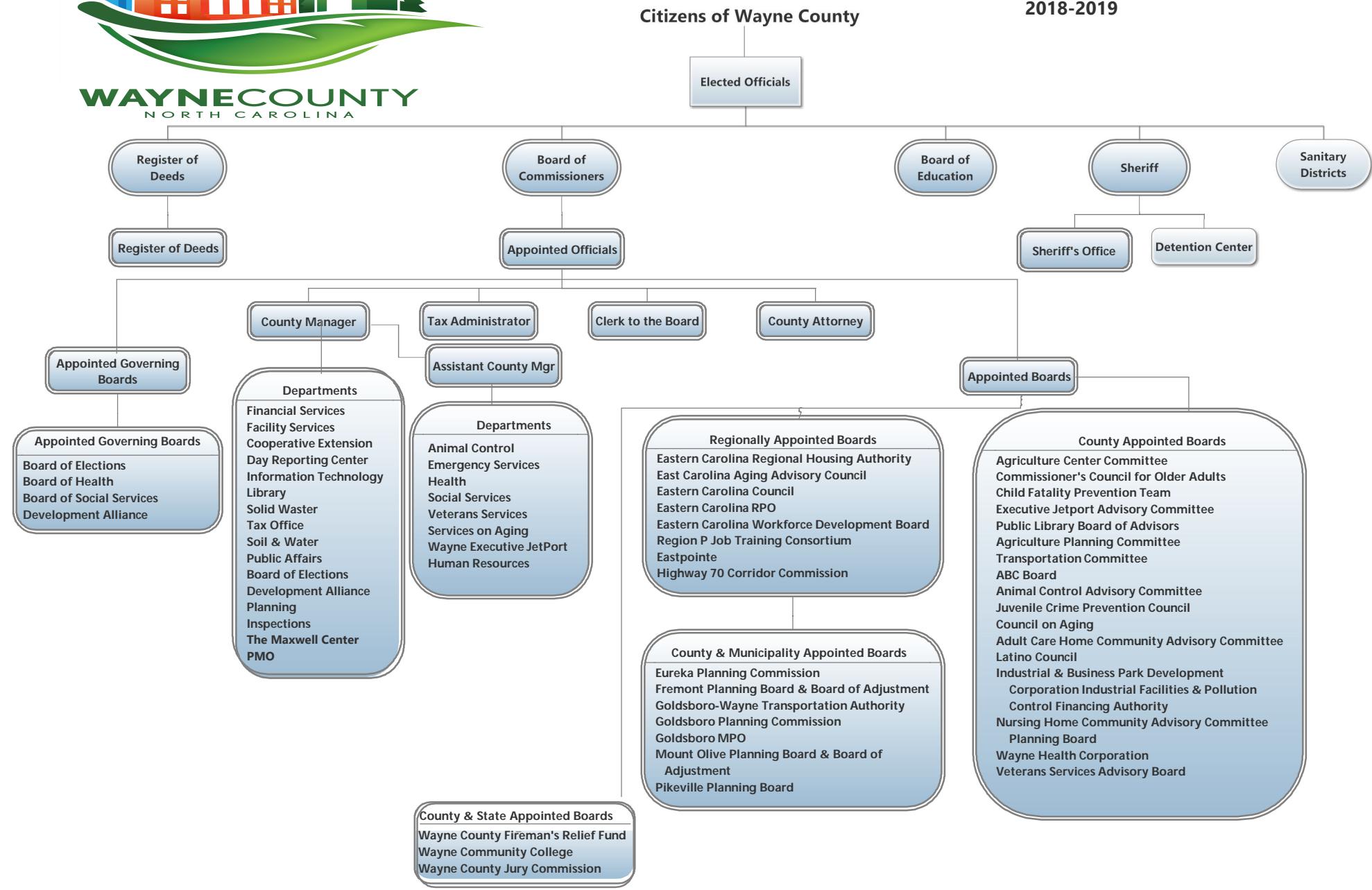
*Christopher P. Morris*

Date June 17, 2019





**Wayne County Government  
Organizational Chart  
2018-2019**



## **Financial Section**

**NUNN, BRASHEAR & UZZELL, P.A.**  
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS  
1106 PARKWAY DRIVE  
P.O. BOX 10127  
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**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, 2019, 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, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Other Postemployment schedules of 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, 103, 104 through 107, 108 through 111, and 112, 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 22, 2019 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, Brashear, & Uzzell, P.A.*

Goldsboro, North Carolina

November 22, 2019

## **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, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

### **Financial Highlights**

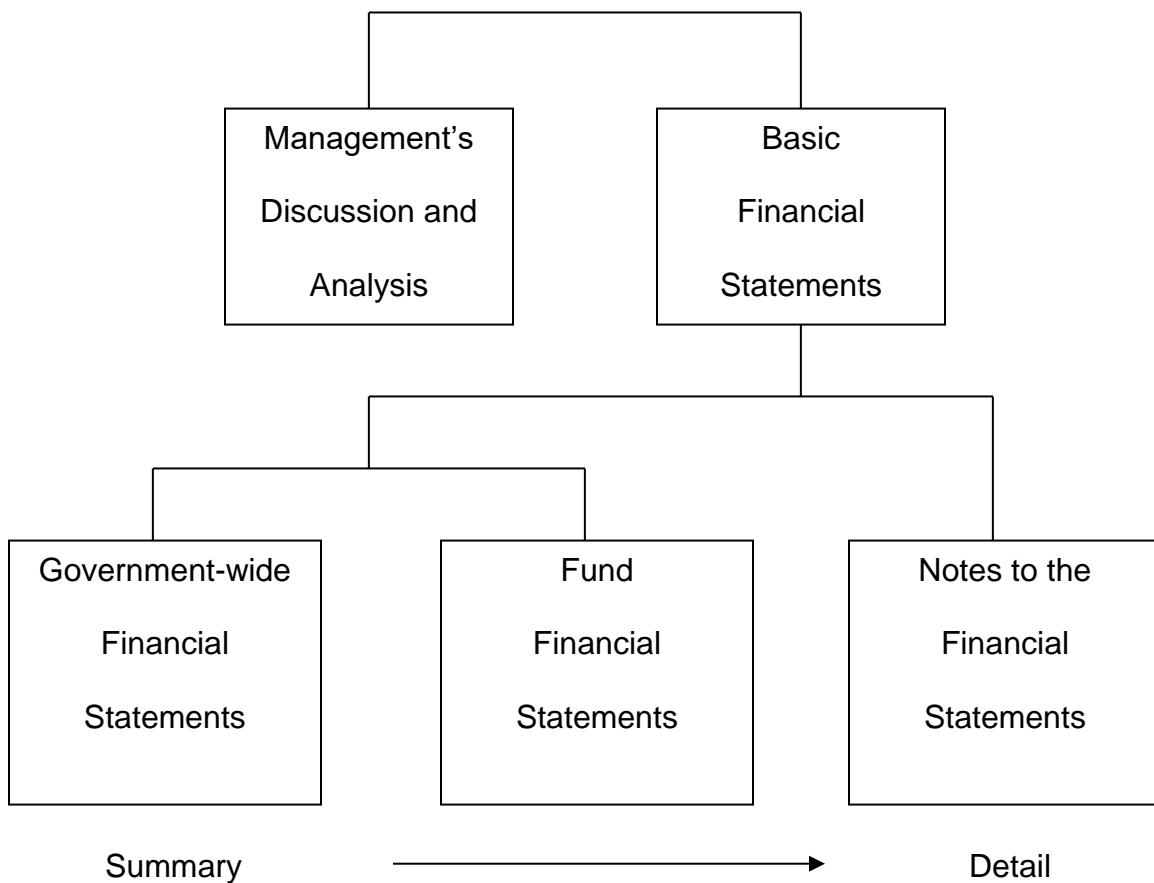
- The assets of Wayne County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$158,047,135 (*net position*).
- Deferred outflows of resources ended at \$12,466,853, an increase of \$4,808,556 over last year. Deferred inflows of resources ended at \$6,255,435, an increase of \$2,018,443 over last year.
- The government's total net position increased by \$5,006,996, before a prior period adjustment which increased the net position by an additional \$879,306 (see note VIII). This increase is primarily due to proprietary fund grants received to assist with capital projects and increased collections of user fees and sales taxes.
- As of the close of the current fiscal year, Wayne County's governmental funds reported combined ending fund balances of \$62,820,336 a decrease of \$9,618,313 in comparison with the prior year. Approximately 46.57 percent of this total amount, or \$29,257,854, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$18,689,670 or 18.13 percent of total general fund expenditures for the fiscal year.
- Wayne County's total debt decreased by \$6,007,715 during the current fiscal year.

### **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 \$158,047,135 as of June 30, 2019. The County's net position increased by \$5,006,996 for the fiscal year ended June 30, 2019. One of the largest portions \$131,761,469, 83.37%, 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 \$29,415,699, 18.61%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$3,130,033) (1.98%) is unrestricted.

**Wayne County's Net Position**  
**Figure 2**

	Governmental		Business-type		Totals	
	Activities	2019	Activities	2018	2019	2018
Current assets	\$ 63,357,640	\$ 73,473,562	\$ 18,619,825	\$ 17,816,660	\$ 81,977,465	\$ 91,290,222
Noncurrent assets	7,661,367	6,597,979	-	-	7,661,367	6,597,979
Capital assets	149,311,689	141,916,317	59,400,626	56,474,841	208,712,315	198,391,158
Total assets	<u>220,330,696</u>	<u>221,987,858</u>	<u>78,020,451</u>	<u>74,291,501</u>	<u>298,351,147</u>	<u>296,279,359</u>
Total deferred outflows of resources	10,074,969	6,213,122	2,391,884	1,445,175	12,466,853	7,658,297
Long-term liabilities	115,889,896	117,137,494	30,625,535	30,384,104	146,515,431	147,521,598
Other liabilities	8,925,681	9,632,375	2,313,120	2,058,701	11,238,801	11,691,076
Total liabilities	<u>124,815,577</u>	<u>126,769,869</u>	<u>32,938,655</u>	<u>32,442,805</u>	<u>157,754,232</u>	<u>159,212,674</u>
Total deferred inflows of resources	5,337,758	3,413,058	917,677	823,934	6,255,435	4,236,992
Net position:						
Net investment in capital assets	86,075,786	83,342,500	45,685,683	42,810,075	131,761,469	126,152,575
Restricted	29,415,699	23,726,218	-	-	29,415,699	23,726,218
Unrestricted	(6,313,473)	563,477	3,183,440	1,718,563	(3,130,033)	2,282,040
Total net position	<u>\$ 109,178,012</u>	<u>\$ 107,632,195</u>	<u>\$ 48,869,123</u>	<u>\$ 44,528,638</u>	<u>\$ 158,047,135</u>	<u>\$ 152,160,833</u>

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

- A negative unrestricted net position is shown this year for two reasons.
  - First, the County's OPEB (Other Post-Employment Benefits) liability creates a restriction on funds under a worst-case scenario. It accrues the entire liability, although it is not anticipated this liability would be realized at one time.
  - Second, the County funds school capital projects in a number of ways. Some of these projects are debt-funded, so the liability is placed on the County's balance sheet. However, the asset remains with the schools, so the County is not able to balance the liability with a corresponding asset.
- The following factors help contribute to a healthy overall net position for the County:
  - Increased grant revenue, specifically for the Jetport to fund capital projects and expansion.

- Increased collection of user fees in Solid Waste and EMS-EMS Net funds.
- Continued diligence in the collection of property taxes by increasing collection percentage to 98.32%.
- Planning and management of revenues and expenditures through the use of financial models for the capital, debt service, and various operating budgets.
- Increased sales tax revenue of approximately \$2.3 million due to economic growth in the County. Additionally, the sales tax law has expanded the definition of what is subject to sales tax and more online retailers are becoming compliant in remitting sales tax based on recent case law.

### Wayne County's Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 10,551,727	\$ 9,876,711	\$ 15,590,991	\$ 14,018,119	\$ 26,142,718	\$ 23,894,830
Operating grants/contributions	19,491,424	18,726,600	2,676,981	1,813,870	22,168,405	20,540,470
General revenues:						
Property taxes	59,799,476	58,872,411	-	-	59,799,476	58,872,411
Local option sales tax	23,254,541	20,952,048	-	-	23,254,541	20,952,048
Other taxes	314,324	283,924	-	-	314,324	283,924
Other	1,111,812	864,283	286,830	112,228	1,398,642	976,511
Total revenue	114,523,304	109,575,977	18,554,802	15,944,217	133,078,106	125,520,194
<b>Expenses:</b>						
General government	14,113,920	15,851,523	-	-	14,113,920	15,851,523
Public safety	29,747,584	28,265,627	-	-	29,747,584	28,265,627
Transportation	401,409	342,179	-	-	401,409	342,179
Environmental protection	1,126,413	915,707	-	-	1,126,413	915,707
Economic & physical dev.	1,991,925	1,330,486	-	-	1,991,925	1,330,486
Human services	26,284,213	27,676,367	-	-	26,284,213	27,676,367
Cultural and recreation	2,559,040	2,458,207	-	-	2,559,040	2,458,207
Education	29,245,606	29,700,156	-	-	29,245,606	29,700,156
Interest on long-term debt	1,554,463	1,604,188	-	-	1,554,463	1,604,188
Solid Waste Disposal	-	-	4,564,560	4,552,742	4,564,560	4,552,742
EMS - EMS Net	-	-	12,563,366	12,510,315	12,563,366	12,510,315
Sewer	-	-	852,243	760,054	852,243	760,054
Jetport	-	-	1,338,975	1,249,400	1,338,975	1,249,400
Maxwell Center	-	-	1,727,393	1,181,564	1,727,393	1,181,564
Total expenses	107,024,573	108,144,440	21,046,537	20,254,075	128,071,110	128,398,515
Increase (decrease) in net position before transfers	7,498,731	1,431,537	(2,491,735)	(4,309,858)	5,006,996	(2,878,321)
Transfers	(6,832,220)	(12,387,837)	6,832,220	12,387,837	-	-
Increase (decrease) in net position	666,511	(10,956,300)	4,340,485	8,077,979	5,006,996	-2,878,321
Net position, July 1	107,632,195	135,912,890	44,528,638	41,751,946	152,160,833	177,664,836
Restatement	879,306	(17,324,395)	-	(5,301,287)	879,306	(22,625,682)
Net position, restated	108,511,501	118,588,495	44,528,638	36,450,659	153,040,139	155,039,154
Net position, June 30	\$ 109,178,012	\$ 107,632,195	\$ 48,869,123	\$ 44,528,638	\$ 158,047,135	\$ 152,160,833

**Governmental activities:** Governmental activities increased the County's net position by \$666,511 before restatement, thereby accounting for a portion of the total gain in the net position of Wayne County. The note disclosures provide more information on this restatement. Key elements of this increase are as follows:

- Increased collection of property and sales taxes above the budgeted amount
- Increased interest revenue due to a rising interest rate environment and investing more funds in interest-bearing accounts
- Received various hurricane-related reimbursements from FEMA, SARF, CDBG and HMGP
- Decrease in transfers to other funds due to completion of various capital projects

**Business-type activities:** Proprietary activities increased the County's net position by \$4,340,485. Key elements of this increase are as follows:

- Increase in user fees received in both the Solid Waste Fund and EMS – EMS Net Fund. The Solid Waste Fund most likely had an increase in user fees due to the clean-up from Hurricane Florence. The collections in the EMS – EMS Net Fund increased due to increased monitoring of the receivables and more communication with the collection agency and increase in rates for the 18-19 budget year.
- Additional grants received in the Jetport Fund for capital projects and expansion.

### 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 \$18,689,670, while total fund balance was \$44,026,741. Fund balance available in the General Fund decreased from the prior year by \$3,294,920. The majority of this decrease was due to pay-go capital projects such as the EMS stations, Maxwell Center and DSS Dixie Trail building. The remainder is due to a planned bridge year of supporting debt service until some of the debt service was retired during the year. 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 18.13% of general fund expenditures, while total fund balance represents 42.72% of that same amount.

At June 30, 2019, the governmental funds of Wayne County reported a combined fund balance of \$62,820,336, a 13.28% decrease over last year. This decrease is due primarily to spending down of bond proceeds for Meadow Lane Elementary School. A portion of those bonds remained unspent at June 30, 2019.

**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 \$20.6 million or approximately 20.19%. The County amended its anticipated revenues from FEMA due to the impact of Hurricane Florence by an increase of \$592,000. The Board of Commissioners approved an additional \$1 million increase in capital to Wayne Community College to replace their hot water loop due to the occurrence of major leaks in the current system. The bulk of the increase in revenues were a result of Hazard Mitigation grant funds awarded to the County in the amount of \$13 million related to the Hurricane Matthew recovery. The remainder of the budget amendments were to anticipate various grants awarded during the year, including larger grants such as a Rural Ready sites grant for \$1.8 million.

Changes in the amount of fund balance appropriated of \$6.4 million also occurred. Part of the additional appropriation was to fund a portion of the Corporate Area Expansion Project at the Jetport. The County also experienced an increase in inmate medical and safekeeping expenditures above what was originally budgeted. Fund balance was used to support the \$1 million increase mentioned above to Wayne Community College's capital outlay budget. 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 \$14.13 million, a 13.02% variance from final budget, reflecting increased collection of ad valorem taxes of \$1.0 million and sales taxes of \$2.2 million. In addition, investment earnings exceeded expected budgeted revenues. Revenues that came in significantly under budget included inspection fees of \$920,000 due to a major project in the area not moving along as quickly as anticipated. The remaining bulk of revenues that were significantly under budget included an economic development grant of \$1.785 million and HMGP funds of \$12.7 million. These grant spending restrictions had either not yet been met at the fiscal year end or had not been received from the government at the close of the year.

General Fund expenditures were under budget \$25.1 million, a variance of 24.37% from the final budget, (\$2.10 million) of which was in general government capital outlay that was not completed, and grant funds that were not spent in their entirety at year-end, (\$3.28 million) of which was in health and human services where vacancies or employee turnover created lapsed salaries in both Social Services and Health, (\$2.06 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, (\$1.57 million) of which was in education where spending did not reach the expected levels, (\$15.98 million) of which was in economic development where spending did not reach the expected level due to slower spending of Hazard Mitigation funds from Hurricane Matthew due to program timelines and grant/pay-go projects were not completed at year-end. 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 \$3,376,195. The total increase in net position for the Solid Waste Disposal Fund was \$978,721. Increase in net position of the EMS – EMS Net Fund at the end of the fiscal year amounted to \$1,063,098. The Maxwell Center increased net position by \$578,569. Increase in net position of the Jetport Fund was \$1,436,472. The Sewer Fund, non-major fund, increased net position by \$280,808. 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, 2019, totals \$208,712,315 (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	
	2019	2018	2019	2018	2019	2018
Land	\$ 15,223,852	\$ 14,757,480	\$ 14,048,440	\$ 13,978,542	\$ 29,272,292	\$ 28,736,022
Buildings and improvements	122,075,589	112,245,148	36,427,954	33,948,906	158,503,543	146,194,054
Infrastructure	834,414	856,432	3,180,362	2,371,296	4,014,776	3,227,728
Contractor equipment	-	-	2,745,071	2,320,233	2,745,071	2,320,233
Furniture & equipment	8,569,440	11,040,112	1,239,080	1,477,018	9,808,520	12,517,130
Intangibles	693,926	836,906	152,101	181,373	846,027	1,018,279
Vehicles	1,914,468	2,162,006	1,607,618	2,197,473	3,522,086	4,359,479
Total	\$ 149,311,689	\$ 141,898,084	\$ 59,400,626	\$ 56,474,841	\$ 208,712,315	\$ 198,372,925

Major capital asset transactions during the fiscal year include:

- Completed construction of Meadow Lane/Edgewood Elementary School
- Began construction and made significant progress on a shell building for economic development
- Purchase of additional vehicles for the Sheriff's Office
- Purchase of Caterpillar equipment, vehicles and compactors for Solid Waste
- Completed construction of additional EMS stations
- Completed construction of the addition of the Grantham Sewer project to the County's sewer line
- Progress on the Jetport's Corporate Area Expansion Project
- Completed purchases of several HMGP properties

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, 2019, Wayne County had limited obligation bonds, promissory notes, and installment purchase contracts of \$81,023,659 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	
	2019	2018	2019	2018	2019	2018
Limited obligation bonds	\$ 20,555	\$ 21,615	\$ 12,270	\$ 12,820	\$ 32,825	\$ 34,435
Notes	.000	.614	.000	.000	.000	.614
Installment purchase contr.	<u>46.126</u>	<u>49.502</u>	<u>2.073</u>	<u>2.480</u>	<u>48.199</u>	<u>51.982</u>
Totals	<u>\$ 66.681</u>	<u>\$ 71.731</u>	<u>\$ 14,343</u>	<u>\$ 15,300</u>	<u>\$ 81,024</u>	<u>\$ 87,031</u>

Wayne County's total debt decreased by \$6,077,715, 6.98% 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 \$673,962,951. The County has no bonds unissued at June 30, 2019.

Additional information regarding Wayne County's long-term debt can be found in note 7 beginning on page 90 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 2019, not seasonally adjusted, unemployment rate for Wayne County was 4.8%, which was slightly higher than the June, 2018 rate of 4.6%. The State's not seasonally adjusted unemployment rate as of June, 2019 was 4.4% which is up from the June, 2018 rate of 4.2%.
- As of 2018, the per capita income for Wayne County was \$23,163, which is lower than the State average of \$28,123. Wayne County's median household income is \$41,766, which is lower than the State's median household income of \$50,320.
- The 2019 calendar year was a reappraisal year for the County. Since the 2019-2020 fiscal budget followed the general reappraisal of real property for Wayne County, the revenue-neutral tax rate (RNTR) was required to be calculated and published in the budget. The RNTR as defined by G.S. 159-11(e), is the rate that

is estimated to produce revenue for the next fiscal year equal to the revenue for the current fiscal year if no reappraisal had occurred. The rate is then adjusted by a growth factor equal to the average annual percentage increase in the tax base due to improvements since the last general reappraisal.

The reappraisal produced a tax base of \$8,724,356.89 for the County. The tax levy for the current fiscal year is \$55,719,777, and the growth factor since the last general reappraisal is 1.74%. Using the formula mandated by state law, the RNTR for Wayne County is 64.98 cents. However, the approved property tax rate for 2019-2020 remained at 66.35 which is the same rate as 2018-2019.

- The property tax base was projected to grow by a small rate of 1.25%. This was used, along with revaluation numbers to determine the projected property tax revenues for the year.
- Growth in sales taxes was estimated at 6.5%. The County and State have seen a steady increase in this revenue base due to economic growth and favorable changes in laws regarding services that are now taxable.

All of these factors were considered in preparing Wayne County's budget for Fiscal Year 2019-2020.

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

#### **Governmental Activities:**

- The property tax rate remained the same for the fiscal year 2019-2020 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 and revaluation growth.
- The County approved an original budget of \$166,835,471 for fiscal year 2019, and the budget included significant growth in sales taxes.
- Fees in 4-H, the Sheriff's Office, Detention Center and credit card 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, 2019 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 6.0% increase in the County's portions of medical insurance premiums for the PPO and the HSA Plan. The employees also saw an 6.0% increase in the premiums of the dependent care options. However, no changes to the plan benefits were required.
- As mandated by the North Carolina Local Government Retirement System, all county employers were required to increase their Local Government Retirement Employer contribution by 1.2% and the Law Enforcement contribution by 1.2%, an increase to payroll of \$440,000.

- Anticipated use of General Fund Balance was budgeted slightly over \$3 million. However, this represents a decrease of \$1.3 million from the original budget last year. This decrease is due to the completion of various capital projects last year. The Fund Balance being appropriated in the 2019-2020 budget is partially 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 on a pay-go basis.

**Business – type Activities:** Wayne County has five business type activity funds. The EMS-EMS Net fund budget decreased due to completion of EMS stations. Solid Waste has an increase in revenues based on historical collections in user fees. 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. The overall budget decreased; however, due to the completion of the Grantham Sewer project. Finally, the Maxwell Center completed it's first full year of operations in 18-19, so budget numbers should be more accurate.

### **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](http://www.waynegov.com).

## **Financial Statements**

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

	<b>Primary Government</b>			<b>Component Unit</b>		
	<b>Governmental Activities</b>		<b>Business-type Activities</b>	<b>Total</b>	<b>WC Tourism Development Authority</b>	<b>Wayne County ABC Board</b>
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>			
<b>Assets</b>						
Current assets:						
Cash and cash equivalents	\$ 40,548,154	\$ 14,679,496	\$ 55,227,650	\$ 85,452	\$ 1,652,549	
Restricted cash and cash equivalents	6,994,160	627,250	7,621,410	-	-	
Receivables, net	3,902,775	2,923,625	6,826,400	17,865	-	
Due from other governments	11,893,448	322,894	12,216,342	-	-	
Inventories	19,103	66,560	85,663	-	791,342	
Total current assets	<u>63,357,640</u>	<u>18,619,825</u>	<u>81,977,465</u>	<u>103,317</u>	<u>2,443,891</u>	
Noncurrent Assets:						
Investments, long-term restricted cash	7,503,421	-	7,503,421	-	-	
Net pension asset - ROD	157,946	-	157,946	-	-	
Land, improvements	15,223,852	14,048,440	29,272,292	-	708,108	
Other Capital Assets, net depreciation	134,087,837	45,352,186	179,440,023	-	1,663,214	
Total noncurrent assets	<u>156,973,056</u>	<u>59,400,626</u>	<u>216,373,682</u>	<u>-</u>	<u>2,371,322</u>	
Total Assets	<u>220,330,696</u>	<u>78,020,451</u>	<u>298,351,147</u>	<u>103,317</u>	<u>4,815,213</u>	
<b>Deferred Outflows of Resources</b>	10,074,969	2,391,884	12,466,853	-	238,467	
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	2,265,010	884,565	3,149,575	-	577,454	
Accrued wages and benefits	148,235	160,068	308,303	-	-	
Other accrued expenses	648,360	29,182	677,542	-	721,030	
Due within one year	5,864,076	1,239,305	7,103,381	-	102,949	
Total current liabilities	<u>8,925,681</u>	<u>2,313,120</u>	<u>11,238,801</u>	<u>-</u>	<u>1,401,433</u>	
Long Term liabilities:						
Due in more than one year	63,037,000	20,283,448	83,320,448	-	307,051	
Net other post employment liability	30,076,194	5,155,744	35,231,938	-	-	
Net pension liability - LGERS	11,269,731	2,873,223	14,142,954	-	-	
Net pension liability - LEOSSA	2,581,290	-	2,581,290	-	-	
Total liabilities	<u>115,889,896</u>	<u>30,625,535</u>	<u>146,515,431</u>	<u>-</u>	<u>1,708,484</u>	
<b>Deferred Inflows of Resources</b>	5,337,758	917,677	6,255,435	-	118,077	
<b>Net Position</b>						
Net investment in capital assets	86,075,786	45,685,683	131,761,469	-	1,961,322	
Restricted for:						
General government	1,118,262	-	1,118,262	-	-	
Future debt obligations	7,503,421	-	7,503,421	-	-	
Public safety	1,701,848	-	1,701,848	-	-	
Education	9,785,394	-	9,785,394	-	-	
Stabilization by State Statute	9,141,828	-	9,141,828	17,865	-	
Register of Deeds pension plan	157,946	-	157,946	-	-	
Permanent fund-Senior Center	7,000	-	7,000	-	-	
Working capital	-	-	-	-	294,753	
Unrestricted	<u>(6,313,473)</u>	<u>3,183,440</u>	<u>(3,130,033)</u>	<u>85,452</u>	<u>971,044</u>	
Total net position	<u>\$ 109,178,012</u>	<u>\$ 48,869,123</u>	<u>\$ 158,047,135</u>	<u>\$ 103,317</u>	<u>\$ 3,227,119</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, 2019**

<b>Functions/Programs</b>	<b>Program Revenue</b>		
	<b>Expenses</b>	<b>Charges for Services</b>	<b>Operating Grants and Contributions</b>
<b>Primary government</b>			
Governmental Activities			
General government	\$ 14,113,920	\$ 2,682,513	\$ 99,183
Public safety	29,747,584	5,629,317	1,355,428
Transportation	401,409	-	187,271
Human services	26,284,213	2,171,524	14,557,171
Culture and recreation	2,559,040	59,062	70,053
Education	29,245,606	-	1,598,904
Interest on long-term debt	1,554,463	-	-
Environmental protection	1,126,413	9,311	179,804
Economic and physical development	1,991,925	-	1,443,610
Total governmental activities	<u>107,024,573</u>	<u>10,551,727</u>	<u>19,491,424</u>
Business-type activities			
Solid Waste Disposal Fund	4,564,560	5,074,382	294,702
EMS - EMS Net Fund	12,563,366	7,934,981	990,033
Sewer Fund	852,243	599,450	50,000
Airport Fund	1,338,975	738,578	1,342,246
Maxwell Fund	1,727,393	1,243,600	-
Total business-type activities	<u>21,046,537</u>	<u>15,590,991</u>	<u>2,676,981</u>
Total primary government	<u>128,071,110</u>	<u>26,142,718</u>	<u>22,168,405</u>
<b>Component Unit</b>			
WC Tourism Development Authority	184,645	214,829	-
ABC Board	7,165,734	7,676,089	-
Total component units	<u>\$ 7,350,379</u>	<u>\$ 7,890,918</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 VIII

Net position, beginning, restated

Net position - ending

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

<b>Net (Expense) Revenue and Changes in Net Position</b>			<b>Component Unit</b>		
<b>Primary Government</b>			<b>WC Tourism</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	<b>Development Authority</b>	<b>ABC Board</b>	
\$ (11,332,224)	\$ -	\$ (11,332,224)			
(22,762,839)	-	(22,762,839)			
(214,138)	-	(214,138)			
(9,555,518)	-	(9,555,518)			
(2,429,925)	-	(2,429,925)			
(27,646,702)	-	(27,646,702)			
(1,554,463)	-	(1,554,463)			
(937,298)	-	(937,298)			
(548,315)	-	(548,315)			
<u>(76,981,422)</u>	<u>-</u>	<u>(76,981,422)</u>			
-	804,524	804,524			
-	(3,638,352)	(3,638,352)			
-	(202,793)	(202,793)			
-	741,849	741,849			
-	(483,793)	(483,793)			
<u>-</u>	<u>(2,778,565)</u>	<u>(2,778,565)</u>			
<u>(76,981,422)</u>	<u>(2,778,565)</u>	<u>(79,759,987)</u>			
			\$ 30,184	\$ -	
			<u>30,184</u>	<u>510,355</u>	
59,799,476	-	59,799,476			
23,254,541	-	23,254,541			
314,324	-	314,324			
989,403	286,830	1,276,233		1,976	
122,409	-	122,409			
(6,832,220)	6,832,220	-			
<u>77,647,933</u>	<u>7,119,050</u>	<u>84,766,983</u>		<u>1,976</u>	
<u>666,511</u>	<u>4,340,485</u>	<u>5,006,996</u>	<u>30,184</u>	<u>512,331</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>	
<u>879,306</u>	<u>-</u>	<u>879,306</u>	<u>-</u>	<u>(79,060)</u>	
<u>108,511,501</u>	<u>44,528,638</u>	<u>153,040,139</u>	<u>73,133</u>	<u>2,714,788</u>	
<u>\$ 109,178,012</u>	<u>\$ 48,869,123</u>	<u>\$ 158,047,135</u>	<u>\$ 103,317</u>	<u>\$ 3,227,119</u>	

**Wayne County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

	<b>Major</b>	<b>Non-Major</b>		
	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>	
<b>Assets</b>				
Cash and cash equivalents	\$ 26,578,219	\$ 10,511,236	\$ 37,089,455	
Restricted cash	8,037,042	6,460,539	14,497,581	
Taxes receivable, net	1,826,183	1,507,943	3,334,126	
Due from other funds	390,000	-	390,000	
Receivable from other governments	11,020,788	947,645	11,968,433	
Total assets	<u>47,852,232</u>	<u>19,427,363</u>	<u>67,279,595</u>	
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	1,738,631	176,097	1,914,728	
Due to other funds	-	290,000	290,000	
Total liabilities	<u>1,738,631</u>	<u>466,097</u>	<u>2,204,728</u>	
<b>Deferred Inflows of Resources</b>	<u>2,086,860</u>	<u>167,671</u>	<u>2,254,531</u>	
Fund balances:				
Restricted for:				
Stabilization by State Statute	7,432,110	1,709,716	9,141,826	
Future debt payments, QSCB	7,503,421	-	7,503,421	
Fire protection	-	3,159	3,159	
Public Schools	5,342,094	4,443,300	9,785,394	
Law enforcement	124,896	-	124,896	
Tax revaluation	533,621	-	533,621	
Public safety	-	1,576,952	1,576,952	
Transportation	-	374,708	374,708	
Capital improvements	-	169,385	169,385	
Grants	37,392	-	37,392	
Permanent fund-Senior Center	-	7,100	7,100	
Committed for:				
Future capital projects	1,097,207	10,509,086	11,606,293	
Community college	989,782	-	989,782	
Public schools	1,516,675	-	1,516,675	
Assigned for:				
Subsequent year's expenditures	719,611	-	719,611	
Donations	40,262	-	40,262	
Unassigned	18,689,670	189	18,689,859	
Total fund balances	<u>44,026,741</u>	<u>18,793,595</u>	<u>62,820,336</u>	
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,852,232</u>	<u>\$ 19,427,363</u>		

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

**Wayne County, North Carolina**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2019**

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

Total fund balances	\$ 62,820,336
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.	149,311,689
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.	2,778,505
Net deferred inflows of resources for taxes and special assessments receivables	2,414,972
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.	(69,549,436)
Net pension liability - LGERS	(11,269,731)
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	8,800,406
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	(93,599)
Net pension liability - LEOSSA	(2,581,290)
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	350,847
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	(115,195)
Net pension asset - ROD	157,946
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	45,478
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	(7,853)
Net OPEB liability	(30,076,194)
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	878,238
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	(4,687,107)
Net position of governmental activities	<u>\$ 109,178,012</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**  
**Governmental Funds**  
**For the Year Ended June 30, 2019**

	<b>Major</b>	<b>Non-Major</b>	
	<b>General Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>			
Property Taxes	\$ 56,203,664	\$ 3,496,646	\$ 59,700,310
Sales and miscellaneous taxes	21,894,881	3,404,821	25,299,702
Other taxes and licenses	541,101	-	541,101
Licenses and permits	1,757,308	548,513	2,305,821
Intergovernmental	461,815	-	461,815
Restricted intergovernmental	20,275,064	439,878	20,714,942
Charges for services	5,345,270	-	5,345,270
Investment earnings	552,884	461,685	1,014,569
Miscellaneous	1,270,308	308,637	1,578,945
Payments from various municipalities	210,077	-	210,077
Total revenues	<u>108,512,372</u>	<u>8,660,180</u>	<u>117,172,552</u>
<b>Expenditures</b>			
Current:			
General government	12,061,266	-	12,061,266
Public safety	22,905,808	5,314,355	28,220,163
Transportation	373,914	12,862	386,776
Human services	26,977,549	411,334	27,388,883
Culture and recreation	2,537,030	-	2,537,030
Education	26,339,951	580,421	26,920,372
Economic and physical development	4,369,580	-	4,369,580
Debt Service:			
Principal	5,049,747	-	5,049,747
Interest and other charges	2,447,434	-	2,447,434
Capital Outlay	-	<u>10,551,952</u>	<u>10,551,952</u>
Total Expenditures	<u>103,062,279</u>	<u>16,870,924</u>	<u>119,933,203</u>
Excess (deficiency)			
Revenues over expenditures	<u>5,450,093</u>	<u>(8,210,744)</u>	<u>(2,760,651)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers in	319,000	322,673	641,673
Transfers out	(7,232,133)	(319,000)	(7,551,133)
Proceeds from sale of assets	51,796	-	51,796
Total other financing sources and uses	<u>(6,861,337)</u>	<u>3,673</u>	<u>(6,857,664)</u>
Net change in fund balances	<u>(1,411,244)</u>	<u>(8,207,071)</u>	<u>(9,618,315)</u>
Fund balances - beginning	<u>45,437,985</u>	<u>27,000,666</u>	<u>72,438,651</u>
Fund balances - ending	<u>\$ 44,026,741</u>	<u>\$ 18,793,595</u>	<u>\$ 62,820,336</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, 2019**

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

Net change in fund balances - total governmental funds:	\$	(9,618,315)
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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.	7,885,783
--	-----------

Cost of capital asset disposed of during the year, not recognized on modified accrual basis.	(1,351,398)
--	-------------

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.	5,049,733
--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(690,963)
--	-----------

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.	93,518
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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.	(90,228)
--	----------

Contributions and costs, net, to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.	(468,222)
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Contributions and costs, net, to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.	(110,561)
--	-----------

Contributions and costs, net, to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.	(22,888)
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Contributions and costs, net, to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	(9,948)
--	---------

Total changes in net position of governmental activities	<hr style="border: 1px solid black; margin-bottom: 5px;"/> <hr style="border: 1px solid black;"/>	\$ 666,511
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*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, 2019**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Positive (Negative)</u>
<b>Revenues</b>				
Ad valorem taxes	\$ 55,189,643	\$ 55,189,643	\$ 56,203,663	\$ 1,014,020
Local option sales taxes	19,705,641	19,705,641	21,894,881	2,189,240
Other taxes and licenses	579,000	579,000	541,101	(37,899)
Licenses and permits	2,709,000	2,709,000	1,757,307	(951,693)
Intergovernmental	551,592	551,592	461,815	(89,777)
Restricted intergovernmental	16,450,335	35,341,404	20,275,064	(15,066,340)
Charges for services	4,951,292	5,682,496	5,345,269	(337,227)
Investment earnings	342,099	342,099	552,884	210,785
Miscellaneous	1,112,069	2,090,853	1,270,311	(820,542)
Payments from various municipalities	453,063	453,063	210,077	(242,986)
Total revenues	<u>102,043,734</u>	<u>122,644,791</u>	<u>108,512,372</u>	<u>(14,132,419)</u>
<b>Expenditures</b>				
Current:				
General government	14,081,939	14,161,999	12,061,264	2,100,735
Public safety	23,159,663	24,969,781	22,905,808	2,063,973
Transportation	152,198	374,255	373,914	341
Economic and physical development	1,823,146	20,351,904	4,369,580	15,982,324
Human services	27,921,919	30,260,735	26,977,549	3,283,186
Culture and recreation	2,384,000	2,653,285	2,537,031	116,254
Education	26,006,120	27,908,337	26,339,952	1,568,385
Debt Service:				
Principal	5,248,587	5,049,749	5,049,747	2
Interest and other charges	2,541,070	2,448,170	2,447,434	736
Total expenditures	<u>103,318,642</u>	<u>128,178,215</u>	<u>103,062,279</u>	<u>25,115,936</u>
Excess (deficiency) of revenues over expenditures	(1,274,908)	(5,533,424)	5,450,093	10,983,517
<b>Other Financing Sources (Uses)</b>				
Transfers in	45,887,253	319,000	319,000	-
Transfers out	(50,672,298)	(7,232,133)	(7,232,133)	-
Proceeds from sale of assets	-	860	51,796	(50,936)
Total other financing sources and (uses)	<u>(4,785,045)</u>	<u>(6,912,273)</u>	<u>(6,861,337)</u>	<u>(50,936)</u>
Revenues and other financing sources under expenditures	(6,059,953)	(12,445,697)	(1,411,244)	11,034,453
Appropriated fund balance	<u>6,059,953</u>	<u>12,445,697</u>	-	<u>(12,445,697)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(1,411,244)</u>	<u>\$ (1,411,244)</u>
Fund balances - beginning			45,437,985	
Fund balances - ending			<u>\$ 44,026,741</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, 2019**

**Exhibit 6**

	<b>Business-type Activities</b>		
	<b>Major</b>	<b>Solid Waste Disposal</b>	<b>EMS - EMS Net Fund</b>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 10,433,019	\$ 3,457,170	\$ 616,451
Accounts receivable, net	624,357	1,141,684	596,331
Due from other funds	-	-	137,142
Receivables from other governments	87,447	50,099	5,099
Inventories	16,681	-	-
Total current assets	<u>11,161,504</u>	<u>4,648,953</u>	<u>1,355,023</u>
Capital assets:			
Land	11,022,663	124,816	2,210,000
Other capital assets, net of depreciation	7,672,557	3,680,796	23,295,475
Total non-current assets	<u>18,695,220</u>	<u>3,805,612</u>	<u>25,505,475</u>
Total assets	<u>29,856,724</u>	<u>8,454,565</u>	<u>26,860,498</u>
<b>Deferred Outflows of Resources</b>	516,509	1,774,984	65,350
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	25,946	383,039	14,390
Other liabilities	33,101	125,125	1,842
Accrued interest payable	-	77	23,942
Due to other funds	-	100,000	-
Payable to other governments	-	-	525
Customer deposits	-	-	49,341
Compensated absences	95,920	171,623	8,362
Current portion of long term debt	-	178,531	661,877
Total current liabilities	<u>154,967</u>	<u>958,395</u>	<u>760,279</u>
Non-current liabilities:			
Other postemployment benefits	920,507	4,154,326	-
Accrued landfill closure/postclosure costs	6,901,665	-	-
Net pension liability	627,646	2,120,048	83,686
Bonds, notes and loans payable	-	-	11,371,783
Total non-current liabilities	<u>8,449,818</u>	<u>6,274,374</u>	<u>11,455,469</u>
Total liabilities	<u>8,604,785</u>	<u>7,232,769</u>	<u>12,215,748</u>
<b>Deferred Inflows of Resources</b>	232,566	648,626	695
<b>Net Position</b>			
Net investment in capital assets	18,695,220	3,627,080	13,492,372
Unrestricted	2,840,662	(1,278,926)	1,217,033
Total net position	<u>\$ 21,535,882</u>	<u>\$ 2,348,154</u>	<u>\$ 14,709,405</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.*

Business-type Activities			Governmental Activities	
Major	Nonmajor		Internal Service Funds	
Jetport Fund	Other Enterprise Funds	Totals		
\$ 84,510	\$ 715,596	\$ 15,306,746	\$ 3,458,699	
670,970	83,032	3,116,374	20,481	
-	-	137,142	-	
23,448	19,667	185,760	-	
49,879	-	66,560	19,103	
<u>828,807</u>	<u>818,295</u>	<u>18,812,582</u>	<u>3,498,283</u>	
667,332	23,628	14,048,439	-	
7,128,657	3,574,701	45,352,186	15,844	
7,795,989	3,598,329	59,400,625	15,844	
<u>8,624,796</u>	<u>4,416,624</u>	<u>78,213,207</u>	<u>3,514,127</u>	
23,020	12,021	2,391,884	-	
280,520	30,801	734,696	715,622	
-	-	160,068	-	
-	5,164	29,183	-	
-	-	100,000	20,000	
3	-	528	-	
-	-	49,341	-	
2,992	-	278,897	-	
-	120,000	960,408	-	
<u>283,515</u>	<u>155,965</u>	<u>2,313,121</u>	<u>735,622</u>	
39,985	40,925	5,155,743	-	
-	-	6,901,665	-	
27,895	13,948	2,873,223	-	
-	2,010,000	13,381,783	-	
<u>67,880</u>	<u>2,064,873</u>	<u>28,312,414</u>	<u>-</u>	
<u>351,395</u>	<u>2,220,838</u>	<u>30,625,535</u>	<u>735,622</u>	
29,879	5,912	917,678	-	
7,795,989	2,075,022	45,685,683	15,844	
470,553	126,873	3,376,195	2,762,661	
<u>\$ 8,266,542</u>	<u>\$ 2,201,895</u>	<u>\$ 49,061,878</u>	<u>\$ 2,778,505</u>	
		(192,755)		
		<u>\$ 48,869,123</u>		

**Wayne County, North Carolina**  
**Statement of Revenues, Expenses and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-type Activities</b>			
	<b>Major</b>	<b>Solid Waste Disposal</b>	<b>EMS - EMS Net Fund</b>	<b>Maxwell Center Fund</b>
<b>Operating Revenues</b>				
User fees	\$ 5,031,222	\$ 8,074,736	\$ 859,633	-
Insurance premiums	-	-	-	-
Fleet services	-	-	-	-
Total operating revenues	<u>5,031,222</u>	<u>8,074,736</u>	<u>859,633</u>	
<b>Operating expenses</b>				
Salaries and employee benefits	1,720,452	6,591,772	419,420	
Contractual services	89,952	366,457	14,234	
Utilities	-	-	80,138	
Repairs and maintenance	334,611	117,004	36,608	
Other departmental expenses	671,090	334,963	53,598	
Other supplies and expenses	336,994	3,549,957	66,777	
Indirect costs	357,178	1,171,880	6,295	
Closure and postclosure costs	336,416	-	-	
Insurance claims and expenses	-	-	-	
Depreciation	<u>735,476</u>	<u>573,359</u>	<u>621,923</u>	
Total operating expenses	<u>4,582,169</u>	<u>12,705,392</u>	<u>1,298,993</u>	
Operating income (loss)	<u>449,053</u>	<u>(4,630,656)</u>	<u>(439,360)</u>	
<b>Non-operating Revenues (Expenses)</b>				
Restricted intergovernmental revenues	300,941	-	383,967	
Interest and investment revenue	177,806	64,711	10,434	
Miscellaneous revenue	37,898	17,013	-	
Gain (loss) on sale of assets	5,262	2,545	-	
Operating grants and contributions	7,761	979,778	-	
Interest expense	-	(4,996)	(428,886)	
Total non-operating revenue (expenses)	<u>529,668</u>	<u>1,059,051</u>	<u>(34,485)</u>	
Income (loss) before contributions/transfers	<u>978,721</u>	<u>(3,571,605)</u>	<u>(473,845)</u>	
Transfers in	-	4,634,703	1,052,414	
Change in net position	<u>978,721</u>	<u>1,063,098</u>	<u>578,569</u>	
Total net position - beginning	<u>20,557,161</u>	<u>1,285,056</u>	<u>14,130,836</u>	
Total net position - ending	<u>\$ 21,535,882</u>	<u>\$ 2,348,154</u>	<u>\$ 14,709,405</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.*

Business-type Activities		Governmental Activities	
Major	Nonmajor		
Jetport Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 738,578	\$ 599,450	\$ 15,303,619	\$ -
-	-	-	8,749,632
-	-	-	446,597
<u>738,578</u>	<u>599,450</u>	<u>15,303,619</u>	<u>9,196,229</u>
82,771	54,369	8,868,784	170,838
43,475	30,904	545,022	-
-	-	80,138	578
95,811	31,663	615,697	2,695
78,761	466,803	1,605,215	90,474
466,658	-	4,420,386	229,059
119,638	40,590	1,695,581	-
-	-	336,416	-
-	-	-	8,954,247
<u>451,804</u>	<u>135,584</u>	<u>2,518,146</u>	<u>2,388</u>
<u>1,338,918</u>	<u>759,913</u>	<u>20,685,385</u>	<u>9,450,279</u>
<u>(600,340)</u>	<u>(160,463)</u>	<u>(5,381,766)</u>	<u>(254,050)</u>
-	-	684,908	-
7,889	25,992	286,832	46,730
5,308	-	60,219	42,370
-	-	7,807	-
1,336,938	50,000	2,374,477	-
-	(93,147)	(527,029)	-
<u>1,350,135</u>	<u>(17,155)</u>	<u>2,887,214</u>	<u>89,100</u>
749,795	(177,618)	(2,494,552)	(164,950)
686,677	458,426	6,832,220	77,241
1,436,472	280,808	4,337,668	(87,709)
6,830,070	1,921,087	44,724,210	2,866,214
<u>\$ 8,266,542</u>	<u>\$ 2,201,895</u>	<u>\$ 49,061,878</u>	<u>\$ 2,778,505</u>
		4,337,668	
		2,817	
		<u>\$ 4,340,485</u>	

**Wayne County, North Carolina**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<b>Business-type Activities</b>		
	<b>Major</b>	<b>EMS</b>	<b>Maxwell Center</b>
	<b>Solid Waste Disposal</b>	<b>EMS</b>	<b>Maxwell Center</b>
<b>Cash flows from operating activities:</b>			
Receipts from customers	\$ 5,039,272	\$ 7,886,864	\$ 1,315,720
Payments to employees for services	(1,695,902)	(6,546,946)	(408,152)
Payments to suppliers of goods and services	(1,865,930)	(5,551,977)	(249,886)
Proceeds from unrestricted revenues	<u>37,898</u>	<u>17,013</u>	<u>-</u>
Net cash provided (used) by operating activities	1,515,338	(4,195,046)	657,682
<b>Cash flows from noncapital financing activities:</b>			
Grant proceeds	308,702	979,778	672,732
Due (to) from other government	16,881	1,051,159	(55,000)
Transfers (to) from other funds	<u>-</u>	<u>4,734,703</u>	<u>1,052,414</u>
Net cash provided (used) by noncapital financing activities	325,583	6,765,640	1,670,146
<b>Cash flows from capital and related financing activities:</b>			
Principal payments related to capital debt	-	(176,106)	(661,877)
Interest payments related to capital debt	-	(5,071)	(430,007)
Noncash transfers of assets	-	-	-
Cash received on disposal of assets	6,911	2,545	-
Payments for the acquisition of capital assets	<u>(731,988)</u>	<u>(1,724,634)</u>	<u>(552,906)</u>
Net cash provided (used) by capital and related financing activities	(725,075)	(1,903,266)	(1,644,790)
<b>Cash flows from investing activities</b>			
Interest payments received	<u>177,806</u>	<u>64,711</u>	<u>10,432</u>
Net cash provided (used) by investing activities	<u>177,806</u>	<u>64,711</u>	<u>10,432</u>
Net increase (decrease) in cash and cash equivalents	1,293,652	732,039	693,470
Cash and cash equivalents, July 1	<u>9,139,369</u>	<u>2,725,131</u>	<u>(77,019)</u>
<b>Cash and cash equivalents, June 30</b>	<b><u>10,433,021</u></b>	<b><u>3,457,170</u></b>	<b><u>616,451</u></b>
Operating income	449,053	(4,630,656)	(439,360)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	735,476	573,359	621,923
Non operating income	37,898	17,013	-
Changes in assets and liabilities			
(Increase) decrease			
Accounts receivable	8,050	(187,871)	456,086
Inventory	2,111	-	-
Increase (decrease)			
Accounts payable	(78,216)	(11,716)	7,766
Postemployment liability	(42,026)	(192,385)	-
Pensions	71,338	274,045	11,925
Postclosure costs	336,416	-	-
Other liabilities	<u>(4,762)</u>	<u>(36,835)</u>	<u>(658)</u>
Total adjustments	<u>1,066,285</u>	<u>435,610</u>	<u>1,097,042</u>
Net cash provided (used) by operating activities	<b><u>\$ 1,515,338</u></b>	<b><u>\$ (4,195,046)</u></b>	<b><u>\$ 657,682</u></b>

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

Business-type Activities		Governmental Activities	
Major	Nonmajor		
Jetport Fund	Other Enterprise Funds	Totals	Internal Service Funds
\$ 107,886	\$ 591,367	\$ 14,941,109	\$ 9,150,069
(88,590)	(53,700)	(8,793,290)	-
(573,944)	(716,486)	(8,958,223)	(9,320,778)
<u>5,308</u>	<u>-</u>	<u>60,219</u>	<u>42,370</u>
 (549,340)	 (178,819)	 (2,750,185)	 (128,339)
 1,216,989	 50,000	 3,228,201	 -
30,487	-	1,043,527	(20,000)
<u>686,677</u>	<u>440,939</u>	<u>6,914,733</u>	<u>77,242</u>
 1,934,153	 490,939	 9,516,315	 57,242
 - (120,000)	 - (93,147)	 - (957,983)	 - (528,225)
 - -	 - -	 - 6,911	 - (729,443)
<u>(1,528,680)</u>	<u>(907,368)</u>	<u>(4,713,588)</u>	<u>-</u>
 (1,528,680)	 (1,120,782)	 (6,922,593)	 -
 <u>7,889</u>	 <u>25,991</u>	 <u>286,829</u>	 <u>46,730</u>
 <u>7,889</u>	 <u>25,991</u>	 <u>286,829</u>	 <u>46,730</u>
 (135,978)	 (782,671)	 1,800,512	 (24,367)
<u>220,488</u>	<u>1,498,267</u>	<u>13,506,236</u>	<u>3,483,066</u>
<u>84,510</u>	<u>715,596</u>	<u>15,306,748</u>	<u>3,458,699</u>
 (600,340)	 (160,463)	 (5,381,766)	 (254,050)
 451,804	 135,584	 2,518,146	 2,389
5,308	-	60,219	42,371
 (630,692)	 (8,082)	 (362,509)	 (46,160)
(2,450)	-	(339)	(2,741)
 232,849	 (146,527)	 4,156	 129,852
(2,489)	1,549	(235,351)	-
1,270	(880)	357,698	-
-	-	336,416	-
<u>(4,600)</u>	<u>-</u>	<u>(46,855)</u>	<u>-</u>
 <u>51,000</u>	 <u>(18,356)</u>	 <u>2,631,581</u>	 <u>125,711</u>
 <u>\$ (549,340)</u>	 <u>\$ (178,819)</u>	 <u>\$ (2,750,185)</u>	 <u>\$ (128,339)</u>

**Wayne County, North Carolina**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**June 30, 2019**

	<b>Agency Fund</b>
<b>Assets</b>	
Cash and cash equivalents	\$ 195,846
Total assets	<u><u>195,846</u></u>
<b>Liabilities</b>	
Miscellaneous liabilities	192,182
Total liabilities	<u><u>192,182</u></u>
<b>Net Position</b>	
Held in trust for benefits and other purposes	<u><u>\$ 3,664</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, 2019

### **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, 2019**

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 fund:

**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.

**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 Public School Capital Project Fund – Meadow Lane, 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, 2019**

**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 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.

**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.

# **Wayne County, North Carolina**

## **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

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

**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.

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

The County reports the following non-major enterprise fund:

**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

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

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

# **Wayne County, North Carolina**

## **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

September 1, 2013 and for limited registration plates are shown as a receivable in these financial statements and are offset by deferred inflows of resources.

Sales taxes and certain intergovernmental revenues, such as the utilities franchise tax, collected and held by the State at 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

# **Wayne County, North Carolina**

## **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

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 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 ABC Board and the Wayne County Tourism Authority do not have any investments as of June 30, 2019.

- The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAA rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

### **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, 2019

### Wayne County, North Carolina Restricted Cash

#### Current Assets:

##### Governmental Activities

General Fund	Tax Revaluation	\$ 533,621
Special Revenue Fund	Emergency Telephone	1,576,951
Special Revenue Fund	Fire Districts	3,158
Special Revenue Fund	Community Development	721
Special Revenue Fund	Neighborhood Utility and Roads	274,707
Capital Projects Fund	General Government Bond	169,385
Capital Projects Fund	School Buildings	4,428,328
Permanent Fund	Senior Center	7,289
		<hr/>
	Restricted Cash, Current Assets - Governmental	6,994,160
		<hr/>
	Business-type Activities	
Sewer Fund	Debt Proceeds	606,693
MRACC Fund	Debt Proceeds	20,557
		<hr/>
	Restricted Cash, Current Assets - Business-type	627,250
		<hr/>
	Total Restricted Cash, Current Assts	7,621,410
		<hr/>

#### Noncurrent Assets:

##### Governmental Activities

General Fund	QSCB Sinking Fund	<hr/> 7,503,421
		<hr/>
	Total Restricted Cash, Noncurrent Assets	7,503,421
		<hr/>

Total Restricted Cash	\$ 15,124,831
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#### **4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2019.

#### **5. 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, 2019

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, 2019

### **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, 2019

### Unrestricted (deficit) Net Position

Under North Carolina law, the County is responsible for providing capital funding for the Wayne County Board of Education (School System). The County has chosen to meet its legal obligation to provide school capital funding by using a mixture of County funding and debt. Some of the assets funded by the County are owned, utilized and maintained by the School System. Since the County, as the issuing government, acquires no capital asset, the County has incurred a liability without a corresponding increase in assets.

Unrestricted net position for the fiscal year ending June 30, 2018 was significantly impacted by the implementation of GASB Statement No. 75, Accounting and Financial Reporting for Post-employment Benefits other than Pension. For additional information regarding the County's Other Post-Employment benefits, see Note B, 2, h.

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

Restricted for 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.

## **Wayne County, North Carolina**

### **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

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 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

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$5,000.

Donations – portion of fund balance that is appropriated in next year’s budget that is not already classified in restricted or committed. Donations were made to specific departments but were not used by the end of the fiscal year.

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.

### **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, 2019

### **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 \$46,357,676 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).	
Less accumulated depreciation	\$ 206,154,316
	<u>56,842,627</u>
	149,311,689
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.	2,778,505
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.	2,414,972
LGERS - pension related deferrals	8,706,807
LGERS - net pension liability	(11,269,731)
LEOSSA - pension related deferrals	235,652
LEOSSA - net pension liability	(2,581,290)
ROD - pension related deferrals	37,625
ROD - net pension asset	157,946
OPEB - OPEB related deferrals	(3,808,869)
OPEB - net pension liability	(30,076,194)
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	(66,681,469)
Compensated absences	(2,219,607)
Accrued interest payable	<u>(648,360)</u>
	<u>(69,549,436)</u>
Total adjustment	<u>\$ 46,357,676</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### 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 \$10,284,826 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 13,651,247
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.	(5,765,464)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(1,351,398)
Contributions and costs to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.	(468,222)
Contributions and costs to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.	(110,561)
Contributions and costs to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.	(22,888)
Contributions and costs to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	(9,948)
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.	5,049,733
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.	35,598
Compensated absences	57,920
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	(690,963)
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.	(90,228)
Total adjustment	<u><u>\$ 10,284,826</u></u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### **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, 2019, the County's deposits had a carrying amount of \$70,352,481 and a bank balance of \$73,329,693. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$116,316 in non-interest-bearing deposits and \$39,784,918 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, 2019

At June 30, 2019, Wayne County had \$18,819 cash on hand.

At June 30, 2019, the carrying amount of deposits for the Wayne County ABC Board was \$1,646,249 and the bank balance was \$1,537,181. All of the bank balance was covered by federal depository insurance except for \$997,024, which was collateralized by institutions using the Pooling Method. At June 30, 2019, The ABC Board had \$6,300 cash on hand.

At June 30, 2019, the carrying amount of deposits for the Wayne County Tourism Development Authority was \$85,452 and the bank balance was \$92,848. All of the Tourism Authority's deposits were fully covered by federal depository insurance.

#### **2. Investments**

As of June 30, 2019 the County had the following investments and maturities.

Investment Type	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months
Commercial Paper	Fair Value- Level 2	\$ 5,912,697	N/A	\$ 5,912,697
NC Capital Management Trust Government Portfolio	Fair Value- Level 1	11,545,922	11,545,922	N/A
NC Capital Management Trust Term Portfolio*	Fair Value- Level 1	15,156,021	15,156,021	N/A
<b>Total</b>		<b>\$ 32,614,640</b>	<b>\$ 26,701,943</b>	<b>\$ 5,912,697</b>

As of June 30, 2019, the NCCMT Term Portfolio has a duration of .11 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months.

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, 2019

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, 2019, 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, 2019. 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).

Concentration of Credit Risk. The County places a limit of 10% on the amount that the County may invest in any one issuer of commercial paper or banker's acceptances.

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.

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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

Year Levied	Tax	Interest	Total
2015-16	\$ 3,138,432	\$ 1,027,836	\$ 4,166,268
2016-17	3,143,989	746,697	3,890,686
2017-18	3,137,192	462,736	3,599,928
2018-19	<u>3,137,869</u>	<u>180,427</u>	<u>3,318,296</u>
	<u><u>\$ 12,557,482</u></u>	<u><u>\$ 2,417,696</u></u>	<u><u>\$ 14,975,178</u></u>

### 5. Receivables

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

	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 1,521,602	\$ 3,115,012	\$ 11,005,992	\$ 15,642,606
Other governmental	45,709	156,446	887,456	1,089,611
Total receivables	<u>1,567,311</u>	<u>3,271,458</u>	<u>11,893,448</u>	<u>16,732,217</u>
Allowance for doubtful accounts	<u>-</u>	<u>(935,994)</u>	<u>-</u>	<u>(935,994)</u>
Total-governmental activities	<u><u>\$ 1,567,311</u></u>	<u><u>\$ 2,335,464</u></u>	<u><u>\$ 11,893,448</u></u>	<u><u>\$ 15,796,223</u></u>
	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Business-type Activities:				
Solid Waste Disposal	\$ 687,532	\$ -	\$ 87,447	\$ 774,979
Sewer Fund	83,032	-	19,661	102,693
EMS - EMS Net Fund	2,432,571	-	50,099	2,482,670
Airport	670,970	-	23,447	694,417
MRAC	596,331	-	142,240	738,571
Total receivables	<u>4,470,436</u>	<u>-</u>	<u>322,894</u>	<u>4,793,330</u>
Allowance for doubtful accounts	<u>(1,546,811)</u>	<u>-</u>	<u>-</u>	<u>(1,546,811)</u>
Total-business-type activities	<u><u>\$ 2,923,625</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 322,894</u></u>	<u><u>\$ 3,246,519</u></u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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

Local option sales tax	\$ 4,262,779
Sales tax refund	807,445
Grants receivable	2,402,146
Other	4,743,972
<b>Total</b>	<b><u>\$ 12,216,342</u></b>

### 6. Capital Assets

#### Primary Government

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

	<b>Balance July 01, 2018</b>	<b>Increases</b>	<b>Decreases</b>	<b>Balance June 30, 2019</b>
<b><u>Governmental activities:</u></b>				
Capital assets not being depreciated:				
Land	\$ 14,757,480	\$ 1,012,842	\$ 546,470	\$ 15,223,852
Total capital assets not being depreciated	14,757,480	1,012,842	546,470	15,223,852
Capital assets being depreciated:				
Buildings	144,759,024	13,072,015	-	157,831,039
Infrastructure	1,095,624	23,956	-	1,119,580
Intangibles	1,583,089	-	55,044	1,528,045
Furniture and equipment	24,597,295	403,879	1,182,088	23,819,086
Vehicles and motor equipment	6,469,384	538,722	375,389	6,632,717
Total capital assets being depreciated	178,504,416	14,038,572	1,612,521	190,930,467
Less accumulated depreciation for:				
Buildings	32,513,880	3,241,570	-	35,755,450
Infrastructure	239,192	45,974	-	285,166
Intangibles	746,186	88,669	736	834,119
Furniture and equipment	13,518,328	1,747,834	16,516	15,249,646
Vehicles and motor equipment	4,346,226	641,417	269,394	4,718,249
Total accumulated depreciation	51,363,812	<u>\$ 5,765,464</u>	<u>\$ 286,646</u>	<u>56,842,630</u>
Total capital assets being depreciated, net	127,140,604			134,087,837
<b>Governmental activity capital assets, net</b>	<b><u>\$ 141,898,084</u></b>			<b><u>\$ 149,311,689</u></b>

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

General government	\$ 1,915,284
Public safety	1,826,400
Economic and physical development	124,957
Human services	310,951
Cultural and recreational	4,401
Environmental protection	7,169
Education	1,576,302
<b>Total depreciation expense</b>	<b><u>\$ 5,765,464</u></b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Business-type activities:</u></b>				
<b>Solid Waste Disposal:</b>				
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	1,118,236	-	-	1,118,236
Land improvements	5,624,195	-	-	5,624,195
Contractor equipment	6,416,172	731,988	-	7,148,160
Furniture and equipment	1,409,500	-	8,235	1,401,265
Vehicles and motor equipment	925,099	-	18,287	906,812
Total capital assets being depreciated	15,493,202	731,988	26,522	16,198,668
Less accumulated depreciation for:				
Buildings	395,020	30,679	-	425,699
Land improvements	2,060,470	209,291	-	2,269,761
Contractor equipment	4,061,336	341,753	-	4,403,089
Furniture and equipment	752,734	74,602	6,588	820,748
Vehicles and motor equipment	545,950	79,151	18,287	606,814
Total accumulated depreciation	7,815,510	\$ 735,476	\$ 24,875	8,526,111
Total capital assets being depreciated, net	7,677,692			7,672,557
<b>Solid Waste Disposal capital assets, net</b>	<b>\$ 18,700,355</b>			<b>\$ 18,695,220</b>

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Business-type activities:</u></b>				
<b>EMS - EMS Net:</b>				
Capital assets not being depreciated:				
Land	\$ 118,316	\$ 6,500	\$ -	\$ 124,816
Total capital assets not being depreciated	118,316	6,500	-	124,816
Capital assets being depreciated:				
Leasehold improvements	104,726	-	-	104,726
Building	401,217	1,724,634	6,500	2,119,351
Furniture and equipment	597,453	-	-	597,453
Vehicles and motor equipment	3,266,647	20,746	52,000	3,235,393
Total capital assets being depreciated	4,370,043	1,745,380	58,500	6,056,923
Less accumulated depreciation for:				
Leasehold improvements	55,442	5,786	-	61,228
Building	41,129	10,282	-	51,411
Furniture and equipment	220,601	76,651	-	297,252
Vehicles and motor equipment	1,516,852	501,384	52,000	1,966,236
Total accumulated depreciation	1,834,024	\$ 594,103	\$ 52,000	2,376,127
Total capital assets being depreciated, net	2,536,019			3,680,796
<b>EMS capital assets, net</b>	<b>\$ 2,654,335</b>			<b>\$ 3,805,612</b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Business-type activities:</u></b>				
<b>Sewer:</b>				
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	4,697,343	907,368	-	5,604,711
Buildings	150,762	-	-	150,762
Furniture and equipment	419,481	-	-	419,481
Vehicles and motor equipment	119,425	-	-	119,425
Total capital assets being depreciated	5,387,011	907,368	-	6,294,379
Less accumulated depreciation for:				
Infrastructure	2,326,048	98,301	-	2,424,349
Buildings	27,231	5,296	-	32,527
Furniture and equipment	157,920	23,918	-	181,838
Vehicles and motor equipment	72,894	8,070	-	80,964
Total accumulated depreciation	2,584,093	\$ 135,585	\$ -	2,719,678
Total capital assets being depreciated, net	2,802,918			3,574,701
<b>Sewer capital assets, net</b>	<u>\$ 2,826,546</u>			<u>\$ 3,598,329</u>

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Business-type activities:</u></b>				
<b>Airport:</b>				
Capital assets not being depreciated:				
Land	\$ 603,934	\$ 63,398	\$ -	\$ 667,332
Total capital assets not being depreciated	603,934	63,398	-	667,332
Capital assets being depreciated:				
Buildings	8,549,545	1,465,283	-	10,014,828
Intangibles	143,854	-	-	143,854
Furniture and equipment	230,265	-	-	230,265
Vehicles and motor equipment	43,295	-	-	43,295
Total capital assets being depreciated	8,966,959	1,465,283	-	10,432,242
Less accumulated depreciation for:				
Buildings	2,679,663	397,817	-	3,077,480
Intangibles	52,965	6,726	-	59,691
Furniture and equipment	97,859	25,262	-	123,121
Vehicles and motor equipment	21,293	22,000	-	43,293
Total accumulated depreciation	2,851,780	\$ 451,805	\$ -	3,303,585
Total capital assets being depreciated, net	6,115,179			7,128,657
<b>Airport capital assets, net</b>	<u>\$ 6,719,113</u>			<u>\$ 7,795,989</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Business-type activities:</u></b>				
<b>Maxwell Center:</b>				
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	23,491,682	552,906	-	24,044,588
Equipment	15,037	-	-	15,037
Intangibles	95,221	-	-	95,221
Total capital assets being depreciated	23,601,940	552,906	-	24,154,846
Less accumulated depreciation for:				
Buildings	232,502	598,124	-	830,626
Equipment	209	1,253	-	1,462
Intangibles	4,738	22,545	-	27,283
Total accumulated depreciation	237,449	\$ 621,922	\$ -	859,371
Total capital assets being depreciated, net	23,364,491			23,295,475
<b>Maxwell Center capital assets, net</b>	<b>23,364,491</b>			<b>25,505,475</b>
<b>Business-type activities capital assets, net</b>	<b>\$ 54,264,840</b>			<b>\$ 59,400,625</b>

### Construction Commitments

The government has active construction commitments as of June 30, 2019 - 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, 2019 was as follows:

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019
<b><u>Wayne County ABC Board</u></b>				
Capital assets not being depreciated:				
Land and construction in progress	\$ 802,872	\$ 5,000	\$ 99,764	\$ 708,108
Total capital assets not being depreciated	802,872	5,000	99,764	708,108
Capital assets being depreciated:				
Building	873,203	1,115,841	5,000	1,984,044
Furniture and equipment	589,075	140,786	-	729,861
Vehicles and motor equipment	166,348	-	-	166,348
Leasehold improvements	12,544	-	-	12,544
Total capital assets being depreciated	1,641,170	1,256,627	5,000	2,892,797
Less accumulated depreciation for:				
Building	500,857	38,100	-	538,957
Furniture and equipment	489,252	42,351	-	531,603
Vehicles and motor equipment	138,788	7,691	-	146,479
Leasehold improvements	12,544	-	-	12,544
Total accumulated depreciation	1,141,441	\$ 88,142	\$ -	1,229,583
Total capital assets being depreciated, net	499,729			1,663,214
<b>Wayne County ABC Board, net</b>	<b>\$ 1,302,601</b>			<b>\$ 2,371,322</b>

The Wayne County Tourism Development Authority does not have any capital assets as of June 30, 2019.

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### **B. Liabilities**

#### **1. Payables**

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

	Vendors	Salaries and Benefits	Accrued Interest	Total
<b>Governmental Activities:</b>				
General	\$ 2,243,367	\$ 148,235	\$ 648,360	\$ 3,039,962
Other governmental	21,643	-	-	21,643
<b>Total-governmental activities</b>	<b>\$ 2,265,010</b>	<b>\$ 148,235</b>	<b>\$ 648,360</b>	<b>\$ 3,061,605</b>
 <b>Business-type Activities:</b>				
Solid Waste Disposal	\$ 25,946	\$ 33,101	\$ -	\$ 59,047
Sewer Fund	30,801	-	5,164	35,965
EMS - EMS Net Fund	483,039	125,125	76	608,240
Airport	280,523	-	-	280,523
MRAC	64,256	1,842	23,942	90,040
<b>Total-business-type activities</b>	<b>\$ 884,565</b>	<b>\$ 160,068</b>	<b>\$ 29,182</b>	<b>\$ 1,073,815</b>

#### **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](http://www.osc.nc.gov).

*Benefits Provided.* LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of

## Wayne County, North Carolina

### Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2019, was 8.50% of compensation for law enforcement officers and 7.82% 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. This includes the required death benefit percentage of 0.070% for general employees. Contributions to the pension plan from the County were \$2,957,076 for the year ended June 30, 2019.

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

The ABC Boards' current rate for Employees not engaged in law enforcement officers is 7.92% of annual covered payroll. The ABC Board's contributions to LGERS for the year ended June 30, 2019, was \$57,707. 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, 2019

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

At June 30, 2019, the County reported a liability of \$14,142,954 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was 0.596%, which was an increase of 0.0180% from its proportion measured as of June 30, 2018 (measure as of June 30, 2017).

For the year ended June 30, 2019, the County recognized pension expense of \$3,106,039. At June 30, 2019, 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	\$ 2,181,922	\$ 73,214
Changes of assumptions	3,752,994	-
Net difference between projected and actual earnings on pension plan investments	1,941,407	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	210,675	44,248
Employer contributions subsequent to the measurement date*	2,957,076	-
<b>Total</b>	<b>\$ 11,044,074</b>	<b>\$ 117,462</b>

\$2,957,076 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, 2020. 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, 2019

Year ended June 30:	
2020	\$ 3,826,982
2021	2,501,667
2022	512,358
2023	1,128,528
2024	-
Thereafter	-
	<u>\$ 7,969,535</u>

At June 30, 2019, the ABC Board reported a liability of \$241,979 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The 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, 2018, the ABC Board's proportion was 0.01020%, which was an decrease of (0.00011%) from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the ABC Board recognized pension expense of \$80,520. At June 30, 2019, 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	\$ 37,332	\$ 1,253
Changes of assumptions	64,212	-
Net difference between projected and actual earnings on pension plan investments	33,216	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	20,727	-
Employer contributions subsequent to the measurement date*	57,707	-
<b>Total</b>	<b><u>\$ 213,194</u></b>	<b><u>\$ 1,253</u></b>

\$57,707 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, 2020. 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, 2019

Year ended June 30:	
2020	\$ 72,768
2021	47,804
2022	11,963
2023	21,699
2024	-
Thereafter	-
	<hr/>
	\$ 154,234

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

Inflation	3.0 percent
Salary increases	3.50 to 8.10 percent, including inflation and productivity factor
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 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, 2019 are summarized in the following table:

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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%
<b>Total</b>	<b>100.0%</b>	

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 calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

*Discount rate.* The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the County's proportionate share of the net pension 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 7.00 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
County's proportionate share of the net pension liability (asset)	\$ 33,972,601	\$ 14,142,954	\$ (2,427,009)
ABC Board's proportionate share of the net pension liability	581,254	241,979	(41,525)

*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, 2019

### 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, 2018, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	9
Active plan members	127
Total	<u>136</u>

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

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

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2017. Mortality rates are based on the RP-2014 Mortality tables with adjustments for mortality improvements based MP-2015.

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### 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 \$103,778 as benefits came due for the measurement period, and paid \$62,143 in benefits for the period subsequent to December 31, 2018 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, 2019, the County reported a total pension liability of \$2,581,290. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$269,669.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 172,513	\$ -
Changes of assumptions	115,156	115,195
Employer contributions subsequent to the measurement date*	63,178	-
<b>Total</b>	<b><u>\$ 350,847</u></b>	<b><u>\$ 115,195</u></b>

\$62,143 reported as deferred outflows of resources related to pensions resulting from benefit payments made and \$1,035 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, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2020	\$ 45,551
2021	45,551
2022	45,551
2023	34,326
2024	1,495
Thereafter	-
	<b><u>\$ 172,474</u></b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

*Sensitivity of the County's total pension liability to changes in the discount rate.* The following presents the County's total pension liability calculated using the discount rate of 3.64 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 (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 2,811,847	\$ 2,581,290	\$ 2,372,118

Schedule of Changes in Total Pension Liability		
Service cost	\$ 147,373	
Interest on TOL and cash flows	75,742	
Changes in benefit terms	-	
Difference between expected and actual experience	121,079	
Changes in assumptions or other inputs	(107,909)	
Benefit payments	(103,778)	
Net changes in total LEOSSA liability	132,507	
Total LEOSSA liability (TOL) - beginning		2,448,783
Total LEOSSA liability (TOL) - ending		\$ 2,581,290

*Changes of assumptions.* Changes of assumptions and other inputs reflect a change in the discount rate from 3.13 percent at June 30, 2017 to 3.64 percent at December 31, 2018.

*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, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

### **c. Supplemental Retirement Income Plan for Law Enforcement Officers**

**Plan Description.** The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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, 2019 were \$865,346, which consisted of \$507,272 from the County and \$358,074 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, 2019, 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, 2019 was \$760,251.

### **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](http://www.osc.nc.gov).

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

**Contributions.** Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$7,865 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$157,946 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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, 2018, the County's proportion was 0.954%, which was a decrease of (0.023%) from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$30,754. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,392	\$ 7,209
Changes of assumptions	7,429	-
Net difference between projected and actual earnings on pension plan investments	25,175	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,617	644
Employer contributions subsequent to the measurement date*	7,865	-
<b>Total</b>	<b>\$ 45,478</b>	<b>\$ 7,853</b>

\$7,865 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

## Wayne County, North Carolina

### Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

Year ended June 30:	
2020	\$ 14,873
2021	3,559
2022	7,419
2023	3,910
2024	-
Thereafter	-
	<hr/>
	\$ 29,761

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

Inflation	3.0 percent
Salary increases	3.50 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, 2017 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 2019 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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	\$ 124,532	\$ 157,946	\$ 186,126

*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, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2018, with an actuarial valuation date of December 31, 2017. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entries. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 14,142,954	\$ (157,946)	\$ -	\$ 13,985,008
Proportion of the Net Pension Liability (Asset)	0.596%	0.954%	N/A	1.550%
Total Pension Liability	\$ -	\$ -	\$ 2,581,290	\$ 2,581,290
Pension Expense	\$ 3,106,039	\$ 30,754	\$ 269,669	\$ 3,406,462

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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

	LGERS	ROD	LEOSSA	Total
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 2,181,922	\$ 1,392	\$ 172,513	\$ 2,355,827
Changes of assumptions	3,752,994	7,429	115,156	3,875,579
Net difference between projected and actual earnings on pension plan investments	1,941,407	25,175	-	1,966,582
Changes in proportion and differences between employer contributions and proportionate share of contributions	210,675	3,617	-	214,292
County contributions (LGERS, ROD)/benefit payments and administrativion costs (LEOSSA) subsequent to the measurement date	2,957,076	7,865	63,178	3,028,119
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ 73,214	\$ 7,209	\$ -	\$ 80,423
Changes of assumptions	-	-	115,195	115,195
Changes in proportion and differences between employer contributions and proportionate share of contributions	44,248	644	-	44,892

### **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

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

Plan cannot be separated between the postemployment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

### **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, 2018, the date of the latest actuarial valuation:

	<u>Employees:</u>
Retirees and dependents receiving benefits	119
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	280
<b>Total</b>	<b>399</b>

### **Total OPEB Liability**

The County's total OPEB liability of \$35,231,937 was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017.

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

*Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 - 7.75 percent, including inflation
Discount rate	3.89 percent
Healthcare cost trend rates	Medical/Prescription - 7.25 percent

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

### Changes in the Total Liability

Balance at July 1, 2018	\$ 36,960,757
Changes for the Year	
Service cost	979,860
Interest	1,301,395
Changes in benefit terms	-
Difference between expected and actual experience	(1,261,468)
Changes in assumptions or other inputs	(1,932,010)
Benefit payments	<u>(816,597)</u>
Net changes	<u>(1,728,820)</u>
Balance at June 30, 2019	<u>\$ 35,231,937</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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, 2018 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 Board. 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, 2018 valuation were based on a review of recent plan experience done concurrently with the June 30, 2018 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 (2.89 percent) or 1-percentage point higher (4.89 percent) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	(2.89%)	(3.89%)	(4.89%)
Total OPEB Liability	\$ 41,972,180	\$ 35,231,937	\$ 29,956,956

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

*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	\$ 29,550,398	\$ 35,231,937	\$ 42,599,154

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$839,848. At June 30, 2019, 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	\$ -	\$ 1,106,651
Changes of assumptions	-	4,363,206
Employer contributions subsequent to the measurement date	1,026,464	-
<b>Total</b>	<b>\$ 1,026,464</b>	<b>\$ 5,469,857</b>

\$1,026,464 reported as deferred outflows of resources related to OPEB employer contributions resulting from benefit payments made, \$963,512, and administrative expenses, \$62,952, incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2020	\$ (1,254,971)
2021	(1,254,971)
2022	(1,254,971)
2023	(1,254,971)
2024	(449,973)
Thereafter	-
	<b>\$ (5,469,857)</b>

**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

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

25 years of service or at any age after 30 years of continuous service and are qualified to receive benefits from NCLGERS.

*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, 2018, the date of the latest actuarial valuation:

	<u>Employees:</u>
Retirees and dependents receiving benefits	7
Terminated plan members entitled to but not yet receiving benefits	0
Active plan members	19
<b>Total</b>	<b>26</b>

### ABC Board - Total OPEB Liability

The County's total OPEB liability of \$479,051 was measured as of June 30, 2018 and was determined by an actuarial valuation as of that date.

*ABC Board - Actuarial assumptions and other inputs.* The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50 percent
Salary increases	3.50 percent to 7.75 percent
Discount rate	2.89 percent
Healthcare cost trend rates	Pre-Medicare, 7.25 percent Medicare, 5.38 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, 2018	\$ 569,960
Changes for the Year	
Service cost	18,626
Interest	19,806
Changes in benefit terms	-
Difference between expected and actual experience	(83,176)
Changes in assumptions or other inputs	(18,728)
Benefit payments	(27,437)
Net changes	(90,909)
Balance at June 30, 2018	<b>\$ 479,051</b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

Changes in assumptions and other inputs reflect a change in the discount rate from 3.56% to 3.89%.

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, 2018 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 (2.89 percent) or 1-percentage point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89%)	Discount Rate (3.89%)	1% Increase (4.89%)
Total OPEB Liability	\$ 547,162	\$ 479,051	\$ 423,858

*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 \$ 420,649	Current \$ 479,051	1% Increase \$ 553,050
Total OPEB Liability			

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$13,949. At June 30, 2019, 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	\$ 472	\$ 69,910
Changes of assumptions	-	46,914
Employer contributions subsequent to the measurement date	24,801	-
Total	<u>\$ 25,273</u>	<u>\$ 116,824</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

\$24,801 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 ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2020	\$ 24,483
2021	24,483
2022	24,483
2023	22,264
2024	16,253
Thereafter	4,386
	<hr/>
	\$ 116,352

### **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 \$6,901,665 reported as landfill closure and postclosure care liability at June 30, 2019, 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 \$2,371,961 and \$4,529,704 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 \$8,841,464 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 2019. 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, 2019

### 4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions/OPEB - difference between expected and actual experience		
LGERS	\$ 2,181,922	\$ 73,214
LEOSSA	172,513	-
Register of Deeds	1,392	7,209
OPEB	-	1,106,651
Pensions/OPEB - changes of assumptions		
LGERS	3,752,994	-
LEOSSA	115,156	115,195
Register of Deeds	7,429	-
OPEB	-	4,363,206
Pensions - net difference between projected and actual earnings on investments		
LGERS	1,941,407	-
Register of Deeds	25,175	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	210,675	44,248
Register of Deeds	3,617	644
Employer contributions subsequent to measurement date		
LGERS	2,957,076	-
LEOSSA	63,178	-
Register of Deeds	7,865	-
OPEB	1,026,454	-
Prepaid taxes not yet earned (General)	-	266,333
Prepaid taxes not yet earned (Special Revenue)	-	10,314
Taxes receivable, net, less penalties (Special Revenue)	-	157,357
Deferred fee and grant revenue (Business)	-	111,064
	<u>\$ 12,466,853</u>	<u>\$ 6,255,435</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### **5. Risk Management**

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 \$143,000,000 subject to a \$10,000 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 \$600,000 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, 2019

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 \$679,364 is due in the current year.

	2019	2018
Liability balance, July 1,	\$ 576,577	\$ 604,620
Incurred claims & claim adjustment expenses	8,458,873	7,248,031
Claims & claims adjustment expenses	<u>(8,356,086)</u>	<u>(7,276,074)</u>
Liability Balance, June 30	<u><u>\$ 679,364</u></u>	<u><u>\$ 576,577</u></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, 2019, 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, 2019

As of June 30, 2019, the County had repaid all amounts owed under the three promissory notes; however, amounts were still owed from local municipalities.

As of June 30, 2019, the amounts owed to Wayne County from the local municipalities are as follows:

	<b>Original Loan</b>	<b>Payments Received</b>	<b>Balance</b>
Town of Fremont, NC	\$ 255,245	\$ (242,483)	\$ 12,762
City of Goldsboro, NC	636,876	(636,876)	-
City of Goldsboro, NC	3,000,000	(400,000)	2,600,000
Town of Mt. Olive, NC	100,000	(80,000)	20,000
Town of Fremont, NC	70,000	(37,809)	32,191
	<u>\$ 4,062,121</u>	<u>\$ (1,397,168)</u>	<u>\$ 2,664,953</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.

### **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.

## **Wayne County, North Carolina**

### **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

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 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.

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

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.

### 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
\$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%.	30,760,000
\$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.	199,044
\$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.	167,425
	<u>\$ 46,126,469</u>

For Governmental activities, the future minimum payments as of June 30, 2019 are:

<b>Year ending June 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Principal and Interest</b>
2020	\$ 1,739,469	\$ 1,474,214	\$ 3,213,683
2021	1,373,000	1,416,076	2,789,076
2022	1,373,000	1,363,194	2,736,194
2023	1,373,000	1,310,311	2,683,311
2024	1,373,000	1,257,429	2,630,429
Thereafter	38,895,000	4,174,661	43,069,661
<b>Total</b>	<b>\$ 46,126,469</b>	<b>\$ 10,995,885</b>	<b>\$ 57,122,354</b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

Business-type activities:

The installment financing agreements are as follows:

EMS - EMS Net: \$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.	160,956
EMS - EMS Net: \$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.	17,575
Maxwell Center: \$2,318,767 installment financing agreement to be paid monthly beginning September, 2018 with interest at 0% per annum, secured by building. Final payment due September, 2028.	1,893,659
<hr/> <u>\$ 2,054,615</u>	

For business type activities, the future minimum payments as of June 30, 2019 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2020	\$ 410,408	\$ 2,560	\$ 412,968
2021	231,877	-	231,877
2022	231,877	-	231,877
2023	231,877	-	231,877
2024	231,877	-	231,877
Thereafter	<u>716,699</u>	-	<u>716,699</u>
Total	<u>\$ 2,054,615</u>	<u>\$ 2,560</u>	<u>\$ 2,057,175</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

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

2.72%. The balance as of June 30, 2019 is \$32,825,000. Governmental activities balance is \$20,555,000 as of June 30, 2019 and business-type activities balance is \$2,130,000 and \$10,140,000 as of June 30, 2019, sewer and Maxwell Center, respectively.

For governmental activities, the future minimum payments as of June 30, 2019 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2020	\$ 1,905,000	\$ 874,690	\$ 2,779,690
2021	1,900,000	834,040	2,734,040
2022	1,895,000	766,540	2,661,540
2023	1,895,000	699,290	2,594,290
2024	1,720,000	632,040	2,352,040
Thereafter	11,240,000	3,529,270	14,769,270
Total	<u>\$ 20,555,000</u>	<u>\$ 7,335,870</u>	<u>\$ 27,890,870</u>

For business-type activities, the future minimum payments as of June 30, 2019 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2020	\$ 550,000	\$ 506,960	\$ 1,056,960
2021	550,000	490,460	1,040,460
2022	550,000	462,960	1,012,960
2023	545,000	435,460	980,460
2024	550,000	408,210	958,210
Thereafter	9,525,000	2,599,130	12,124,130
Total	<u>\$ 12,270,000</u>	<u>\$ 4,903,180</u>	<u>\$ 17,173,180</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 \$4,072,813.

The ABC Board has an installment loan payable to a local bank. The original loan amount of \$910,000 has a balance due of \$410,000, with current maturities of \$102,949, as of June 30, 2019. It has quarterly payments of \$29,213 at 3.74 percent interest with the balance due on July 10, 2028. It is secured by the building and real estate. Aggregate maturities of long-term debt are as follows:

Years ending June 30:

2020	\$ 102,949
2021	106,853
2022	110,906
2023	89,292
Thereafter	-
Total	<u>\$ 410,000</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### 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, 2019:

	Balance July 01, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balance
<b>Governmental activities:</b>					
Installment purchase contract	\$ 49,502,364	\$ -	\$ 3,375,895	\$ 46,126,469	\$ 1,739,469
Promissory note payable	613,838	-	613,838	-	-
Limited obligation bond	21,615,000	-	1,060,000	20,555,000	1,905,000
Net OPEB liability	31,566,564	-	1,490,370	30,076,194	-
Total pension liability (LEOSSA)	2,448,783	132,507	-	2,581,290	-
Net pension liability (LGERS)	7,040,180	4,229,551	-	11,269,731	-
Compensated absences	2,277,527	2,219,607	2,277,527	2,219,607	2,219,607
Total governmental activities	<u>\$ 115,064,256</u>	<u>\$ 6,581,665</u>	<u>\$ 8,817,630</u>	<u>\$ 112,828,291</u>	<u>\$ 5,864,076</u>
<b>Business-type activities:</b>					
<b>Solid Waste Disposal:</b>					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	6,565,249	336,416	-	6,901,665	-
Net OPEB liability	962,533	-	42,026	920,507	-
Net pension liability (LGERS)	382,157	245,489	-	627,646	-
Compensated absences	99,237	95,920	99,237	95,920	95,920
Total governmental activities	<u>\$ 8,009,176</u>	<u>\$ 677,825</u>	<u>\$ 141,263</u>	<u>\$ 8,545,738</u>	<u>\$ 95,920</u>
<b>Business-type activities:</b>					
<b>Sewer:</b>					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Limited obligation bond	2,250,000	-	120,000	2,130,000	120,000
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	42,474	-	1,549	40,925	-
Net pension liability (LGERS)	8,492	5,456	-	13,948	-
Compensated absences	-	-	-	-	-
Total governmental activities	<u>\$ 2,300,966</u>	<u>\$ 5,456</u>	<u>\$ 121,549</u>	<u>\$ 2,184,873</u>	<u>\$ 120,000</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

	<u>Balance</u> <u>July 01, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion of</u> <u>Balance</u>
<b><u>Business-type activities:</u></b>					
<b>EMS - EMS Net:</b>					
Installment purchase contract	\$ 354,636	\$ -	\$ 176,105	\$ 178,531	\$ 178,531
Promissory note payable	-	-	-	-	-
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	4,346,713	-	192,387	4,154,326	-
Net pension liability (LGERS)	1,350,289	769,759	-	2,120,048	-
Compensated absences	190,077	171,623	190,077	171,623	171,623
<b>Total governmental activities</b>	<b>\$ 6,241,715</b>	<b>\$ 941,382</b>	<b>\$ 558,569</b>	<b>\$ 6,624,528</b>	<b>\$ 350,154</b>
 <b><u>Business-type activities:</u></b>					
<b>Jetport:</b>					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Promissory note payable	-	-	-	-	-
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	42,474	-	2,489	39,985	-
Net pension liability (LGERS)	25,477	2,418	-	27,895	-
Compensated absences	6,007	2,992	6,007	2,992	2,992
<b>Total governmental activities</b>	<b>\$ 73,958</b>	<b>\$ 5,410</b>	<b>\$ 8,496</b>	<b>\$ 70,872</b>	<b>\$ 2,992</b>
 <b><u>Business-type activities:</u></b>					
<b>Maxwell Center:</b>					
Installment purchase contract	\$ 2,125,536	\$ -	\$ 231,877	\$ 1,893,659	\$ 231,877
Promissory note payable	-	-	-	-	-
Limited obligation bond	10,570,000	-	430,000	10,140,000	430,000
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
Net pension liability (LGERS)	25,477	58,209	-	83,686	-
Compensated absences	8,567	8,362	8,567	8,362	8,362
<b>Total governmental activities</b>	<b>\$ 12,729,580</b>	<b>\$ 66,571</b>	<b>\$ 670,444</b>	<b>\$ 12,125,707</b>	<b>\$ 670,239</b>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

<u>Business-type activities:</u>	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>	<u>Current Portion of Balance</u>
	<u>July 01, 2018</u>			<u>June 30, 2019</u>	
<b>Combined:</b>					
Installment purchase contract	\$ 2,480,172	\$ -	\$ 407,982	\$ 2,072,190	\$ 410,408
Promissory note payable	-	-	-	-	-
Limited obligation bond	12,820,000	-	550,000	12,270,000	550,000
Accrued landfill closure and post-closure care costs	6,565,249	336,416	-	6,901,665	-
Net OPEB liability	5,394,194	-	238,451	5,155,743	-
Net pension liability (LGERS)	1,791,892	1,081,331	-	2,873,223	-
Compensated absences	303,888	278,897	303,888	278,897	278,897
Total governmental activities	<u>\$ 29,355,395</u>	<u>\$ 1,696,644</u>	<u>\$ 1,500,321</u>	<u>\$ 29,551,718</u>	<u>\$ 1,239,305</u>

At June 30, 2019, Wayne County had no unissued bonds and a legal debt margin of \$673,962,951.

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

	<b>Governmental Activities</b>	<b>Business- type Activities</b>	<b>Total Debt</b>
Installment Purchase Contracts	\$ 46,126,469	\$ 2,072,190	\$ 48,198,659
Limited Obligation Bonds	20,555,000	12,270,000	32,825,000
	<u>\$ 66,681,469</u>	<u>\$ 14,342,190</u>	<u>\$ 81,023,659</u>

### Interfund Balances and Activity

#### Transfers to/from:

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

<u>Description</u>	<u>Amount</u>
From the General fund to Emergency Services fund to provide resources for emergency operations.	\$ (4,634,703)
From the General fund to Sewer fund to provide resources for capital projects and related financing.	(458,426)
From the General fund to Jetport fund to provide resources for capital assets.	(686,677)
From the General fund to Maxwell fund to provide resources for operations.	(1,052,414)
Total General Fund Transfers (Exhibit 2)	<u>\$ (6,832,220)</u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

Description	Amount
From the General fund to Emergency Services fund to provide resources for emergency operations.	\$ (4,634,703)
From the General fund to Sewer fund to provide resources for capital projects and related financing.	(458,426)
From the General fund to Jetport fund to provide resources for capital assets.	(686,677)
From the General fund to Maxwell fund to provide resources for operations.	(1,052,414)
From the General fund to County Public School Funds to provide resources for capital projects.	(298,575)
From the General fund to County Capital Project fund to provide resources for the street assessment project.	(24,097)
From the General Fund to the Internal Service Fund - Fleet Management to cover indirect costs.	(77,241)
Total General Fund transfers out (Exhibit 4)	<u><u>\$ (7,232,133)</u></u>

Description	Amount
From the Street Assessment Fund to the General Fund to cover debt payment.	\$ (319,000)
Total Other Governmental Fund transfers out (Exhibit 4)	(319,000)
Total transfers out (Exhibit 4)	<u><u>\$ (7,551,133)</u></u>

### C. Net Investment in Capital Assets

Net investment in Capital Assets as of June 30, 2019 consists of the following:

	Governmental Activities	Business-type Activities	Total	Wayne County ABC Board
Capital Assets	\$ 149,311,689	\$ 59,400,626	\$ 208,712,315	\$ 2,371,322
less: long-term debt	66,681,469	14,342,190	81,023,659	410,000
plus: Unspent debt proceeds	<u>3,445,566</u>	<u>627,247</u>	<u>4,072,813</u>	-
Net investment in capital assets	<u><u>\$ 86,075,786</u></u>	<u><u>\$ 45,685,683</u></u>	<u><u>\$ 131,761,469</u></u>	<u><u>\$ 1,961,322</u></u>

# Wayne County, North Carolina

## Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019

### **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)	\$ 47,852,232
Less:	
Restricted for: Stabilization by state statute	7,432,110
Restricted for: Future debt payments, QSCB	7,503,421
Restricted for: Public Schools	5,342,094
Restricted for: Tax revaluation	533,621
Restricted for: Law enforcement	124,896
Restricted for: Grants	37,392
Committed for: Future capital projects	1,097,207
Committed for: Community College	989,782
Committed for: Public Schools	1,516,675
Assigned for: Subsequent year's expenditures	719,611
Assigned for: Donations	40,262
Working Fund Balance Policy	<u>10,512,840</u>
	(35,849,911)
Remaining Fund Balance	<u>\$ 12,002,321</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.

### **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

## **Wayne County, North Carolina**

### **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$4,081,713 and \$309,125 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at 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.

The County, the City of Goldsboro, and the Wayne County Economic Development Alliance, Inc. (WCDA) entered into a joint venture to develop a shell building on land owned by Wayne County. The plan is to bring new business into the area for economic growth by having a building available for their operations. WCDA contributed \$492,000 towards the project in the current fiscal year. After completion of the shell building, the City of Goldsboro will owe the County \$425,000 towards the construction costs with three annual payments of \$141,667 beginning twenty-five months after completion of the building. No liability has been recorded at this time as the construction project has not been completed.

#### **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, 2019

	Federal	State
Medicaid	\$ 117,940,853	\$ 61,522,983
N.C. Health Choice	1,169,685	-
Temporary Assistance for Needy Families	643,605	
Refugee Assistance Program	1,231	-
Special Assistance for Adults	-	964,203
Women, Infant, Children Program	3,041,748	-
Supplemental Nutrition Assistance Program	38,179,895	-
IV-E Foster Care/Adoption Subsidy	1,109,210	279,375
CWS Adoption Subsidy and Vendor	-	498,520
	<hr/> <u>\$ 162,086,227</u>	<hr/> <u>\$ 63,265,081</u>

### **VII. Summary Disclosure of Significant Contingencies 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 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. Change in Accounting Principles/Restatement**

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. Upon issuing the statement for the year ending June 30, 2019, the ABC Board changed their prior period adjustment to a beginning balance adjustment of a decrease of \$509,145. This resulted in a net change to the component unit presentation, Exhibit 2, adjustment of \$79,060.

The County originally paid costs on behalf of Wayne Community College costs to start preparing a building (Dixie Trail Building) for their use. The College decided against using the building for their purpose and the Board of Commissioners decided to begin improvements to use the building to house the Department of Social Services. The County recorded a beginning balance adjustment as an increase to net position of \$979,306. The County also discovered land that was originally capitalized, but is not deeded in their name during the fiscal year. The County removed the asset from their records and recorded a beginning balance adjustment as a decrease to net position of \$100,000. The overall prior period adjustment to net position on Exhibit 2, governmental activities, is a net \$879,306.

## **Wayne County, North Carolina**

### **Notes to the Financial Statements For the Fiscal Year Ended June 30, 2019**

#### **IX. Subsequent Events**

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. As of June 30, 2019, only \$1,252,565 has been received.

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. As of June 30, 2019, the County has not yet received this grant.

In July of 2019, the Board of Commissioners approved a Resolution for Reimbursement of Expenditures from a Debt Financing of County Projects in an amount not to exceed a total of \$7,250,000. The County expects to execute the debt financing in the winter of 2020, and the projects will include the following: voting equipment; replacement of Finance, HR, Payroll and Inspections/Planning software; renovating the Dixie Trail building; construction of two 911 towers; replacement of radios and other Emergency Management projects.

On August 24, 2019, Wayne County was impacted by the landfall of Hurricane Dorian as a Category 1 storm. The damage to the County was minimal; however, an application has been submitted to receive FEMA reimbursement for personnel and material costs that were incurred as a result of the storm. The final amount for reimbursement has not yet been compiled as of issuance of these statements.

## **Required Supplemental Financial Data**

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

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Schedule of 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, 2019\*

	<b>2019</b>	<b>2018</b>
Service costs at end of the year**	\$ 979,860	\$ 1,129,480
Interest on TOL and cash flows	1,301,395	1,179,241
Changes of benefit terms	-	-
Differences between expected and actual experience	(1,261,468)	(111,921)
Changes of assumptions	(1,932,010)	(4,089,514)
Benefit payments	<u>(816,597)</u>	<u>(643,166)</u>
<b>Net change in total OPEB liability</b>	<b>(1,728,820)</b>	<b>(2,535,880)</b>
<b>Total OPEB liability (TOL) - beginning</b>	<b>36,960,757</b>	<b>39,496,637</b>
<b>Total OPEB liability (TOL) - ending</b>	<b><u>\$ 35,231,937</u></b>	<b><u>\$ 36,960,757</u></b>

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

<b>Covered payroll</b>	11,972,970	12,052,425
<b>Total OPEB liability as a percentage of covered payroll</b>	294.26%	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:

<b>Year</b>	<b>Rate</b>
2019	3.89%
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 Six Fiscal Years \*

	2019	2018
County's Proportion of the net pension liability (asset) %	0.596%	0.578%
County's proportionate share of the net pension liability (asset) \$	\$ 14,142,954	\$ 8,832,072
County's covered employee payroll	\$ 36,327,778	\$ 34,691,540
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	38.932%	25.459%
Plan fiduciary net position as a percentage of the total pension liability	91.630%	94.180%

\* 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>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
	0.528%	0.533%	0.518%	0.524%
\$	11,211,235	\$ 2,390,956	\$ (3,052,879)	\$ 6,312,596
\$	31,101,885	\$ 30,402,981	\$ 29,463,829	\$ 29,463,829
	36.047%	7.700%	-10.040%	21.420%
	91.470%	98.090%	102.640%	94.350%

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

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 2,762,866	\$ 2,548,954
Contribututions in relation to the contractually required contribution	<u>2,762,866</u>	<u>2,548,954</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 37,295,354	\$ 36,327,778
Contibutions as a percentage of covered-employee payroll	7.408%	7.017%

*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.*

2017	2016	2015	2014
\$ 2,586,457	\$ 2,123,597	\$ 2,148,490	\$ 2,091,600
<u>2,586,457</u>	<u>2,123,597</u>	<u>2,148,490</u>	<u>2,091,600</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 34,691,540	\$ 31,101,885	\$ 30,402,981	\$ 29,463,829
7.456%	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 Six Fiscal Years \*

	<u>2019</u>	<u>2018</u>	
County's Proportion of the net pension liability (asset) %	0.954%	0.977%	
County's proportionate share of the net pension liability (asset) \$	\$ (157,946)	\$ (166,701)	
County's covered employee payroll	\$ 62,915	\$ 62,531	
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-251.047%	-266.589%	
Plan fiduciary net position as a percentage of the total pension liability	153.310%	153.770%	

\* 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.*

	2017	2016	2015	2014
	0.980%	0.956%	0.962%	0.925%
\$	(183,300)	(221,556)	(218,061)	(197,627)
\$	64,808	58,761	57,974	57,974
	-282.835%	-341.870%	-371.100%	-340.890%
	160.170%	197.290%	193.880%	190.500%

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

	<u>2019</u>	<u>2018</u>
Contractually required contribution	\$ 8,161	\$ 8,486
Contribututions in relation to the contractually required contribution	<u>8,161</u>	<u>8,486</u>
Contribution deficiency (excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
County's covered-employee payroll	\$ 64,230	\$ 62,915
Contibutions as a percentage of covered-employee payroll	12.706%	13.488%

*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.*

2017	2016	2015	2014
\$ 7,814	\$ 8,009	\$ 7,650	\$ 7,855
<u>7,814</u>	<u>8,009</u>	<u>7,650</u>	<u>7,855</u>
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
\$ 62,531	\$ 64,808	\$ 58,761	\$ 57,974
12.496%	12.358%	13.019%	13.549%

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

	<u>2019</u>	<u>2018</u>
Service costs at end of the year**	\$ 147,373	\$ 124,978
Interest on TOL and cash flows	75,742	76,588
Changes of benefit terms	-	-
Differences between expected and actual experience	121,079	112,524
Changes of assumptions	(107,909)	177,740
Benefit payments	(103,778)	(54,409)
<b>Net change in total LEOSSA liability</b>	<b>132,507</b>	<b>437,421</b>
<b>Total LEOSSA liability (TOL) - beginning</b>	<b>2,448,783</b>	<b>2,011,362</b>
<b>Total LEOSSA liability (TOL) - ending</b>	<b>\$ 2,581,290</b>	<b>\$ 2,448,783</b>

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

<b>Covered payroll</b>	5,925,898	5,497,204
<b>Total LEOSSA liability as a percentage of covered payroll</b>	<b>43.56%</b>	<b>44.55%</b>

**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, 2018 Measurement Date: The Municipal Bond Index Rate remained at 3.16%.

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.*

<u>2017</u>	
\$	119,982
	67,593
	-
	(50,080)
	(38,993)
	<u>98,502</u>
	1,912,860
<u>\$</u>	<u>2,011,362</u>

4,948,972  
40.64%

## **General Fund**

### **Major Fund**

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

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**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, 2019**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
<b>Revenues</b>			
Ad valorem taxes			
Taxes	\$ 54,889,643	\$ 55,896,968	\$ 1,007,325
Penalties and interest	300,000	306,695	6,695
Total	<u>55,189,643</u>	<u>56,203,663</u>	<u>1,014,020</u>
Local option sales tax			
Article 39 one percent	7,518,322	8,540,173	1,021,851
Article 40 one/half of one percent	6,152,071	6,522,461	370,390
Article 42 one/half of one percent	4,763,788	5,299,642	535,854
Article 44 one/half of one percent	1,271,460	1,532,604	261,144
Total	<u>19,705,641</u>	<u>21,894,880</u>	<u>2,189,239</u>
Other taxes and licenses			
Cable TV franchise tax	510,000	463,924	(46,076)
Leased vehicle tax	69,000	77,178	8,178
Total	<u>579,000</u>	<u>541,102</u>	<u>(37,898)</u>
Unrestricted intergovernmental revenues			
Beer and wine	292,200	235,379	(56,821)
Incentives	259,392	226,435	(32,957)
Total	<u>551,592</u>	<u>461,814</u>	<u>(89,778)</u>
Restricted intergovernmental			
Federal and State grants	35,152,700	20,096,761	(15,055,939)
Court facility fees	173,675	156,200	(17,475)
Controlled substance tax	15,028	22,103	7,075
Total	<u>35,341,403</u>	<u>20,275,064</u>	<u>(15,066,339)</u>
Permits and fees			
Building permits and inspection fees	1,465,000	545,005	(919,995)
Register of Deeds	1,244,000	1,212,302	(31,698)
Total	<u>2,709,000</u>	<u>1,757,307</u>	<u>(951,693)</u>
Charges for services			
Rents	1,272,547	898,966	(373,581)
Jail fees	1,645,400	1,730,970	85,570
Service fees	2,467,549	2,413,232	(54,317)
Tax collection fees	297,000	302,100	5,100
Total	<u>5,682,496</u>	<u>5,345,268</u>	<u>(337,228)</u>
Investment earnings	\$ 342,099	\$ 552,884	\$ 210,785

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues (cont'd)</b>			
Miscellaneous			
Donations	\$ 26,189	\$ 52,187	\$ 25,998
Refunds and reimbursements	1,295,506	423,454	(872,052)
Other	769,159	794,669	25,510
Total	<u>2,090,854</u>	<u>1,270,310</u>	<u>(820,544)</u>
Payments from various municipalities	453,063	210,077	(242,986)
<b>Total revenues</b>	<b>122,644,791</b>	<b>108,512,369</b>	<b>(14,132,422)</b>
<b>Expenditures</b>			
<b>General government</b>			
Board of commissioners			
Board - per diem	152,721	152,674	47
Operating expenditures	144,545	135,224	9,321
Total	<u>297,266</u>	<u>287,898</u>	<u>9,368</u>
County manager			
Salaries and employee benefits	512,421	512,361	60
Operating expenditures	44,197	34,901	9,296
Total	<u>556,618</u>	<u>547,262</u>	<u>9,356</u>
Board of elections			
Salaries and employee benefits	288,613	281,882	6,731
Per diem	15,200	13,800	1,400
Operating expenditures	233,083	214,682	18,401
Total	<u>536,896</u>	<u>510,364</u>	<u>26,532</u>
Finance			
Salaries and employee benefits	716,111	689,438	26,673
Operating expenditures	431,538	354,775	76,763
Capital outlay	250,000	-	250,000
Total	<u>1,397,649</u>	<u>1,044,213</u>	<u>353,436</u>
Information and technology			
Salaries and employee benefits	1,018,523	974,796	43,727
Operating expenditures	791,551	685,694	105,857
Capital outlay	45,000	28,460	16,540
Total	<u>1,855,074</u>	<u>1,688,950</u>	<u>166,124</u>
Communications			
Salaries and employee benefits	168,967	162,968	5,999
Operating expenditures	82,452	56,803	25,649
Capital outlay	42,010	39,511	2,499
Total	<u>\$ 293,429</u>	<u>\$ 259,282</u>	<u>\$ 34,147</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, 2019**

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures (cont'd)</b>			
Tax listing			
Salaries and employee benefits	\$ 957,000	\$ 907,840	\$ 49,160
Operating expenditures	578,765	484,382	94,383
Total	1,535,765	1,392,222	143,543
Tax revaluation			
Salaries and employee benefits	138,268	57,417.00	80,851
Operating expenditures	359,970	177,537	182,433
Total	498,238	234,954	263,284
GIS			
Salaries and employee benefits	6,783	6,458	325.00
Operating expenditures	64,993	61,653	3,340
Total	71,776	68,111	3,665
County-staff attorney			
Salaries and employee benefits	171,607	171,218	389
Operating expenditures	118,155	107,016	11,139
Total	289,762	278,234	11,528
County attorney			
Salaries and employee benefits	132,505	132,466	39
Operating expenditures	88,508	53,155	35,353
Total	221,013	185,621	35,392
Register of Deeds			
Salaries and employee benefits	362,672	352,740	9,932
Operating expenditures	506,235	471,880	34,355
Total	868,907	824,620	44,287
Buildings and grounds			
Salaries and employee benefits	1,689,342	1,625,913	63,429
Operating expenditures	800,911	427,164	373,747
Utilities	1,019,180	1,018,976	204
Maintenance	781,016	655,922	125,094
Capital outlay	710,107	277,089	433,018
Total	5,000,556	4,005,064	995,492
Central services			
Salaries and employee benefits	325,677	821,001	(495,324)
Operating expenditures	538,663	426,707	111,956
Fixed charges	682,672	636,912	45,760
Contra accounts	(1,999,182)	(2,088,682)	89,500
Total	\$ (452,170)	\$ (204,062)	\$ (248,108)

**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, 2019**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
			<b>Positive</b>
			<b>(Negative)</b>
<b>Expenditures (cont'd)</b>			
Planning board			
Salaries and employee benefits	\$ 322,943	\$ 322,735	\$ 208
Per diem	19,500	-	19,500
Operating expenditures	95,705	82,445	13,260
Capital outlay	124,374	-	124,374
Total	562,522	405,180	157,342
Personnel			
Salaries and employee benefits	278,156	277,858	298
Operating expenditures	31,799	24,714	7,085
Total	309,955	302,572	7,383
County aid			
Chamber of Commerce	15,800	53,051	(37,251)
Miscellaneous	52,868	51,508	1,360
Total	68,668	104,559	(35,891)
Court facilities			
Superior court	50,000	50,000	-
Law library	140,575	76,220	64,355
Total	190,575	126,220	64,355
Contingency	59,500	-	59,500
Total	59,500	-	59,500
<b>Total general government</b>	<b>14,161,999</b>	<b>12,061,264</b>	<b>2,100,735</b>
<b>Public Safety</b>			
Medical examiner			
Professional services	30,400	31,400	(1,000)
Autopsies	66,500	73,500	(7,000)
Total	96,900	104,900	(8,000)
Office of the sheriff			
Salaries and employee benefits	7,703,365	7,345,994	357,371
Operating expenditures	1,833,027	1,473,188	359,839
Capital outlay	606,665	534,103	72,562
Total	10,143,057	9,353,285	789,772
County jail			
Salaries and employee benefits	5,280,721	5,040,798	239,923
Operating expenditures	2,320,843	2,214,616	106,227
Capital outlay	145,000	-	145,000
Total	\$ 7,746,564	\$ 7,255,414	\$ 491,150

**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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
Day reporting center			
Salaries and employee benefits	\$ 317,313	\$ 309,284	\$ 8,029
Operating expenditures	60,191	53,741	6,450
Total	<u>377,504</u>	<u>363,025</u>	<u>14,479</u>
Sheriff grant			
Salaries and employee benefits	260,765	252,024	8,741
Operating expenditures	6,000	2,022	3,978
Total	<u>266,765</u>	<u>254,046</u>	<u>12,719</u>
NC resource officers			
Salaries and employee benefits	1,072,825	958,787	114,038
Operating expenditures	198,770	181,219	17,551
Capital outlay	18,500	18,500	-
Total	<u>1,290,095</u>	<u>1,158,506</u>	<u>131,589</u>
Emergency services			
Salaries and employee benefits	388,310	274,412	113,898
Operating expenditures	663,563	590,361	73,202
Capital outlay	77,738	27,737	50,001
Total	<u>1,129,611</u>	<u>892,510</u>	<u>237,101</u>
Emergency telephone			
Salaries and employee benefits	1,750,546	1,499,079	251,467
Operating expenditures	157,338	104,997	52,341
Total	<u>1,907,884</u>	<u>1,604,076</u>	<u>303,808</u>
Inspectors			
Salaries and employee benefits	482,662	475,299	7,363
Operating expenditures	57,631	45,007	12,624
Total	<u>540,293</u>	<u>520,306</u>	<u>19,987</u>
Hurricane Activity			
Salaries and employee benefits	462,591	462,591	-
Operating expenditures	156,288	177,888	(21,600)
Total	<u>618,879</u>	<u>640,479</u>	<u>(21,600)</u>
Animal control			
Salaries and employee benefits	618,871	585,349	33,522
Operating expenditures	233,358	173,912	59,446
Total	<u>852,229</u>	<u>759,261</u>	<u>92,968</u>
<b>Total public safety</b>	<b>\$ 24,969,781</b>	<b>\$ 22,905,808</b>	<b>\$ 2,063,973</b>

**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, 2019**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
<b>Transportation</b>			
Salaries and employee benefits	\$ 101,070	\$ 101,070	\$ -
Mount Olive Airport	33,281	33,281	-
Mass transit	239,904	239,770	134
Capital outlay	-	(207)	207
<b>Total</b>	<b>374,255</b>	<b>373,914</b>	<b>341</b>
<b>Total transportation</b>	<b>374,255</b>	<b>373,914</b>	<b>341</b>
<b>Economic and physical development</b>			
Agricultural extension service			
Salaries and employee benefits	153,414	110,113	43,301
Operating expenditures	565,799	542,038	23,761
Capital outlay	93,823	92,669	1,154
<b>Total</b>	<b>813,036</b>	<b>744,820</b>	<b>68,216</b>
Soil conservation service			
Salaries and employee benefits	224,890	222,792	2,098
Operating expenditures	169,412	161,373	8,039
<b>Total</b>	<b>394,302</b>	<b>384,165</b>	<b>10,137</b>
Forest fire control			
Operating expenditures	126,907	102,314	24,593
<b>Total</b>	<b>126,907</b>	<b>102,314</b>	<b>24,593</b>
Hazardous mitigation			
Operating expenditures	5,932,407	495,327	5,437,080
Capital Outlay	7,872,590	989,744	6,882,846
<b>Total</b>	<b>13,804,997</b>	<b>1,485,071</b>	<b>12,319,926</b>
Economic development			
US 70 Corridor	25,000	25,000	-
Other	2,730,379	543,098	2,187,281
Capital Outlay	2,079,400	708,706	1,370,694
<b>Total</b>	<b>4,834,779</b>	<b>1,276,804</b>	<b>3,557,975</b>
Economic Development Commission			
Salaries and employee benefits	369,008	368,876	132
Operating expenditures	8,875	7,530	1,345
<b>Total</b>	<b>377,883</b>	<b>376,406</b>	<b>1,477</b>
<b>Total economic and physical development</b>	<b>20,351,904</b>	<b>4,369,580</b>	<b>15,982,324</b>
<b>Human services</b>			
Veterans service officer			
Salaries and employee benefits	159,923	159,066	857
Operating expenditures	16,526	10,754	5,772
<b>Total</b>	<b>\$ 176,449</b>	<b>\$ 169,820</b>	<b>\$ 6,629</b>

**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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
WAGES/Communities in School			
Transportation	\$ 565,335	\$ 526,995	\$ 38,340
Total	565,335	526,995	38,340
4-H Discovery			
Salaries and employee benefits	49,851	41,312	8,539
Operating expenditures	26,222	20,034	6,188
Total	76,073	61,346	14,727
4-H Project Connect			
Capital outlay	6,320	6,320	-
Total	6,320	6,320	-
4-H expansion program			
Salaries and employee benefits	53,896	51,629	2,267
Operating expenditures	78,079	50,625	27,454
Capital outlay	17,091	14,493	2,598
Total	149,066	116,747	32,319
4-H fees and donations			
Operating expenditures	19,159	5,790	13,369
Total	19,159	5,790	13,369
Cooperative extension Smart Start			
Operating expenditures	51,904	29,604	22,300
Total	51,904	29,604	22,300
County aid			
Miscellaneous	286,822	286,411	411
Total	286,822	286,411	411
<i>Children and youth council</i>			
Youth council			
Family preservation	31,353	31,353	-
Operating expenditures	404,871	404,870	1
Total	436,224	436,223	1
<i>Total children and youth council</i>	436,224	436,223	1
<i>Senior citizens</i>			
Chore			
Salaries and employee benefits	398,912	329,762	69,150
Operating expenditures	39,781	28,604	11,177
Total	438,693	358,366	80,327
Transportation			
Salaries and employee benefits	9,582	9,574	8
Transportation	36,625	33,563	3,062
Total	\$ 46,207	\$ 43,137	\$ 3,070

**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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
Senior center health promotion			
Salaries and employee benefits	\$ 9,277	\$ 4,491	\$ 4,786
Operating expenditures	12,203	11,889	314
Total	21,480	16,380	5,100
Transportation general			
Salaries and employee benefits	8,519	6,411	2,108
Operating expenditures	440	270	170
Transportation	86,626	51,691	34,935
Total	95,585	58,372	37,213
Information/care assistance			
Salaries and employee benefits	49,643	49,464	179
Operating expenditures	4,764	1,744	3,020
Total	54,407	51,208	3,199
State chore			
Salaries and employee benefits	14,368	12,729	1,639
Operating expenditures	3,484	1,499	1,985
Total	17,852	14,228	3,624
Family care givers			
Salaries and employee benefits	-	(1,213)	1,213
Operating expenditures	23,858	23,858	-
Total	23,858	22,645	1,213
Senior citizens program			
Salaries and employee benefits	172,193	167,687	4,506
Operating expenditures	441,769	309,499	132,270
Total	613,962	477,186	136,776
SHIIP			
Salaries and employee benefits	12,497	10,896	1,601
Operating expenditures	4,590	2,591	1,999
Total	17,087	13,487	3,600
<i>Total senior citizens program</i>	<i>1,329,131</i>	<i>1,055,009</i>	<i>274,122</i>
<i>Social services</i>			
Administration			
Salaries and employee benefits	285,032	928,255	(643,223)
Operating expenditures	63,336	61,242	2,094
Total	\$ 348,368	\$ 989,497	\$ (641,129)

**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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
Child support - Title IV-D			
Salaries and employee benefits	\$ 1,199,789	\$ 1,037,123	\$ 162,666
Operating expenditures	269,003	243,476	25,527
Professional services	121,000	122,208	(1,208)
Total	1,589,792	1,402,807	186,985
Energy assistance			
Crisis intervention program	769,871	769,871	-
Progress Energy assistance	906,855	794,858	111,997
Total	1,676,726	1,564,729	111,997
Other administrative expenditures			
Operating expenditures	1,089,069	1,097,248	(8,179)
Contracted services	61,193	54,877	6,316
Capital outlay	200,000	285,000	(85,000)
Total	1,350,262	1,437,125	(86,863)
Regular service administrative			
Salaries and employee benefits	4,836,761	4,032,765	803,996
Operating expenditures	98,880	77,149	21,731
Total	4,935,641	4,109,914	825,727
Income maintenance			
Salaries and employee benefits	4,813,551	4,346,081	467,470
Operating expenditures	59,089	54,975	4,114
Total	4,872,640	4,401,056	471,584
Public assistance programs			
Special assistance to adults	1,107,018	914,839	192,179
Medicaid	384	384	-
Aid to the blind	10,014	10,014	-
IVE and IVB vendor payments	14,475	4,796	9,679
Adoption assistance	367,212	339,360	27,852
Miscellaneous	21,541	20,041.00	1,500
Total	1,520,644	1,289,434	231,210
Purchased services			
State in home care	23,556	8,504	15,052
Day care for children	26,250	-	26,250
Foster care	559,950	538,218	21,732
AFDC foster care	639,500	620,342	19,158
Transportation	208,780	213,714	(4,934)
Professional services	100,830	92,878	7,952
Miscellaneous	25,325	(9,533)	34,858
Total	\$ 1,584,191	\$ 1,464,123	\$ 120,068

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Expenditures (cont'd)</b>			
Work first block grant			
Education	\$ 4,000	\$ -	\$ 4,000
Miscellaneous	50,450	13,104	37,346
Total	<u>54,450</u>	<u>13,104</u>	<u>41,346</u>
County only assistance			
Miscellaneous services	20,450	10,770	9,680
Clothing	37,500	27,527	9,973
Total	<u>57,950</u>	<u>38,297</u>	<u>19,653</u>
<i>Total social services</i>	<i>17,990,664</i>	<i>16,710,086</i>	<i>1,280,578</i>
<i>Public health</i>			
Health administration			
Salaries and employee benefits	1,243,583	1,178,983	64,600
Operating expenditures	476,116	366,659	109,457
Total	<u>1,719,699</u>	<u>1,545,642</u>	<u>174,057</u>
Communicable diseases			
Salaries and employee benefits	63,023	-	63,023
Operating expenditures	5,574	5,024	550
Total	<u>68,597</u>	<u>5,024</u>	<u>63,573</u>
Tuberculosis			
Salaries and employee benefits	226,352	181,272	45,080
Operating expenditures	28,515	17,360	11,155
Total	<u>254,867</u>	<u>198,632</u>	<u>56,235</u>
Smart Start health services			
Salaries and employee benefits	52,667	43,284	9,383
Operating expenditures	18,892	11,362	7,530
Total	<u>71,559</u>	<u>54,646</u>	<u>16,913</u>
Health promotion			
Salaries and employee benefits	6,645	-	6,645
Operating expenditures	59,982	13,212	46,770
Total	<u>66,627</u>	<u>13,212</u>	<u>53,415</u>
Crippled children			
Salaries and employee benefits	15,609	9,408	6,201
Operating expenditures	700	206	494
Total	<u>\$ 16,309</u>	<u>\$ 9,614</u>	<u>\$ 6,695</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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
Adult health			
Salaries and employee benefits	\$ 122,178	\$ 121,336	\$ 842
Operating expenditures	70,909	42,162	28,747
Total	193,087	163,498	29,589
Maternity care project			
Salaries and employee benefits	1,355,959	1,107,485	248,474
Operating expenditures	371,893	309,483	62,410
Total	1,727,852	1,416,968	310,884
Child health			
Salaries and employee benefits	263,587	188,879	74,708
Operating expenditures	104,962	64,854	40,108
Capital outlay	6,000	5,944	56
Total	374,549	259,677	114,872
Child services coordinator			
Salaries and employee benefits	363,015	352,333	10,682
Operating expenditures	18,453	12,441	6,012
Total	381,468	364,774	16,694
Dental program			
Salaries and employee benefits	91,539	47,393	44,146
Operating expenditures	198,335	55,487	142,848
Total	289,874	102,880	186,994
Family planning			
Salaries and employee benefits	841,975	730,213	111,762
Operating expenditures	213,879	147,625	66,254
Total	1,055,854	877,838	178,016
AIDS control			
Salaries and employee benefits	258,706	256,462	2,244
Operating expenditures	41,532	26,482	15,050
Total	300,238	282,944	17,294
Women, infants and children			
Salaries and employee benefits	808,239	746,320	61,919
Operating expenditures	68,767	52,543	16,224
Total	\$ 877,006	\$ 798,863	\$ 78,143

**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, 2019**

<b>Expenditures (cont'd)</b>	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
Environmental health			
Salaries and employee benefits	\$ 518,141	\$ 515,481	\$ 2,660
Operating expenditures	398,617	176,101	222,516
Total	916,758	691,582	225,176
Bioterrorism program			
Salaries and employee benefits	28,385	21,261	7,124
Operating expenditures	15,735	9,262	6,473
Total	44,120	30,523	13,597
Opiod Action Plan			
Salaries and employee benefits	40,652	19,100	21,552
Operating expenditures	109,348	103,708	5,640
Total	150,000	122,808	27,192
Minority Health			
Salaries and employee benefits	15,706	-	15,706
Operating expenditures	4,295	3,878	417
Total	20,001	3,878	16,123
Maternal care coordinator			
Salaries and employee benefits	329,503	327,230	2,273
Operating expenditures	14,365	11,348	3,017
Total	343,868	338,578	5,290
School nurse initiative			
Operating expenditures	250,000	249,559	441
Total	250,000	249,559	441
Maternal Health			
Operating expenditures	255	58	197
Total	255	58	197
Primary Care			
Operating expenditures	2,000	-	2,000
Total	2,000	-	2,000
<i>Total public health</i>	\$ 9,124,588	\$ 7,531,198	\$ 1,593,390

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Expenditures (cont'd)</b>			
<i>Mental health</i>			
Administration			
Mental health services	\$ 49,000	\$ 42,000	\$ 7,000
<b>Total human services</b>	<b>30,260,735</b>	<b>26,977,549</b>	<b>3,283,186</b>
<i>Cultural and recreational</i>			
Wayne County Public Library			
Salaries and employee benefits	1,824,125	1,745,157	78,968
Operating expenditures	461,647	424,844	36,803
Total	2,285,772	2,170,001	115,771
Literacy Connections			
Salaries and employee benefits	146,218	145,737	481
Operating expenditures	98,195	98,195	-
Total	244,413	243,932	481
County aid			
Museum	54,900	54,900	-
Parks and recreation	43,950	43,948	2
Miscellaneous	24,250	24,250	-
Total	123,100	123,098	2
<b>Total cultural and recreational</b>	<b>2,653,285</b>	<b>2,537,031</b>	<b>116,254</b>
<i>Education</i>			
Wayne Community College			
Current expenditures	4,081,713	4,081,713	-
Capital outlay	1,290,180	309,125	981,055
Total	5,371,893	4,390,838	981,055
Wayne County Public Schools			
Current expenditures	19,835,579	19,835,579	-
Capital outlay	2,700,865	2,113,535	587,330
Total	22,536,444	21,949,114	587,330
<b>Total education</b>	<b>27,908,337</b>	<b>26,339,952</b>	<b>1,568,385</b>
<i>Debt Service</i>			
Principal payments	5,049,749	5,049,747	2
Interest payments	2,448,170	2,447,434	736
<b>Total debt service</b>	<b>7,497,919</b>	<b>7,497,181</b>	<b>738</b>
<b>Total Expenditures</b>	<b>128,178,215</b>	<b>103,062,279</b>	<b>25,115,936</b>
Revenues over (under) expenditures	\$ (5,533,424)	\$ 5,450,090	\$ 10,983,514

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Other Financing Sources (Uses)</b>			
Transfers in			
Special Revenue Funds	319,000	319,000	-
Transfers out			
Internal Service Fund	(77,241)	(77,241)	-
Capital Projects Funds	(322,672)	(322,672)	-
Proprietary Funds	(6,832,220)	(6,832,220)	-
Sale of capital assets	860	51,796	(50,936)
Total other financing sources	<u>(6,912,273)</u>	<u>(6,861,337)</u>	<u>(50,936)</u>
Revenues and other financing sources under expenditures	(12,445,697)	(1,411,247)	11,034,450
Appropriated fund balance	<u>12,445,697</u>	-	<u>(12,445,697)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	(1,411,247)	<u>\$ (1,411,247)</u>
Fund balance - July 1		45,437,988	
<b>Fund balances - June 30</b>		<b><u>\$ 44,026,741</u></b>	

## **Special Revenue Funds**

### **Nonmajor Funds**

---

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

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**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.

## **Capital Projects Funds**

### **Major and Nonmajor Funds**

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

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#### **Major Fund**

**None**

#### **Nonmajor Funds**

**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

**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.

## **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.

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### **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**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2019**

**Exhibit B**

<b>Special Revenue Funds</b>						<b>Total Nonmajor Special Revenue Funds</b>
	<b>Emergency Telephone Service Fund</b>	<b>Fire District Fund</b>	<b>Community Development Fund</b>	<b>Utility Fund</b>	<b>Street Assessment Fund</b>	
<b>Assets</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	1,576,951	3,158	721	22,751	251,956	1,855,537
Taxes receivable, net	-	156,446	-	-	1,351,497	1,507,943
Due from other governments	45,728	272,787	425,709	14,502	-	758,726
Total assets	<u>1,622,679</u>	<u>432,391</u>	<u>426,430</u>	<u>37,253</u>	<u>1,603,453</u>	<u>4,122,206</u>
<b>Liabilities and Fund Balance</b>						
<b>Liabilities</b>						
Accounts payable	-	-	-	-	-	-
Interfund payable	-	-	290,000	-	-	290,000
Total liabilities	<u>-</u>	<u>-</u>	<u>290,000</u>	<u>-</u>	<u>-</u>	<u>290,000</u>
<b>Deferred Inflows of Resources</b>						
Taxes receivable, net	-	157,357	-	10,314	-	167,671
Total deferred inflows of resources	<u>-</u>	<u>157,357</u>	<u>-</u>	<u>10,314</u>	<u>-</u>	<u>167,671</u>
<b>Fund balances</b>						
Restricted:						
Stabilization by state statute	45,727	271,875	136,430	4,187	1,251,497	1,709,716
Fire protection	-	3,159	-	-	-	3,159
Public safety	1,576,952	-	-	-	-	1,576,952
Public schools	-	-	-	-	-	-
Debtors	-	-	-	-	-	-
Transportation	-	-	-	22,752	351,956	374,708
Senior Center	-	-	-	-	-	-
Committed:						
Capital Projects	-	-	-	-	-	-
Unassigned:						
Total fund balances	<u>1,622,679</u>	<u>275,034</u>	<u>136,430</u>	<u>26,939</u>	<u>1,603,453</u>	<u>3,664,535</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,622,679</u>	<u>\$ 432,391</u>	<u>\$ 426,430</u>	<u>\$ 37,253</u>	<u>\$ 1,603,453</u>	<u>\$ 4,122,206</u>

Capital Project Funds					Permanent Fund		
County Public School Capital Project Fund-Meadow Lane	County Capital Project Fund	County Public School Capital Project Fund-School Buildings	County Capital Reserve Project Fund	County Capital Project-911 Call Center	Total Nonmajor Capital Project Funds	Permanent Fund-Senior Center	Total Nonmajor Funds
\$ - 1,284,815	\$ 4,387,220 169,385	\$ - 3,143,513	\$ 2,361,857 -	\$ 3,762,159 -	\$ 10,511,236 4,597,713	\$ - 7,289	\$ 10,511,236 6,460,539
- 187,221	- 1,698	- -	- -	- -	- -	- -	1,507,943
<b>1,472,036</b>	<b>4,558,303</b>	<b>3,143,513</b>	<b>2,361,857</b>	<b>3,762,159</b>	<b>15,297,868</b>	<b>7,289</b>	<b>947,645 19,427,363</b>
172,249	-	-	-	3,848	176,097	-	176,097
-	-	-	-	-	-	-	290,000
<b>172,249</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,848</b>	<b>176,097</b>	<b>-</b>	<b>466,097</b>
-	-	-	-	-	-	-	167,671
-	-	-	-	-	-	-	167,671
-	-	-	-	-	-	-	1,709,716
-	-	-	-	-	-	-	3,159
-	-	-	-	-	-	-	1,576,952
1,299,787	-	3,143,513	-	-	4,443,300	-	4,443,300
-	169,385	-	-	-	169,385	-	169,385
-	-	-	-	-	-	-	374,708
-	-	-	-	-	-	7,100	7,100
-	4,388,918	-	2,361,857	3,758,311	10,509,086	-	10,509,086
-	-	-	-	-	-	189	189
<b>1,299,787</b>	<b>4,558,303</b>	<b>3,143,513</b>	<b>2,361,857</b>	<b>3,758,311</b>	<b>15,121,771</b>	<b>7,289</b>	<b>18,793,595</b>
<b>\$ 1,472,036</b>	<b>\$ 4,558,303</b>	<b>\$ 3,143,513</b>	<b>\$ 2,361,857</b>	<b>\$ 3,762,159</b>	<b>\$ 15,297,868</b>	<b>\$ 7,289</b>	<b>\$ 19,427,363</b>

**Wayne County, North Carolina**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit C**

<b>Special Revenue Funds</b>						<b>Total Nonmajor Special Revenue Funds</b>
	<b>Emergency Telephone Service Fund</b>	<b>Fire District Fund</b>	<b>Community Development Fund</b>	<b>Utility Fund</b>	<b>Street Assessment Fund</b>	
<b>Revenues</b>						
Property Taxes	\$ -	\$ 3,496,646	\$ -	\$ -	\$ -	\$ 3,496,646
Sales and miscellaneous taxes	-	1,503,486	-	16,865	1,884,470	3,404,821
Licenses and permits	548,513	-	-	-	-	548,513
Restricted intergovernmental	-	-	439,878	-	-	439,878
Investment earnings	24,265	3,157	-	401	27,978	55,801
Miscellaneous	-	-	-	-	-	-
Total revenues	<b>572,778</b>	<b>5,003,289</b>	<b>439,878</b>	<b>17,266</b>	<b>1,912,448</b>	<b>7,945,659</b>
<b>Expenditures</b>						
Current:						
Public Safety	347,711	4,966,644	-	-	-	5,314,355
Community development	-	-	411,334	-	-	411,334
Education	-	-	-	-	-	-
Transportation	-	-	-	12,862	-	12,862
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<b>347,711</b>	<b>4,966,644</b>	<b>411,334</b>	<b>12,862</b>	<b>-</b>	<b>5,738,551</b>
Excess (deficiency) of revenues over expenditures	<b>225,067</b>	<b>36,645</b>	<b>28,544</b>	<b>4,404</b>	<b>1,912,448</b>	<b>2,207,108</b>
<b>Other Financing Sources (Uses)</b>						
Other use						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	(319,000)	(319,000)
Total other financing sources and uses	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(319,000)</b>	<b>(319,000)</b>
Net change in fund balances	<b>225,067</b>	<b>36,645</b>	<b>28,544</b>	<b>4,404</b>	<b>1,593,448</b>	<b>1,888,108</b>
Fund balances - beginning	<b>1,397,612</b>	<b>238,388</b>	<b>107,886</b>	<b>22,535</b>	<b>10,005</b>	<b>1,776,427</b>
Fund balances - ending	<b>\$ 1,622,679</b>	<b>\$ 275,034</b>	<b>\$ 136,430</b>	<b>\$ 26,939</b>	<b>\$ 1,603,453</b>	<b>\$ 3,664,535</b>

**Exhibit C**

<b>Capital Project Funds</b>					<b>Permanent Fund</b>		
<b>County Public School Capital Project Fund- Meadow Lane</b>	<b>County Capital Project Fund</b>	<b>County Public School Capital Project Fund- School Buildings</b>	<b>County Capital Reserve Project Fund</b>	<b>County Capital Project-911 Call Center</b>	<b>Total Nonmajor Capital Project Funds</b>	<b>Permanent Fund-Senior Center</b>	<b>Total Nonmajor Funds</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,496,646
-	-	-	-	-	-	-	3,404,821
-	-	-	-	-	-	-	548,513
-	-	-	-	-	-	-	439,878
146,092	76,002	82,666	38,664	62,341	405,765	119	461,685
-	308,637	-	-	-	308,637	-	308,637
<b>146,092</b>	<b>384,639</b>	<b>82,666</b>	<b>38,664</b>	<b>62,341</b>	<b>529,646</b>	<b>119</b>	<b>8,660,180</b>
-	-	-	-	-	-	-	5,314,355
-	-	-	-	-	-	-	411,334
-	-	580,421	-	-	580,421	-	580,421
-	-	-	-	-	-	-	12,862
10,267,048	222,163	-	-	62,741	10,551,952	-	10,551,952
10,267,048	222,163	580,421	-	62,741	11,132,373	-	16,870,924
<b>(10,120,956)</b>	<b>162,476</b>	<b>(497,755)</b>	<b>38,664</b>	<b>(400)</b>	<b>(10,417,971)</b>	<b>119</b>	<b>(8,210,744)</b>
85,665	24,098	212,910	-	-	322,673	-	322,673
-	-	-	-	-	-	-	(319,000)
85,665	24,098	212,910	-	-	322,673	-	3,673
(10,035,291)	186,574	(284,845)	38,664	(400)	(10,095,298)	119	(8,207,071)
11,335,078	4,371,729	3,428,358	2,323,193	3,758,711	25,217,069	7,170	27,000,666
<b>\$ 1,299,787</b>	<b>\$ 4,558,303</b>	<b>\$ 3,143,513</b>	<b>\$ 2,361,857</b>	<b>\$ 3,758,311</b>	<b>\$ 15,121,771</b>	<b>\$ 7,289</b>	<b>\$ 18,793,595</b>

**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, 2019**

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b> <b>Positive</b> <b>(Negative)</b>
<b>Revenues</b>			
Restricted intergovernmental	\$ 592,847	\$ 548,513	\$ (44,334)
Investment earnings	-	24,265	24,265
Total revenues	<u>592,847</u>	<u>572,778</u>	<u>(20,069)</u>
<b>Expenditures</b>			
Current:			
Public safety	620,913	347,711	273,202
Capital outlay	1,162,632	-	1,162,632
Total expenditures	<u>1,783,545</u>	<u>347,711</u>	<u>1,435,834</u>
Revenues over (under) expenditures	(1,190,698)	225,067	1,415,765
Other Financing Sources			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	(1,190,698)	225,067	1,415,765
Appropriated fund balance	<u>1,190,698</u>	<u>-</u>	<u>(1,190,698)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>225,067</u>	<u>\$ 225,067</u>
Fund balance - July 1		1,397,611	
Fund balance - June 30		<u><u>\$ 1,622,679</u></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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Ad valorem taxes			
Current year	\$ 3,446,950	3,441,940	\$ (5,010)
Vehicle tax	-	1	1
Prior year tax	55,722	54,705	(1,017)
Investment earnings	-	3,157	3,157
Total revenues	<u>4,969,430</u>	<u>5,003,289</u>	<u>33,859</u>
<b>Expenditures</b>			
Current:			
Public safety	4,969,430	4,966,644	2,786
Total expenditures	<u>4,969,430</u>	<u>4,966,644</u>	<u>2,786</u>
Revenues over (under) expenditures	-	36,645	36,645
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	36,645	<u>\$ 36,645</u>
Fund balance - July 1		238,388	
Fund balance - June 30		<u>\$ 275,034</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, 2019**

	<b>Project Author- ization</b>	<b>Prior Years</b>	<b>Actual</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Restricted intergovernmental					
Disaster Recovery (17-R-3003)	\$ 16,940,000	\$ 186,391	\$ 432,878	\$ 619,269	\$ (16,320,731)
Mortgage payments	-	65,020	3,326	68,346	68,346
Interest payments	-	51,042	3,674	54,716	54,716
Total revenues	<u>16,940,000</u>	<u>302,453</u>	<u>439,878</u>	<u>742,331</u>	<u>(16,197,669)</u>
<b>Expenditures</b>					
Economic development:					
Disaster Recovery (17-R-3003)	<u>16,940,000</u>	<u>176,439</u>	<u>411,334</u>	<u>587,773</u>	<u>16,352,227</u>
Total expenditures	<u>16,940,000</u>	<u>176,439</u>	<u>411,334</u>	<u>587,773</u>	<u>16,352,227</u>
Revenues over (under) expenditures	-	126,014	28,544	154,558	154,558
<b>Other financing sources</b>					
Operating transfers in:					
General Fund	-	-	-	-	-
Total other financing sources	-	-	-	-	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	<u>\$ 126,014</u>	28,544	<u>\$ 154,558</u>	<u>\$ 154,558</u>
Fund balance - July 1			107,886		
Fund balance - June 30				<u>\$ 136,430</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Fees and fines	\$ 17,101	\$ 16,865	\$ (236)
Investment earnings	-	401	401
Total revenues	<u>17,101</u>	<u>17,266</u>	<u>165</u>
<b>Expenditures</b>			
Current:			
Transportation	17,101	12,862	4,239
Total expenditures	<u>17,101</u>	<u>12,862</u>	<u>4,239</u>
Revenues over (under) expenditures	-	4,404	4,404
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	4,404	<u>\$ 4,404</u>
Fund balance - July 1		22,535	
Fund balance - June 30		<u><u>\$ 26,939</u></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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Miscellaneous taxes	\$ 220,000	\$ 1,884,470	\$ 1,664,470
Investment earnings	99,000	27,978	(71,022)
Total revenues	<u>319,000</u>	<u>1,912,448</u>	<u>1,593,448</u>
<b>Expenditures</b>			
Current:			
Transportation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	319,000	1,912,448	1,593,448
<b>Other Financing Sources</b>			
Transfers in	-	-	-
Transfers out	(319,000)	(319,000)	-
Total other financing sources	<u>(319,000)</u>	<u>(319,000)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	-	1,593,448	1,593,448
Appropriated fund balance	-	-	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	1,593,448	<u>\$ 1,593,448</u>
Fund balance - July 1		10,005	
Fund balance - June 30		<u>\$ 1,603,453</u>	

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 146,092	\$ 146,092
Total revenues	<u>-</u>	<u>146,092</u>	<u>146,092</u>
<b>Expenditures</b>			
Current:			
Capital outlay	11,237,798	10,267,048	970,750
Total expenditures	<u>11,237,798</u>	<u>10,267,048</u>	<u>970,750</u>
Revenues under expenditures	(11,237,798)	(10,120,956)	1,116,842
<b>Other Financing Sources</b>			
Transfers in			
General Fund	85,665	85,665	-
Transfers out			
General Fund	-	-	-
Total other financing sources	<u>85,665</u>	<u>85,665</u>	<u>-</u>
Revenues and other financing sources under expenditures	(11,152,133)	(10,035,291)	1,116,842
Appropriated fund balance	<u>11,152,133</u>	<u>-</u>	<u>(11,152,133)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(10,035,291)</u>	<u>\$ (10,035,291)</u>
Fund balance - July 1		11,335,078	
Fund balance - June 30		<u>\$ 1,299,787</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, 2019**

	<b>Project Author- ization</b>	<b>Prior Years</b>	<b>Actual</b>	<b>Total to Date</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>					
Investment earnings	\$ -	\$ 47,095	\$ 76,002	\$ 123,097	\$ 123,097
Miscellaneous	-	-	308,637	308,637	308,637
Total revenues	<hr/>	<hr/> 47,095	<hr/> 384,639	<hr/> 431,734	<hr/> 431,734
<b>Expenditures</b>					
Current:					
Transportation - Street Assessment Capital Outlay	1,773,505	1,939,300	(27,049)	1,912,251	(138,746)
Fiber Optic Loop Project	670,007	438,349	23,956	513,152	156,855
Spillman/Superion Project	1,260,564	3,343,500	74,803	3,493,953	(2,233,389)
Advanced Manufacturing Project	-	-	150,453	222,163	(222,163)
Total expenditures	<hr/> 3,704,076	<hr/> 5,721,149	<hr/> 222,163	<hr/> 6,141,519	<hr/> (2,437,443)
Revenues over (under) expenditures	(3,704,076)	(5,674,054)	162,476	(5,511,578)	(1,807,502)
<b>Other Financing Sources (Uses)</b>					
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					
General Fund	-	-	24,098	24,098	24,098
Transportation - Street	-	142,982	-	142,982	142,982
Advance Manufacturing Center	-	3,500,000	-	3,500,000	3,500,000
Spillman/Superion Project		144,600	-	144,600	144,600
Total financing sources	<hr/> 3,704,076	<hr/> 7,491,658	<hr/> 24,098	<hr/> 7,515,756	<hr/> 3,811,680
Appropriated fund balance	<hr/> -	<hr/> -	<hr/> -	<hr/> -	<hr/> -
Revenues other sources, and appropriated fund balance over (under) expenditures	<hr/> \$ -	<hr/> \$ 1,817,604	<hr/> 186,574	<hr/> \$ 2,004,178	<hr/> \$ 2,004,178
Fund balance - July 1			4,371,729		
Fund balance - June 30			<hr/> \$ 4,558,303		

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 82,666	\$ 82,666
Total revenues	<u>-</u>	<u>82,666</u>	<u>82,666</u>
<b>Expenditures</b>			
Current:			
Capital outlay	3,420,505	580,421	2,840,084
Total expenditures	<u>3,420,505</u>	<u>580,421</u>	<u>2,840,084</u>
Revenues under expenditures	(3,420,505)	(497,755)	2,922,750
<b>Other Financing Sources</b>			
Transfers in			
General Fund	212,910	212,910	-
Transfers out			
General Fund	-	-	-
Total other financing sources	<u>212,910</u>	<u>212,910</u>	<u>-</u>
Revenues and other financing sources under expenditures	(3,207,595)	(284,845)	2,922,750
Appropriated fund balance	3,207,595	<u>-</u>	(3,207,595)
Revenues and other sources over (under) expenditures	<u>\$ -</u>	(284,845)	<u>\$ (284,845)</u>
Fund balance - July 1		3,428,358	
Fund balance - June 30		<u>\$ 3,143,513</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 38,664	\$ 38,664
Total revenues	<u>-</u>	<u>38,664</u>	<u>38,664</u>
<b>Expenditures</b>			
Current:			
General government	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	38,664	38,664
<b>Other Financing Sources</b>			
Transfers in			
Capital Projects Funds	-	-	-
Transfers out			
Capital Projects Funds	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	\$ -	38,664	\$ 38,664
Fund balance - July 1		2,323,193	
Fund balance - June 30		<u>\$ 2,361,857</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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Positive</u> <u>(Negative)</u>
<b>Revenues</b>			
Restricted intergovernmental	\$ -	\$ -	\$ -
Investment earnings	- -	62,341	62,341
Total revenues	<u>- -</u>	<u>62,341</u>	<u>62,341</u>
<b>Expenditures</b>			
Current:			
Capital Outlay	3,726,488	62,741	3,663,747
Total expenditures	<u>3,726,488</u>	<u>62,741</u>	<u>3,663,747</u>
Revenues under expenditures	(3,726,488)	(400)	3,726,088
<b>Other Financing Sources</b>			
Transfers in			
General Fund	- -	- -	- -
Transfers out			
General Fund	- -	- -	- -
Total other financing sources	<u>- -</u>	<u>- -</u>	<u>- -</u>
Appropriated fund balance	3,726,488	- -	(3,726,488)
Revenues and other sources over (under) expenditures	<u>\$ - -</u>	(400)	<u>\$ (400)</u>
Fund balance - July 1		3,758,711	
Fund balance - June 30		<u>\$ 3,758,311</u>	

**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, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Investment earnings	\$ -	\$ 119	\$ 119
Total revenues	<u>-</u>	<u>119</u>	<u>119</u>
<b>Expenditures</b>			
Senior Center	- -	- -	- -
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	- -	119	119
<b>Other Financing Sources</b>			
Permanent fund donation	- -	- -	- -
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	- -	119	119
Appropriated fund balance	- -	- -	- -
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	119	<u>\$ 119</u>
Fund balance - July 1		7,170	
Fund balance - June 30		<u>\$ 7,289</u>	

## **Enterprise Funds**

### **Major Funds**

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

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

**EMS – EMS Net 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.

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

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

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Operating revenues			
User fees - solid waste	\$ 2,954,610	\$ 3,732,319	\$ 777,709
User fees - household	1,265,000	1,277,137	12,137
Recycling fees	66,000	21,766	(44,234)
Total operating revenues	<u>4,285,610</u>	<u>5,031,222</u>	<u>745,612</u>
Non-operating revenues			
Restricted intergovernmental revenues	286,000	300,940	14,940
Interest and investment revenue	-	177,806	177,806
Miscellaneous revenue	43,873	37,898	(5,975)
Operating grants and contributions	<u>24,000</u>	<u>7,761</u>	<u>(16,239)</u>
Total non-operating revenues	<u>353,873</u>	<u>524,405</u>	<u>170,532</u>
Appropriated retained earnings	<u>28,244</u>	<u>-</u>	<u>(28,244)</u>
Total revenues	<u>4,667,727</u>	<u>5,555,627</u>	<u>887,900</u>
<b>Expenditures</b>			
Operating expenditures			
Salaries and employee benefits	1,793,030	1,694,457	98,573
Contractual services	98,400	89,952	8,448
Repairs and maintenance	377,453	334,611	42,842
Other departmental expenses	758,464	610,418	148,046
Other supplies and expenses	374,702	336,994	37,708
Indirect costs	<u>357,178</u>	<u>357,178</u>	<u>-</u>
Total	<u>3,759,227</u>	<u>3,423,610</u>	<u>335,617</u>
Budgetary appropriations			
Capital outlay	<u>908,500</u>	<u>731,988</u>	<u>176,512</u>
Total	<u>908,500</u>	<u>731,988</u>	<u>176,512</u>
Total expenditures	<u>4,667,727</u>	<u>4,155,598</u>	<u>512,129</u>
Revenues over (under) expenditures	<u>-</u>	<u>1,400,029</u>	<u>1,400,029</u>
Other financing sources (uses):			
Sale of capital assets	<u>-</u>	<u>5,262</u>	<u>5,262</u>
Total other financing sources (uses)	<u>-</u>	<u>5,262</u>	<u>5,262</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 1,405,291</u>	<u>\$ 1,405,291</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, 2019**

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

	<b>2019</b>
Total revenues	\$ 5,555,627
Total expenditures	(4,155,598)
Other financing	<u>5,263</u>
Revenues and expenditures	1,405,292
Reconciling items:	
Capital outlay	731,988
Depreciation	(735,476)
Bad debt allowance	(60,672)
Increase in Landfill closure & postclosure costs	(336,416)
(Increase) decrease in OPEB liability	42,026
Increase (decrease) in deferred outflows of resources - OPEB	4,817
(Increase) decrease in deferred inflows of resources - OPEB	(47,124)
(Increase) decrease in net pension liability	(245,489)
Increase (decrease) in deferred outflows of resources - pensions	207,690
Decrease (increase) in deferred inflows of resources - pensions	8,767
Accrued vacation pay	<u>3,318</u>
Change in net position	<u><u>\$ 978,721</u></u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**EMS - EMS Net Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Operating revenues			
User fees	\$ 5,725,150	\$ 8,074,736	\$ 2,349,586
Total operating revenues	<u>5,725,150</u>	<u>8,074,736</u>	<u>2,349,586</u>
Non-operating revenues			
Interest and investment revenue	-	64,711	64,711
Miscellaneous revenue	3,402	17,013	13,611
Operating grants and contributions	<u>1,202,750</u>	<u>979,778</u>	<u>(222,972)</u>
Total non-operating revenues	<u>1,206,152</u>	<u>1,061,502</u>	<u>(144,650)</u>
Appropriated retained earnings	<u>871,582</u>	-	(871,582)
Total revenues	<u>7,802,884</u>	<u>9,136,238</u>	<u>1,333,354</u>
<b>Expenditures</b>			
Operating expenditures			
Salaries and employee benefits	7,089,944	6,464,990	624,954
Contractual services	397,404	366,457	30,947
Repairs and maintenance	162,076	117,004	45,072
Other departmental expenses	388,802	334,963	53,839
Other supplies and expenses	817,137	677,203	139,934
Indirect costs	1,366,769	1,171,880	194,889
Insurance claims and expenses	-	-	-
Total	<u>10,222,132</u>	<u>9,132,497</u>	<u>1,089,635</u>
Debt service			
Interest and other charges	5,087	4,996	91
Debt principal	<u>176,095</u>	<u>176,092</u>	<u>3</u>
Total	<u>181,182</u>	<u>181,088</u>	<u>94</u>
Budgetary appropriations			
Capital outlay	<u>2,034,273</u>	<u>1,724,634</u>	<u>309,639</u>
Total	<u>2,034,273</u>	<u>1,724,634</u>	<u>309,639</u>
Total expenditures	<u>12,437,587</u>	<u>11,038,219</u>	<u>1,399,368</u>
Revenues over (under) expenditures	(4,634,703)	(1,901,981)	2,732,722
Other financing sources (uses):			
Transfers in (out)	4,634,703	4,634,703	-
Sale of capital assets	-	2,545	2,545
Total other financing sources	<u>4,634,703</u>	<u>4,637,248</u>	<u>2,545</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 2,735,267</u>	<u>\$ 2,735,267</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**EMS - EMS Net Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

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

	<b>2019</b>
Total revenues	\$ 9,136,238
Total expenditures	(11,038,219)
Other financing	<u>4,637,248</u>
Revenues and expenditures	2,735,267
Reconciling items:	
Capital outlay	1,724,634
Depreciation	(573,359)
Debt principal	176,092
Bad debt allowance	(2,872,754)
(Increase) decrease in OPEB liability	192,385
Increase (decrease) in deferred outflows of resources - OPEB	22,050
(Increase) decrease in deferred inflows of resources - OPEB	(215,720)
(Increase) decrease in net pension liability	(769,760)
Increase (decrease) in deferred outflows of resources - pensions	657,598
Decrease (increase) in deferred inflows of resources - pensions	(31,787)
Accrued vacation pay	<u>18,452</u>
Change in net position	<u>\$ 1,063,098</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Maxwell Center Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Operating revenues			
User fees	\$ 625,925	\$ 859,633	\$ 233,708
Total operating revenues	<u>625,925</u>	<u>859,633</u>	<u>233,708</u>
Non-operating revenues			
Restricted intergovernmental	316,416	383,967	67,551
Interest and investment revenue	-	10,434	10,434
Donations	<u>264,510</u>	<u>-</u>	<u>(264,510)</u>
Total non-operating revenues	<u>580,926</u>	<u>394,401</u>	<u>(186,525)</u>
Appropriated retained earnings	<u>263,455</u>	<u>-</u>	<u>(263,455)</u>
Total revenues	<u>1,470,306</u>	<u>1,254,034</u>	<u>(216,272)</u>
<b>Expenditures</b>			
Operating expenditures			
Salaries and employee benefits	430,315	408,625	21,690
Contractual services	15,000	14,234	766
Utilities	87,376	80,138	7,238
Repairs and maintenance	63,600	36,608	26,992
Other departmental expenses	76,200	53,598	22,602
Other supplies and expenses	<u>118,248</u>	<u>66,777</u>	<u>51,471</u>
Indirect costs	6,295	6,295	-
Interest expense	430,060	430,060	-
Debt principal	<u>661,877</u>	<u>661,877</u>	<u>-</u>
Total	<u>1,888,971</u>	<u>1,758,212</u>	<u>130,759</u>
Budgetary appropriations			
Capital outlay	<u>633,749</u>	<u>552,906</u>	<u>(80,843)</u>
Total	<u>633,749</u>	<u>552,906</u>	<u>(80,843)</u>
Total expenditures	<u>2,522,720</u>	<u>2,311,118</u>	<u>(211,602)</u>
Other financing sources			
Transfers in (out)	<u>1,052,414</u>	<u>1,052,414</u>	<u>-</u>
Total	<u>1,052,414</u>	<u>1,052,414</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (4,670)</u>	<u>\$ (4,670)</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Maxwell Center Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

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

	<b>2019</b>
Total revenues	\$ 1,254,034
Total expenditures	(2,311,118)
Other financing	<u>1,052,414</u>
Revenues, other financing sources, and expenditures	(4,670)
Reconciling items:	
Capital outlay	552,906
Depreciation	(621,923)
(Accrual) decrease in accrued salary pay	205
(Accrual) decrease in accrued vacation	453
(Accrual) decrease in net pension liability	(58,209)
Increase (decrease) in deferred outflows of resources - pensions	46,520
(Accrual) decrease in deferred inflows of resources - pensions	236
Debt principal	661,877
(Accrual) decrease in accrued interest payable	<u>1,174</u>
Change in net position	<u>\$ 578,569</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Jetport Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Operating revenues			
User fees	\$ 720,188	\$ 738,578	\$ 18,390
Total operating revenues	<u>720,188</u>	<u>738,578</u>	<u>18,390</u>
Non-operating revenues			
Interest and investment revenue	-	7,889	7,889
Miscellaneous revenue	3,156	5,308	2,152
Operating grants and contributions	<u>4,700,851</u>	<u>1,336,938</u>	<u>(3,363,913)</u>
Total non-operating revenues	<u>4,704,007</u>	<u>1,350,135</u>	<u>(3,353,872)</u>
Appropriated retained earnings	<u>171,866</u>	<u>-</u>	<u>(171,866)</u>
Total revenues	<u>5,596,061</u>	<u>2,088,713</u>	<u>(3,507,348)</u>
<b>Expenditures</b>			
Operating expenditures			
Salaries and employee benefits	104,661	85,575	19,086
Contractual services	45,523	43,475	2,048
Repairs and maintenance	116,761	95,811	20,950
Other departmental expenses	91,827	78,761	13,066
Other supplies and expenses	451,401	466,658	(15,257)
Indirect costs	<u>119,638</u>	<u>119,638</u>	<u>-</u>
Total	<u>929,811</u>	<u>889,918</u>	<u>39,893</u>
Budgetary appropriations			
Capital outlay	<u>5,352,927</u>	<u>1,528,680</u>	<u>3,824,247</u>
Total	<u>5,352,927</u>	<u>1,528,680</u>	<u>3,824,247</u>
Total expenditures	<u>6,282,738</u>	<u>2,418,598</u>	<u>3,864,140</u>
Other financing sources			
Transfers in (out)	<u>686,677</u>	<u>686,677</u>	<u>-</u>
Total	<u>686,677</u>	<u>686,677</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 356,792</u>	<u>\$ 356,792</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Jetport Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

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

	<b>2019</b>
Total revenues	\$ 2,088,713
Total expenditures	(2,418,598)
Other financing	<u>686,677</u>
Revenues and expenditures	356,792
Reconciling items:	
Capital outlay	1,528,680
Depreciation	(451,804)
Accrued vacation pay	1,585
(Increase) decrease in OPEB liability	2,489
Increase (decrease) in deferred outflows of resources - OPEB	285
(Increase) decrease in deferred inflows of resources - OPEB	(2,791)
(Increase) decrease in net pension liability	(2,418)
Increase (decrease) in deferred outflows of resources - pensions	2,954
(Increase) decrease in deferred inflows of resources - pensions	<u>700</u>
Change in net position	<u><u>\$ 1,436,472</u></u>

## **Enterprise Funds**

### **Nonmajor Funds**

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

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**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, 2019**

	<b>Business-type Activities</b>	
	<b>Sewer Fund</b>	<b>Total</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 715,596	\$ 715,596
Accounts receivable, net	83,032	83,032
Receivables from other governments	19,667	19,667
Total current assets	<u>818,295</u>	<u>818,295</u>
Capital assets:		
Land	23,628	23,628
Other capital assets, net of depreciation	<u>3,574,701</u>	<u>3,574,701</u>
Total capital assets	3,598,329	3,598,329
Total non-current assets	<u>3,598,329</u>	<u>3,598,329</u>
Total assets	<u>4,416,624</u>	<u>4,416,624</u>
<b>Deferred Outflows of Resources</b>	12,021	12,021
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	30,801	30,801
Accrued interest payable	5,164	5,164
Bonds, notes and loans payable	<u>120,000</u>	<u>120,000</u>
Total current liabilities	<u>155,965</u>	<u>155,965</u>
Non-current liabilities:		
OPEB liability	40,925	40,925
Net pension liability	13,948	13,948
Bonds, notes and loans payable	<u>2,010,000</u>	<u>2,010,000</u>
Total non-current liabilities	<u>2,064,873</u>	<u>54,873</u>
Total liabilities	<u>2,220,838</u>	<u>210,838</u>
<b>Deferred Inflows of Resources</b>	5,912	5,912
<b>Net Position</b>		
Net investment in capital assets	2,075,022	2,075,022
Unrestricted	126,873	126,873
Total net position	<u>\$ 2,201,895</u>	<u>\$ 2,201,895</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, 2019**

<b>Business-type Activities</b>		
	<b>Sewer Fund</b>	<b>Total</b>
<b>Operating revenues:</b>		
User fees	\$ 599,450	\$ 599,450
Total operating revenues	<u>599,450</u>	<u>599,450</u>
<b>Operating expenses:</b>		
Salaries and employee benefits	54,369	54,369
Contractual services	30,904	30,904
Repairs and maintenance	31,663	31,663
Other departmental expenses	466,803	466,803
Indirect costs	40,590	40,590
Depreciation	135,584	135,584
Total Operating Expenses	<u>759,913</u>	<u>759,913</u>
Operating income (loss)	<u>(160,463)</u>	<u>(160,463)</u>
<b>Non-operating revenues (expenses)</b>		
Interest and investment revenue	25,992	25,992
Operating grants and contributions	50,000	50,000
Interest expense	<u>(93,147)</u>	<u>(93,147)</u>
Total non-operating revenues (expenses)	<u>(17,155)</u>	<u>(17,155)</u>
Income (loss) before contributions and transfers	<u>(177,618)</u>	<u>(177,618)</u>
Transfers in	<u>458,426</u>	<u>458,426</u>
<b>Change in net position</b>	<u>280,808</u>	<u>280,808</u>
Total net position - beginning	1,921,087	1,921,087
Total net position - ending	<u>\$ 2,201,895</u>	<u>\$ 2,201,895</u>

**Wayne County, North Carolina**  
**Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year Ended June 30, 2019**

	<u>Business-type</u>	
	<u>Nonmajor</u>	
	<u>Sewer Fund</u>	<u>Totals</u>
<b>Cash flows from operating activities:</b>		
Receipts from customers	\$ 591,367	\$ 591,367
Payments to employees for services	(53,700)	(53,700)
Payments to suppliers of goods & services	<u>(716,486)</u>	<u>(716,486)</u>
Net cash provided (used) by operating activities	(178,819)	(178,819)
<b>Cash flows from noncapital financing activities:</b>		
Grant proceeds	50,000	50,000
Cash received from other funds	<u>440,939</u>	<u>440,939</u>
Net cash provided (used) by noncapital financing activities	490,939	490,939
<b>Cash flows from capital &amp; related financing activities:</b>		
Principal payments related to capital debt	(120,000)	(120,000)
Interest payments related to capital debt	(93,147)	(93,147)
Transfer of debt from other fund	(267)	(267)
Sale of assets	-	-
(Costs) of capital assets	<u>(907,368)</u>	<u>(907,368)</u>
Net cash provided (used) by capital and related financing activities	(1,120,782)	(1,120,782)
<b>Cash flows from investing activities</b>		
Interest payments received	<u>25,991</u>	<u>25,991</u>
Net cash provided (used) by investing activities	<u>25,991</u>	<u>25,991</u>
Net increase (decrease) in cash and cash equivalents	(782,671)	(782,671)
Cash and cash equivalents, July 1	<u>1,498,267</u>	<u>1,498,267</u>
<b>Cash and cash equivalents, June 30</b>	<b><u>715,596</u></b>	<b><u>715,596</u></b>

**Wayne County, North Carolina**  
**Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year Ended June 30, 2019**

Operating income	(160,463)	(160,463)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	135,584	135,584
Changes in assets and liabilities		
(Increase) decrease		
Accounts receivable	(8,082)	(8,082)
Increase (decrease)		
Accounts payable	(146,527)	(146,527)
Postemployment liability	1,549	1,549
Pensions	<u>(880)</u>	<u>(880)</u>
Total adjustments	<u>(18,356)</u>	<u>(18,356)</u>
Net cash provided (used) by operating activities	<u>\$ (178,819)</u>	<u>\$ (178,819)</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Sewer Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Operating revenues			
User fees	\$ 505,614	\$ 599,450	\$ 93,836
Total operating revenues	<u>505,614</u>	<u>599,450</u>	<u>93,836</u>
Non-operating revenues			
Interest and investment revenue	-	25,991	25,991
Operating grants and contributions	<u>528,382</u>	<u>50,000</u>	<u>(478,382)</u>
Total non-operating revenues	<u>528,382</u>	<u>75,991</u>	<u>(452,391)</u>
Appropriated retained earnings	<u>1,621,092</u>	<u>-</u>	<u>(1,621,092)</u>
Total revenues	2,655,088	675,441	(1,979,647)
<b>Expenditures</b>			
Operating expenditures			
Salaries and employee benefits	58,968	53,714	5,254
Contractual services	31,495	30,904	591
Utilities	5,841	-	5,841
Repairs and maintenance	36,200	31,663	4,537
Other departmental expenses	489,050	466,803	22,247
Indirect costs	40,590	40,590	-
Interest expense	93,400	93,400	-
Debt principal	<u>120,000</u>	<u>120,000</u>	<u>-</u>
Total	<u>875,544</u>	<u>837,074</u>	<u>38,470</u>
Budgetary appropriations			
Capital outlay	<u>2,237,970</u>	<u>907,368</u>	<u>1,330,602</u>
Total	<u>2,237,970</u>	<u>907,368</u>	<u>1,330,602</u>
Total expenditures	<u>3,113,514</u>	<u>1,744,442</u>	<u>1,369,072</u>
Other financing sources			
Transfers in (out)	458,426	458,426	-
Proceeds from debt issuance	-	-	-
Total	<u>458,426</u>	<u>458,426</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (610,575)</u>	<u>\$ (610,575)</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Sewer Fund**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

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

	<b>2019</b>
Total revenues	\$ 675,441
Total expenditures	(1,744,442)
Other financing	<u>458,427</u>
Revenues and expenditures	(610,574)
Reconciling items:	
Capital outlay	907,368
Depreciation	(135,584)
Debt payments	120,000
(Increase) decrease in accrued interest	253
(Increase) decrease in OPEB liability	1,550
Increase (decrease) in deferred outflows of resources - OPEB	178
(Increase) decrease in deferred inflows of resources - OPEB	(1,738)
(Increase) decrease in net pension liability	(5,455)
Increase (decrease) in deferred outflows of resources - pensions	4,615
(Increase) decrease in deferred inflows of resources - pensions	<u>195</u>
Change in net position	<u><u>\$ 280,808</u></u>

## **Internal Service Funds**

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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.

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**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, 2019**

	<b>WC Self Insurance Fund</b>	<b>Hospital Self Insurance Fund</b>	<b>Fleet Management Fund</b>	<b>Total</b>
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 1,420,020	\$ 1,991,399	\$ 47,280	\$ 3,458,699
Accounts receivables, net	5,621	-	14,860	20,481
Inventories	-	-	19,103	19,103
Total current assets	<u>1,425,641</u>	<u>1,991,399</u>	<u>81,243</u>	<u>3,498,283</u>
Non-current assets:				
Capital Assets:				
Other capital assets, net of depreciation	-	-	15,844	15,844
Total capital assets	-	-	15,844	15,844
Total assets	<u>1,425,641</u>	<u>1,991,399</u>	<u>97,087</u>	<u>3,514,127</u>
<b>Liabilities</b>				
Accounts payable	18,589	691,329	5,704	715,622
Due to other funds	-	-	20,000	20,000
Total current liabilities	<u>18,589</u>	<u>691,329</u>	<u>25,704</u>	<u>735,622</u>
Total liabilities	<u>18,589</u>	<u>691,329</u>	<u>25,704</u>	<u>735,622</u>
<b>Net Position</b>				
Invested in capital assets, net of related debt	-	-	15,844	15,844
Unrestricted	1,407,052	1,300,070	55,539	2,762,661
Total net position	<u>\$ 1,407,052</u>	<u>\$ 1,300,070</u>	<u>\$ 71,383</u>	<u>\$ 2,778,505</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, 2019**

**Exhibit J-2**

	<b>WC Self Insurance Fund</b>	<b>Hospital Self Insurance Fund</b>	<b>Fleet Management Fund</b>	<b>Total</b>
<b>Operating revenues:</b>				
Insurance premiums	\$ 500,990	\$ 8,248,642	\$ -	\$ 8,749,632
Fleet services	-	-	446,597	446,597
Total operating revenues	<u>500,990</u>	<u>8,248,642</u>	<u>446,597</u>	<u>9,196,229</u>
<b>Operating expenses:</b>				
Salaries and employee benefits	-	-	170,838	170,838
Repairs and maintenance	-	-	2,695	2,695
Other departmental expenses	-	11,104	79,370	90,474
Other supplies and expenses	-	-	229,059	229,059
Utilities	-	-	578	578
Insurance claims and expenses	506,478	8,447,769	-	8,954,247
Depreciation	-	-	2,388	2,388
Total operating expenses	<u>506,478</u>	<u>8,458,873</u>	<u>484,928</u>	<u>9,450,279</u>
Operating loss	(5,488)	(210,231)	(38,331)	(254,050)
<b>Non-operating revenues (expenses):</b>				
Investment earnings	23,215	23,515	-	46,730
Miscellaneous revenue	-	42,370	-	42,370
Total non-operating revenues (expenses)	<u>23,215</u>	<u>65,885</u>	<u>-</u>	<u>89,100</u>
Transfers in	-	-	77,241	77,241
<b>Change in net position</b>	17,727	(144,346)	38,910	(87,709)
Total net position - beginning	1,389,325	1,444,416	32,473	2,866,214
Total net position - ending	<u>\$ 1,407,052</u>	<u>\$ 1,300,070</u>	<u>\$ 71,383</u>	<u>\$ 2,778,505</u>

**Wayne County, North Carolina**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended June 30, 2019**

	Business-type Activities					
	Major			Fleet Management Fund		
	WC Self-Insurance Fund	Hospital Self-Insurance Fund				
<b>Cash flows from operating activities:</b>						
Receipts from customers	\$ 456,427	\$ 8,248,657	\$ 444,985	\$ 9,150,069		
Payments to suppliers of goods & services	(487,890)	(8,349,466)	(483,422)	(9,320,778)		
Proceeds from unrestricted revenues	-	42,370	-	42,370		
Net cash provided (used) by operating activities	(31,463)	(58,439)	(38,437)	(128,339)		
<b>Cash flows from noncapital financing activities:</b>						
Loan from other fund	-	-	(20,000)	(20,000)		
Transfers (to) from other funds	-	-	77,242	77,242		
Net cash provided (used) by noncapital financing activities	-	-	57,242	57,242		
<b>Cash flows from capital and related financing activities:</b>						
Proceeds from sale of capital assets	-	-	-	-		
Net cash provided (used) by capital and related financing activities	-	-	-	-		
<b>Cash flows from investing activities</b>						
Interest payments received	<u>23,215</u>	<u>23,515</u>	<u>-</u>	<u>46,730</u>		
Net cash provided (used) by investing activities	<u>23,215</u>	<u>23,515</u>	<u>-</u>	<u>46,730</u>		
Net increase (decrease) in cash and cash equivalents	(8,248)	(34,924)	18,805	(24,367)		
Cash and cash equivalents, July 1	<u>1,428,268</u>	<u>2,026,323</u>	<u>28,475</u>	<u>3,483,066</u>		
<b>Cash and cash equivalents, June 30</b>	<u><b>1,420,020</b></u>	<u><b>1,991,399</b></u>	<u><b>47,280</b></u>	<u><b>3,458,699</b></u>		
Operating income	(5,488)	(210,231)	(38,331)	(254,050)		
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation	-	-	2,389	2,389		
Non operating income	-	42,371	-	42,371		
Changes in assets and liabilities						
(Increase) decrease						
Accounts receivable	(44,563)	15	(1,612)	(46,160)		
Inventory	-	-	(2,741)	(2,741)		
Increase (decrease)						
Accounts payable	<u>18,588</u>	<u>109,406</u>	<u>1,858</u>	<u>129,852</u>		
Total adjustments	<u>(25,975)</u>	<u>151,792</u>	<u>(106)</u>	<u>125,711</u>		
Net cash provided (used) by operating activities	<u><b>\$ (31,463)</b></u>	<u><b>\$ (58,439)</b></u>	<u><b>\$ (38,437)</b></u>	<u><b>\$ (128,339)</b></u>		

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**WC - Self Insurance**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit K-1**

	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Insurance premiums	\$ 491,400	\$ 500,990	\$ 9,590
Total operating revenues	<u>491,400</u>	<u>500,990</u>	<u>9,590</u>
Non-operating revenues:			
Investment earnings	-	23,215	23,215
Total non-operating revenues	<u>-</u>	<u>23,215</u>	<u>23,215</u>
<b>Expenditures</b>			
Insurance claims and expenses	588,000	506,478	81,522
Total expenditures	<u>588,000</u>	<u>506,478</u>	<u>81,522</u>
Other financing sources			
Appropriated fund balance	96,600	-	(96,600)
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 17,727</u>	<u>\$ 17,727</u>

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

	<b>2019</b>
Total revenues	\$ 524,205
Total expenditures	<u>(506,478)</u>
Revenues over expenditures	17,727
Reconciling items:	
No reconciling items	<u>-</u>
Change in net position	<u>\$ 17,727</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, 2019**

**Exhibit K-2**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues</b>			
Operating revenues:			
Insurance premiums	\$ 7,921,400	\$ 8,248,642	\$ 327,242
Total operating revenues	<u>7,921,400</u>	<u>8,248,642</u>	<u>327,242</u>
Non-operating revenues:			
Investment earnings	-	23,515	23,515
Miscellaneous revenue	41,700	42,370	670
Total non-operating revenues	<u>41,700</u>	<u>65,885</u>	<u>24,185</u>
<b>Expenditures</b>			
Operating expenditures			
Other departmental expenses	12,267	11,104	1,163
Insurance claims and expenses	8,456,833	8,447,769	9,064
Total expenditures	<u>8,469,100</u>	<u>8,458,873</u>	<u>10,227</u>
Revenues under expenditures			
	(506,000)	(144,346)	361,654
Other financing sources			
Appropriated fund balance	506,000	-	(506,000)
Total other financing sources	<u>506,000</u>	<u>-</u>	<u>(506,000)</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ (144,346)</u>	<u>\$ (144,346)</u>

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

	<u>2019</u>
Total revenues	\$ 8,314,527
Total expenditures	(8,458,873)
Other financing	<u>-</u>
Revenues over expenditures	(144,346)
Reconciling items:	
No reconciling items	<u>-</u>
Change in net position	<u>\$ (144,346)</u>

**Wayne County, North Carolina**  
**Schedule of Revenues and Expenditures**  
**Fleet Management**  
**Budget and Actual (Non-GAAP)**  
**For the Fiscal Year Ended June 30, 2019**

**Exhibit K-3**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Positive (Negative)</b>
<b>Revenues</b>			
Operating revenues:			
Fleet services	\$ 417,770	\$ 446,597	\$ 28,827
Total operating revenues	<u>417,770</u>	<u>446,597</u>	<u>28,827</u>
Non-operating revenues:			
Investment earnings	-	-	-
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>			
Operating expenditures			
Salaries and wages	173,358	170,838	2,520
Repairs and maintenance	3,100	2,695	405
Other departmental expenses	80,411	79,370	1,041
Other supplies and expenses	236,105	229,059	7,046
Utilities	3,000	578	2,422
Total expenditures	<u>495,974</u>	<u>482,540</u>	<u>13,434</u>
Revenues under expenditures	(78,204)	(35,943)	42,261
Other financing sources			
Transfers in	77,241	77,241	-
Appropriated fund balance	963	-	963
Total other financing sources	<u>78,204</u>	<u>77,241</u>	<u>963</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 41,298</u>	<u>\$ 41,298</u>

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

	<b>2019</b>
Total revenues	\$ 446,597
Total expenditures	(482,540)
Other financing	<u>77,241</u>
Revenues over expenditures	41,298
Reconciling items:	
Capital outlay	-
Depreciation	<u>(2,388)</u>
Change in net position	<u>\$ 38,910</u>

# Agency Funds

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

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## 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, 2019**

	<u>Balance</u>			<u>Balance</u>
	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30, 2019</u>
<b>Court Costs</b>				
Assets:				
Cash and cash equivalents	\$ 46,609	\$ 113,039	\$ 140,350	\$ 19,298
Liabilities:				
Miscellaneous liabilities	<u>\$ 46,610</u>	<u>\$ 113,039</u>	<u>\$ 140,350</u>	<u>\$ 19,299</u>
<b>Social Services</b>				
Assets:				
Cash and cash equivalents	\$ 64,968	\$ 370,608	\$ 367,492	\$ 68,084
Liabilities:				
Miscellaneous liabilities	<u>\$ 64,968</u>	<u>\$ 370,608</u>	<u>\$ 367,492</u>	<u>\$ 68,084</u>
<b>Fines and Forfeitures</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 582,457	\$ 582,457	\$ -
Liabilities:				
Miscellaneous liabilities	<u>\$ -</u>	<u>\$ 582,457</u>	<u>\$ 582,457</u>	<u>\$ -</u>
<b>Sheriff Account</b>				
Assets:				
Cash and cash equivalents	\$ 59,167	\$ 869,322	\$ 846,925	\$ 81,564
Liabilities:				
Miscellaneous liabilities	<u>\$ 59,167</u>	<u>\$ 869,322</u>	<u>\$ 846,925</u>	<u>\$ 81,564</u>
<b>Municipal Tax</b>				
Assets:				
Cash and cash equivalents	\$ -	\$ 19,409,146	\$ 19,409,146	\$ -
Liabilities:				
Miscellaneous liabilities	<u>\$ -</u>	<u>\$ 19,409,146</u>	<u>\$ 19,409,146</u>	<u>\$ -</u>
<b>Miscellaneous</b>				
Assets:				
Cash and cash equivalents	\$ 19,521	\$ 12,219	\$ 8,505	\$ 23,235
Liabilities:				
Miscellaneous liabilities	<u>\$ 19,521</u>	<u>\$ 12,219</u>	<u>\$ 8,505</u>	<u>\$ 23,235</u>
<b>Total - All Agency Funds</b>				
Assets:				
Cash and cash equivalents	\$ 190,265	\$ 21,356,791	\$ 21,354,875	\$ 192,181
Liabilities:				
Miscellaneous liabilities	<u>\$ 190,266</u>	<u>\$ 21,356,791</u>	<u>\$ 21,354,875</u>	<u>\$ 192,182</u>

## **Other Schedules**

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

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- 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, 2019**

Fiscal Year	Uncollected Balance		(a)	Collections and Credits	Uncollected Balance	
	June 30, 2018	Additions			June 30, 2019	(c)
2018-2019	\$ -	\$ 49,455,527	(a)	48,516,362	(b)	\$ 939,165
2017-2018	930,880	298		524,565		406,613
2016-2017	475,927	-		233,424		242,503
2015-2016	286,175	-		105,530		180,645
2014-2015	207,140	-		56,527		150,613
2013-2014	223,352	-		41,020		182,332
2012-2013	213,674	-		27,178		186,496
2011-2012	179,612	-		15,930		163,682
2010-2011	168,051	-		9,718		158,333
2010 and before	164,238	-		12,443		151,795
	\$ <u>2,849,049</u>	\$ <u>49,455,825</u>		\$ <u>49,542,697</u>	(d)	\$ <u>2,762,177</u>

Less: allowance for uncollectible accounts:  
 General Fund (935,994)

Ad valorem taxes receivable - net:  
 General Fund \$ 1,826,183

Reconcilement with revenues:

Ad valorem taxes - General Fund	\$ 49,431,737
Interest collected on ad valorem taxes-General Fund	<u>321,018</u>
Reconciling items:	
Interest collected	(321,018)
Rebates & releases	78,526
Late listing	32,434
Total reconciling items	<u>(210,058)</u>
Total collections and credits	\$ <u>49,542,697</u> (d)

**Wayne County, North Carolina**  
**Analysis of Current Tax Levy**  
**County-wide Levy**  
**For the Fiscal Year Ended June 30, 2019**

	<b>County - wide</b>			<b>Total Levy</b>		<b>Registered Motor Vehicles</b>	
	<b>Property Valuation</b>		<b>Amount of Levy</b>	<b>Property excluding Registered Motor Vehicles</b>			
	<b>Rate</b>						
Original levy:							
Property taxes							
at current year's rate	\$ 8,426,039,646	0.6635	\$ 55,906,773	\$ 49,433,064	\$ 6,473,709		
Penalties	-		28,774	28,774			
Total	<u>8,426,039,646</u>		<u>55,935,547</u>	<u>49,461,838</u>		<u>6,473,709</u>	
Discoveries:							
Current year taxes	48,369,555	0.6635	320,932	320,932			
Penalties			3,660	3,660			
Total	<u>48,369,555</u>		<u>324,592</u>	<u>324,592</u>			
Abatements:							
Current year taxes	49,872,320	0.6635	330,903	330,903			
Total property valuation	<u>\$ 8,424,536,881</u>						
Net levy			55,929,236	49,455,527	(a)	6,473,709	
Uncollected taxes at June 30, 2019			<u>939,165</u>	<u>939,165</u>		<u>-</u>	
Current year's taxes collected			<u>\$ 54,990,071</u>	<u>\$ 48,516,362</u>	(b)	<u>\$ 6,473,709</u>	
Current levy collection percentage			<u>98.32%</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, 2019**

**Secondary Market Disclosures:**

Assessed Valuation:

Assessment Ratio <sup>1</sup>	100%
Real Property	\$ 6,040,090,705
Personal Property	1,663,347,496
Public Service Companies <sup>2</sup>	<u>721,098,680</u>
Assessed Valuation at Current Year Rates	<u>8,424,536,881</u>
Tax Rate per \$100	<u>0.6635</u>
	<u>55,896,802</u>
Penalties	<u>32,434</u>
Levy (includes discoveries, releases and abatements) <sup>3</sup>	<u>55,929,236</u>
Total Assessed Valuation	<u>\$ 8,424,536,881</u>
Levy (includes discoveries, releases and abatements)-all rates	<u>\$ 55,929,236</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	\$ 3,055,732
Total	<u>\$ 3,055,732</u>

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

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

<sup>3</sup> The levy includes interest and penalties.

**Wayne County , North Carolina**  
**Emergency Telephone System Unspent Balance**  
**PSAP Reconciliation**  
**For the Fiscal Year Ended June 30, 2019**

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	\$ 225,067
Eligible 911 expenditures from the change in accrued payables	(4,946)
Eligible 911 revenues from the change in accounts receivables	(2,595)
	<u>217,526</u>
Beginning Balance, PSAP Revenue-Expenditure Report**	-
Ending Balance, PSAP Revenue-Expenditure Report	<u>\$ 217,526</u>

\*\* June 30, 2018 North Carolina 911 Board PSAP Report has not been approved by the State 911 Board; therefore, the above has been reconciled to the June 30, 2019 PSAP Report as submitted.

## **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>
<b>Financial Trends</b> <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>	168
<b>Revenue Capacity</b> <i>These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.</i>	178
<b>Debt Capacity</b> <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>	183
<b>Demographic and Economic Information</b> <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>	188
<b>Operating Information</b> <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>	190

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

	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental Activities:</b>			
Net investment in capital assets	\$ 34,397,474	\$ 45,059,412	\$ 32,189,480
Restricted for:			
General government	464,687	473,862	-
Future debt obligations	-	-	-
Capital improvements	-	-	-
Public safety	3,766,579	3,036,088	-
Education	9,942,419	17,767,074	-
Stabilization by State Statute	6,350,099	5,984,117	-
Register of Deeds pension plan	-	-	-
Permanent fund-Senior Center	-	-	-
Unrestricted	<u>67,085,608</u>	<u>39,902,413</u>	<u>47,623,691</u>
Total governmental activities net position	<u>101,483,082</u>	<u>105,485,609</u>	<u>107,074,312</u>
 <b>Business-type activities:</b>			
Net investment in capital assets	17,418,652	24,531,072	28,970,463
Unrestricted	<u>8,946,058</u>	<u>9,357,399</u>	<u>5,111,858</u>
Total business-type activities net position	<u>26,364,710</u>	<u>33,888,471</u>	<u>34,082,321</u>
 <b>Primary government:</b>			
Net investment in capital assets	51,816,126	69,590,484	61,159,943
Restricted for:			
General government	464,687	473,862	-
Future debt obligations	-	-	-
Capital improvements	-	-	-
Public safety	3,766,579	3,036,088	-
Education	9,942,419	17,767,074	-
Register of Deeds pension plan	6,350,099	5,984,117	-
Stabilization by State Statute	-	-	-
Permanent fund-Senior Center	-	-	-
Unrestricted	<u>76,031,666</u>	<u>49,259,812</u>	<u>52,735,549</u>
Total primary government net position	<u>\$ 127,847,792</u>	<u>\$ 139,374,080</u>	<u>\$ 141,156,633</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.*

*Note: See note disclosure I, D, 11 regarding the decline in unrestricted net position of the governmental activities net position.*

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>	<u>2019</u>
\$	43,911,545	\$ 49,308,882	\$ 48,979,040	\$ 74,488,975	\$ 84,009,596	\$ 83,342,500	\$ 86,075,786
443,048	3,774,081	2,568,863	1,260,698	1,183,193	928,043	1,118,262	
1,071,859	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	7,503,421	
-	-	-	-	2,626,905	-	-	
2,875,580	2,088,112	1,886,348	1,696,044	485,593	1,505,969	1,701,848	
17,042,786	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	9,785,394	
5,940,064	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	9,141,828	
-	-	-	-	183,300	166,701	157,946	
-	-	2,100	7,106	7,100	7,170	7,000	
<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>(6,313,473)</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>	<u>109,178,012</u>	
28,903,951	28,324,030	28,469,555	30,696,293	33,151,761	42,870,075	45,685,683	
4,151,565	4,397,099	4,550,695	8,658,123	8,600,185	1,718,563	3,183,440	
<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>	<u>48,869,123</u>	
72,815,496	77,632,912	77,448,595	105,185,268	117,161,357	126,212,575	131,761,469	
443,048	3,774,081	2,568,863	1,260,698	1,183,193	928,043	1,118,262	
1,071,859	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	7,503,421	
-	-	-	-	2,626,905	-	-	
2,875,580	2,088,112	1,886,348	1,696,044	485,593	1,505,969	1,701,848	
17,042,786	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	9,785,394	
5,940,064	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	9,141,828	
-	-	-	-	183,300	166,701	157,946	
-	-	2,100	7,106	7,100	7,170	7,000	
<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>(3,130,033)</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>	<u>\$ 158,047,135</u>	

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

	<b>2010</b>	<b>2011</b>	<b>2012</b>
<b>Expenses</b>			
Governmental Activities:			
General government	\$ 11,859,358	\$ 12,773,531	\$ 11,799,821
Public safety	16,425,839	18,487,470	19,034,770
Transportation	550,917	542,461	497,354
Human services	29,573,058	30,389,790	31,212,335
Cultural and recreation	1,277,251	1,939,735	1,689,613
Education	24,548,906	24,617,866	30,885,950
Interest on long-term debt	819,746	342,169	412,106
Environmental protection	830,073	895,768	749,108
Economic and physical development	791,999	1,452,148	1,101,149
Total government activities expenses	<u>86,677,147</u>	<u>91,440,938</u>	<u>97,382,206</u>
Business-type activities:			
Solid waste disposal	3,648,811	3,835,603	4,384,080
EMS - EMS Net	5,436,737	5,738,875	5,998,722
Sewer	247,649	278,262	412,951
EMS nonemergency transportation	1,163,807	1,069,165	1,287,788
Jetport	470,560	930,215	991,804
Maxwell Center	-	-	-
Total business-type activities expenses	<u>10,967,564</u>	<u>11,852,120</u>	<u>13,075,345</u>
Total primary government expenses	<u>97,644,711</u>	<u>103,293,058</u>	<u>110,457,551</u>
<b>Program Revenues</b>			
Governmental Activities:			
Charges for services:			
General government	2,721,729	2,566,342	3,206,793
Public safety	2,481,533	2,450,248	1,565,457
Human services	3,060,523	3,249,232	3,492,224
Culture and recreation	-	82,507	75,842
Environmental protection	3,441	3,185	5,917
Economic and physical development	-	-	-
Operating grants and contributions	22,214,134	19,381,503	18,392,666
Total governmental activities program revenues	<u>30,481,360</u>	<u>27,733,017</u>	<u>26,738,899</u>
Business-type activities:			
Charges for services:			
Solid waste disposal	3,680,365	3,800,021	4,338,788
EMS - EMS Net	3,905,215	4,064,060	4,231,765
Sewer	212,127	210,431	233,440
EMS Nonemergency transportation	1,146,607	1,116,250	1,391,602
Jetport	453,256	601,391	610,446
Maxwell Center	-	-	-
Operating grants and contributions	1,209,513	3,596,917	1,712,263
Total business-type activities program revenues	<u>10,607,083</u>	<u>13,389,070</u>	<u>12,518,304</u>
Total primary government program revenues	<u>41,088,443</u>	<u>41,122,087</u>	<u>39,257,203</u>
<b>Net (Expense)/Revenue</b>			
Governmental activities	(56,195,787)	(63,707,921)	(70,643,307)
Business-type activities	(360,481)	1,536,950	(557,041)
Total primary government net expense	<u>\$ (56,556,268)</u>	<u>\$ (62,170,971)</u>	<u>\$ (71,200,348)</u>

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
\$	12,343,016	\$ 12,490,505	\$ 12,368,863	\$ 12,325,585	\$ 12,413,717	\$ 15,851,523	\$ 14,113,920
22,037,055	21,625,673	21,654,541	24,195,295	27,757,877	28,265,627	29,747,584	
490,796	1,020,522	381,974	255,919	288,553	342,179	401,409	
32,077,683	30,053,084	29,901,977	29,695,951	29,748,429	27,676,367	26,284,213	
1,942,729	1,933,460	2,334,770	2,151,928	2,398,219	2,458,207	2,559,040	
25,592,686	24,879,620	24,559,080	26,186,821	28,927,009	29,700,156	29,245,606	
778,716	319,874	2,271,474	2,174,838	1,312,337	1,604,188	1,554,463	
843,822	835,274	775,891	852,483	883,895	915,707	1,126,413	
753,397	804,303	2,216,080	1,696,922	1,201,470	1,330,486	1,991,925	
<u>96,859,900</u>	<u>93,962,315</u>	<u>96,464,650</u>	<u>99,535,742</u>	<u>104,931,506</u>	<u>108,144,440</u>	<u>107,024,573</u>	
4,158,736	4,294,326	4,304,345	4,422,152	4,503,860	4,552,742	4,564,560	
6,919,508	7,015,107	7,138,260	11,233,893	12,766,445	12,510,315	12,563,366	
481,878	579,083	629,487	654,838	470,379	760,054	852,243	
1,373,590	1,386,321	1,223,057	-	-	-	-	
1,118,540	1,062,101	962,283	1,050,842	1,117,726	1,249,400	1,338,975	
-	-	-	-	37,073	1,181,564	1,727,393	
<u>14,052,252</u>	<u>14,336,938</u>	<u>14,257,432</u>	<u>17,361,725</u>	<u>18,895,483</u>	<u>20,254,075</u>	<u>21,046,537</u>	
<u>110,912,152</u>	<u>108,299,253</u>	<u>110,722,082</u>	<u>116,897,467</u>	<u>123,826,989</u>	<u>128,398,515</u>	<u>128,071,110</u>	
3,504,880	3,779,248	2,913,747	3,605,184	4,284,428	4,215,884	2,682,513	
1,734,612	1,679,764	1,654,030	1,800,539	2,182,244	3,410,822	5,629,317	
3,024,589	2,220,629	2,264,735	2,128,060	2,058,240	2,179,407	2,171,524	
64,879	56,360	62,162	68,559	67,090	65,323	59,062	
4,598	5,887	6,352	6,335	7,194	5,275	9,311	
(912.00)	-	-	-	-	-	-	
<u>20,275,546</u>	<u>22,013,478</u>	<u>24,104,254</u>	<u>25,141,864</u>	<u>25,552,030</u>	<u>18,726,600</u>	<u>19,491,424</u>	
<u>28,609,104</u>	<u>29,754,454</u>	<u>31,005,280</u>	<u>32,750,541</u>	<u>34,151,226</u>	<u>28,603,311</u>	<u>30,043,151</u>	
3,841,329	4,005,749	4,307,139	3,969,204	4,505,640	4,577,771	5,074,382	
4,292,843	4,164,330	4,983,531	6,660,861	7,668,760	7,470,911	7,934,981	
282,539	338,057	373,186	460,580	390,201	450,242	599,450	
1,501,554	1,325,703	1,149,005	-	-	-	-	
659,051	636,232	525,894	495,218	603,961	723,674	738,578	
-	-	-	-	1,537,039	795,521	1,243,600	
<u>1,006,570</u>	<u>995,529</u>	<u>1,394,245</u>	<u>4,267,065</u>	<u>2,491,345</u>	<u>1,813,870</u>	<u>2,676,981</u>	
<u>11,583,886</u>	<u>11,465,600</u>	<u>12,733,000</u>	<u>15,852,928</u>	<u>17,196,946</u>	<u>15,831,989</u>	<u>18,267,972</u>	
<u>40,192,990</u>	<u>41,220,054</u>	<u>43,738,280</u>	<u>48,603,469</u>	<u>51,348,172</u>	<u>44,435,300</u>	<u>48,311,123</u>	
(68,250,796)	(64,207,861)	(65,459,370)	(66,785,201)	(70,780,280)	(79,541,129)	(76,981,422)	
(2,468,366)	(2,871,338)	(1,524,432)	(1,508,797)	(1,698,537)	(4,422,086)	(2,778,565)	
<u>\$ (70,719,162)</u>	<u>\$ (67,079,199)</u>	<u>\$ (66,983,802)</u>	<u>\$ (68,293,998)</u>	<u>\$ (72,478,817)</u>	<u>\$ (83,963,215)</u>	<u>\$ (79,759,987)</u>	

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

**General Revenues and Other Changes in Net Position**

	<b><u>2010</u></b>	<b><u>2011</u></b>	<b><u>2012</u></b>
Governmental activities:			
Taxes:			
Property taxes	\$ 51,872,806	\$ 51,693,856	\$ 54,901,333
Local option sales tax	16,285,490	15,799,436	17,627,241
Other taxes and licenses	149,472	198,820	196,555
Investment earnings, unrestricted	237,594	319,220	187,099
Miscellaneous, unrestricted	129,000	194,912	170,500
Transfers	(111,800)	(1,666,737)	(714,896)
Total governmental activities	<u>68,562,562</u>	<u>66,539,507</u>	<u>72,367,832</u>
Business-type activities:			
Investment earnings, unrestricted	44,566	65,128	35,992
Miscellaneous, unrestricted	-	-	-
Transfers	111,800	1,666,737	714,896
Total business-type activities	<u>156,366</u>	<u>1,731,865</u>	<u>750,888</u>
Total primary government	<u>68,718,928</u>	<u>68,271,372</u>	<u>73,118,720</u>

**Change in Net Position**

Governmental activities	12,366,775	2,831,586	1,724,525
Business activities	(204,115)	3,268,815	193,847
Total primary government	<u>\$ 12,162,660</u>	<u>\$ 6,100,401</u>	<u>\$ 1,918,372</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	57,083,125	\$ 57,746,209	\$ 56,375,308	\$ 58,672,780	\$ 57,741,770	\$ 58,872,411	\$ 59,799,476
17,389,549	17,485,548	18,683,423	19,379,479	21,073,395	20,952,048	23,254,541	
206,338	416,469	357,554	306,924	311,970	283,924	314,324	
115,525	59,314	85,950	80,801	164,342	622,168	989,403	
443,751	279,589	115,847	421,945	190,526	242,115	122,409	
(1,426,009)	(2,529,152)	(2,482,848)	(4,037,905)	(4,051,886)	(12,387,837)	(6,832,220)	
<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>	<u>77,647,933</u>	
15,552	7,800	9,278	28,741	44,183	112,228	286,829	
-	-	-	(461)	-	-	-	
1,426,009	2,529,152	2,482,848	4,037,905	4,051,886	12,387,837	6,832,220	
1,441,561	2,536,952	2,492,126	4,066,185	4,096,069	12,500,065	7,119,049	
<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>	<u>84,766,982</u>	
5,561,483	9,250,116	7,675,864	8,038,823	4,649,837	(10,956,300)	666,511	
(1,026,805)	(334,386)	967,694	2,557,388	2,397,532	8,077,979	4,340,484	
<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>	<u>\$ 5,006,995</u>	



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

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<b>General Fund</b>				
Reserved	\$ 5,726,883	\$ -	\$ -	\$ -
Unreserved	29,008,242	-	-	-
Restricted for:				
Stabilization by State Statute	8,839,995	5,657,578	5,734,752	5,734,752
Future debt payments, QSCB	-	-	1,071,859	1,071,859
Public schools	8,358,110	10,317,695	10,304,722	10,304,722
Law enforcement	148,632	218,160	401,893	401,893
Tax revaluation	880,187	706,813	649,500	649,500
Court facilities	393,135	392,894	362,079	362,079
Economic development	-	-	-	-
Grants	-	-	-	200,000
Committed for:				
LEO Pension	-	-	-	-
Future capital projects	3,965,000	3,165,000	-	-
Community College	750,805	758,600	483,881	483,881
Public schools	1,797,436	1,878,145	3,170,566	3,170,566
Assigned for:				
Subsequent year's expenditures	3,666,668	4,981,469	10,453,723	10,453,723
Donations	107,383	127,380	141,399	141,399
Unassigned	20,426,629	28,134,917	28,794,879	28,794,879
<b>Total general fund</b>	<b><u>34,735,125</u></b>	<b><u>49,333,980</u></b>	<b><u>56,338,651</u></b>	<b><u>61,769,253</u></b>
 <b>All Other Governmental Funds</b>				
Reserved	9,090,942	-	-	-
Unreserved, reported in:				
Special revenue funds	13,090,446	-	-	-
Capital projects funds	7,978,442	-	-	-
Debt service funds	2,334,539	-	-	-
Restricted for:				
Stabilization by State Statute	944,765	326,540	205,312	205,312
Fire protection	847,591	481,178	10,336	10,336
Public schools	1,584,309	7,449,379	1,386,912	1,386,912
Capital improvements	-	-	-	-
Public safety	3,489,514	2,417,718	2,277,481	2,277,481
Community development	-	-	88,071	88,071
Transportation	-	-	-	-
Permanent fund-Senior Center	-	-	-	-
Committed for:				
Future capital projects	6,033,839	9,688,004	9,732,563	9,732,563
Public Schools	-	-	-	-
Assigned for:				
Subsequent year's expenditures	-	-	-	-
Donations	-	-	-	-
Unassigned	-	-	1,242,791	-
<b>Total all other governmental funds</b>	<b><u>\$ 32,494,369</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 21,605,610</u></b>	<b><u>\$ 13,700,675</u></b>

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

Source: Annual audited financial statements of this entity.

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,160,470	6,309,654	6,564,718	9,428,553	6,465,996	7,432,110
2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	7,503,421
12,510,648	5,579,616	5,767,329	7,268,541	6,158,969	5,342,094
286,214	234,161	82,237	69,309	156,159	124,896
729,968	818,003	899,701	904,008	758,020	533,621
425,935	-	-	-	16,900	-
3,069,192	1,554,352	35,459	-	-	-
187,866	121,554	235,736	119,007	67,205	37,392
-	-	947,742	-	-	-
7,000,000	-	32,000	1,258,000	1,294,968	1,097,207
483,881	764,812	704,925	445,566	169,497	989,782
3,068,199	1,270,720	2,536,751	2,178,268	1,585,298	1,516,675
5,512,988	5,876,487	1,549,268	766,743	310,198	719,611
15,713	34,811	1,200	31,244	-	40,262.00
29,757,299	26,346,813	34,806,329	29,456,661	22,023,497	18,689,670
<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>	<u>44,026,741</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
238,548	404,723	442,256	264,872	398,090	1,709,716
2,850	6,360	4,651	7,249	285	3,159
-	5,688,105	2,082,730	23,234,194	14,763,436	4,443,300
-	-	-	2,626,905	57,396	169,385
1,801,898	1,645,827	1,616,170	478,344	1,349,810	1,576,952
88,238	74,954	82,789	90,869	-	-
-	-	-	-	28,240	374,708
-	2,100	7,106	7,126	7,170	7,100
6,776,076	15,526,441	4,705,007	7,701,140	10,396,237	10,509,086
-	6,447,561	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
					189
\$ 8,907,610	\$ 29,796,071	\$ 8,940,709	\$ 34,410,699	\$ 27,000,664	\$ 18,793,595

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

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Revenues</b>				
Ad valorem taxes	\$ 51,800,515	\$ 51,640,299	\$ 54,901,333	\$ 57,083,132
Local option sales taxes	16,285,490	15,799,436	17,627,241	17,389,550
Other taxes and licenses	389,239	558,693	592,946	584,906
Unrestricted intergovernmental	649,448	666,842	547,823	794,455
Restricted intergovernmental	21,863,941	19,133,967	18,376,782	20,238,732
Permits and fees	2,754,476	2,717,584	1,667,041	1,709,077
Sales and services	4,258,351	4,362,725	4,986,208	4,511,955
Investment earnings	236,970	307,344	184,467	113,640
Miscellaneous	430,067	535,172	1,118,814	1,489,452
Payments from other municipalities	-	-	-	-
Total revenues	<u>98,668,497</u>	<u>95,722,062</u>	<u>100,002,655</u>	<u>103,914,899</u>
<b>Expenditures</b>				
General government	9,918,844	12,658,058	10,746,721	11,378,957
Public safety	15,693,801	16,830,357	18,129,010	22,556,043
Transportation	429,916	429,657	393,420	382,381
Economic and physical development	1,716,596	2,002,172	1,430,211	1,794,229
Human services	28,691,085	28,852,669	30,162,548	31,194,221
Cultural and recreational	1,277,251	1,801,549	1,733,815	1,887,005
Intergovernmental: education	24,548,906	24,371,452	33,492,505	31,780,339
Capital outlay	6,407,286	1,616,808	509,419	1,730,005
Debt service:				
Principal	4,725,519	1,545,087	1,218,511	1,512,000
Interest and other charges	618,463	419,333	843,860	776,010
Total expenditures	<u>94,027,667</u>	<u>90,527,142</u>	<u>98,660,020</u>	<u>104,991,190</u>
Excess of revenues over (under) expenditures	4,640,830	5,194,920	1,342,635	(1,076,291)
<b>Other Financing Sources (Uses)</b>				
Transfers from other funds	13,839,767	2,512,862	5,157,105	109,545
Transfers to other funds	(13,951,567)	(4,179,599)	(5,872,001)	(1,535,554)
Permanent fund donation	-	-	-	-
Issuance of debt	-	-	15,055,730	-
Sale of capital assets	63,752	47,081	26,830	27,934
Total other financing sources (uses)	<u>(48,048)</u>	<u>(1,619,656)</u>	<u>14,367,664</u>	<u>(1,398,075)</u>
Net change in fund balances	<u>\$ 4,592,782</u>	<u>\$ 3,575,264</u>	<u>\$ 15,710,299</u>	<u>\$ (2,474,366)</u>
Debt service as a percentage of noncapital expenditures	6.1%	2.2%	2.1%	2.2%

Source: Annual audited financial statements of this entity.

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
\$	57,928,863	57,149,804	58,611,538	57,873,488	58,783,137	59,700,310
17,485,548	18,775,454	19,486,558	20,985,491	21,107,894	25,299,702	
586,728	601,781	586,345	582,477	552,138	541,101	
795,501	3,675,237	799,519	642,827	595,438	461,815	
21,966,970	21,896,044	25,570,656	23,439,360	19,419,311	20,714,942	
1,813,760	1,982,384	2,115,803	2,260,700	2,241,981	2,305,821	
4,055,767	3,741,525	3,882,954	3,456,995	5,305,173	5,345,270	
57,787	70,645	76,805	157,371	650,832	1,014,569	
1,192,089	951,631	1,941,563	1,340,810	1,129,108	1,578,945	
-	195,988	190,955	210,656	210,366	210,077	
<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>	<u>117,172,552</u>	
11,858,726	11,414,481	12,029,395	12,140,294	12,696,719	12,061,266	
20,936,011	21,965,497	23,514,436	26,539,211	26,649,302	28,220,163	
455,646	294,890	223,495	343,488	2,204,696	386,776	
3,180,155	3,915,820	1,772,339	1,510,719	1,947,853	4,369,580	
29,772,137	30,983,424	30,398,607	29,390,247	27,986,240	27,388,883	
1,854,046	2,305,648	2,181,044	2,388,494	2,427,910	2,537,030	
25,138,251	24,546,990	24,538,805	26,835,179	27,299,175	26,920,372	
7,227,501	44,065,315	20,461,562	5,558,304	8,419,620	10,551,952	
1,470,000	2,058,838	4,308,703	4,279,692	5,019,267	5,049,747	
823,724	1,488,737	2,073,005	1,734,533	2,483,574	2,447,434	
<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>	<u>119,933,203</u>	
3,166,816	(33,999,147)	(8,238,695)	230,014	(7,138,978)	(2,760,651)	
4,798,797	38,452,000	590,001	7,001,682	6,568,119	641,673	
(7,327,949)	28,260,732	(5,229,354)	(11,057,292)	(18,963,786)	(7,551,133)	
-	-	5,000	-	-	-	
3,069,192	(30,743,580)	971,527	28,005,133	-	-	
82,917	690,687	414,351	124,892	277,443	51,796	
<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>(6,857,664)</u>	
<u>\$ 3,789,773</u>	<u>\$ 2,660,692</u>	<u>\$ (11,487,170)</u>	<u>\$ 24,304,429</u>	<u>\$ (19,257,202)</u>	<u>\$ (9,618,315)</u>	
2.4%	3.6%	6.3%	5.7%	6.9%	6.9%	

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

<b>Fiscal Year Ended June 30,</b>	<b>Real Property</b>	<b>Personal Property</b>	<b>Less: Tax-Exempt Property</b>	<b>Subtotal Property</b>	<b>Public Service Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>
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
2019	6,513,018	1,663,347	472,927	7,703,438	721,099	8,424,537	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,	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
<b>Wayne County (Note 2)</b>	0.664	0.664	0.664	0.664	0.664	0.664	0.664	0.703	0.764	0.764
<b>Municipality Rates:</b>										
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	0.660	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	0.690	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	0.750	0.700	0.700	0.700	0.700	0.700
Village of Walnut Creek	0.420	0.420	0.420	0.380	0.380	0.380	0.380	0.380	0.380	0.380
<b>Fire Districts:</b>										
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	0.063	0.070	0.063	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	0.069	0.080
Dudley Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.070
Oakland Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.070
Rosewood Fire District	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.045	0.045	0.050
Arrington Fire District	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.078
Pinewood Fire District	N/A	N/A	N/A	N/A	N/A	0.070	0.070	0.070	0.057	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	0.075	0.060	0.060	0.055	0.055	0.055	0.055	0.055	0.060
Belfast Fire District	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.065
Eureka Fire District	N/A	N/A	N/A	N/A	N/A	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	0.075	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	0.061	0.070
New Hope Fire District	0.075	0.075	0.075	0.063	0.063	0.063	0.060	0.055	0.055	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	0.063	0.065	0.065	0.065	0.065	0.065
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	0.053	0.060
Pricetown Fire District	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.060
East Wayne Fire District	N/A	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080	0.080
Polly Watson Fire District	0.080	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	N/A	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Waylin Fire District	0.070	0.070	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	N/A	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	0.080	0.080	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	0.235	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	2019			2010			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	7.73%	\$ 267,046,464	1	4.13%	
Mount Olive Pickle, Inc.	Pickle Processing	54,093,803	2	0.73%	28,871,597	3	0.45%	
Georgia Pacific Corporation	Wood Processing	50,554,892	3	0.68%				
Piedmont Natural Gas	Gas/Utility	50,249,031	4	0.67%				
Walmart Stores East LP	Retail Stores	34,625,637	5	0.46%	19,423,495	10	0.30%	
Case Farms Processing, Inc.	Poultry Prod/Processing	31,778,955	6	0.43%	19,479,175	9	0.30%	
Tri-County EMC	Electric/Utility	28,766,442	7	0.39%	21,490,316	7	0.33%	
Butterball, LLC	Poultry Prod/Processing	23,244,161	8	0.31%				
Time Warner Cable	Electric/Utility	23,229,387	9	0.31%				
Franklin Baking	Wholesale Bakery	22,931,778	10	0.31%				
BellSouth Telephone Company	Telephone/Utility				33,835,384	2	0.52%	
Berkeley Mall, LLC	Shopping Mall				22,597,120	4	0.35%	
Cooper-Standard Automotive, Inc.	Auto Parts Manufacturer				21,868,333	5	0.34%	
Sleepy Creek Farms	Poultry Farm				21,804,581	6	0.34%	
Maxwell Foods, LLC	Agri-Business				20,201,047	8	0.31%	
Total		\$ 895,011,384		12.02%	\$ 476,617,512			7.37%

Source: Tax Assessor of Wayne County.

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

<b>Fiscal Year Ended June 30,</b>	<b>Taxes Levied for the Fiscal Year</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy</b>		<b>Amount</b>	<b>Percent of Levy</b>
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%
2019	49,455	48,516	98.10%	1,026	49,542	100.18%

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

Table 2-E

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

	<b>Fiscal Year</b>									
	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Apparel stores	\$ 26,794	\$ 32,011	\$ 35,685	\$ 37,609	\$ 37,391	\$ 41,369	\$ 45,938	\$ 47,334	\$ 47,569	\$ 51,624
Automotive	65,390	69,750	72,719	74,036	75,410	82,502	91,737	98,760	95,839	100,684
Food	172,190	166,084	175,000	183,609	187,338	199,681	215,165	214,756	219,211	234,088
Furniture	33,142	32,455	35,684	29,855	34,727	38,087	38,649	40,616	43,656	54,660
General merchandise	319,057	297,079	322,110	312,264	312,997	334,453	352,116	380,903	362,419	388,098
Lumber and building material	89,677	93,725	112,112	100,931	92,697	106,667	103,803	114,143	120,676	134,567
Unclassified	164,927	205,888	261,188	234,012	231,063	241,149	244,945	265,501	275,256	298,311
<b>Total</b>	<b>871,177</b>	<b>896,992</b>	<b>1,014,498</b>	<b>972,316</b>	<b>971,623</b>	<b>1,043,908</b>	<b>1,092,353</b>	<b>1,162,013</b>	<b>1,164,626</b>	<b>1,262,032</b>
1% Tax	3	193	-	-	-	-	-	-	-	-
2%, 2.5%, 3%, 4.75% Tax	5,978	5,233	6,088	4,558	5,564	5,538	7,035	6,975	9,148	10,176
<b>Total Taxable Sales</b>	<b>\$ 877,158</b>	<b>\$ 902,418</b>	<b>\$ 1,020,586</b>	<b>\$ 976,874</b>	<b>\$ 977,187</b>	<b>\$ 1,049,446</b>	<b>\$ 1,099,388</b>	<b>\$ 1,168,988</b>	<b>\$ 1,173,774</b>	<b>\$ 1,272,208</b>
County direct sales tax rate	2.50%	2.00%	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)

<b>Fiscal Year</b>	<b>Governmental Activities</b>				
	<b>General Obligation Bonds</b>	<b>Limited Obligation Bonds</b>	<b>Certificates of Participation</b>	<b>Installment Purchase Contracts</b>	<b>Promissory Notes Payable</b>
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
2019	-	20,555	-	46,126	-

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

Table 3-A

<b>Business-Type Activities</b>					
<b>Limited Obligation Bonds</b>	<b>Installment Purchase Contracts</b>	<b>Promissory Notes Payable</b>	<b>Total Primary Government</b>	<b>Percentage of Personal Income</b>	<b>Per Capita</b>
-	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
12,270	2,073	-	81,024	1.77%	657

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

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
General bonded debt outstanding				
General obligation bonds	\$ 280	\$ -	\$ -	\$ -
Total	<u>280</u>	<u>-</u>	<u>-</u>	<u>-</u>
Assessed value	6,467,092	6,436,959	7,446,912	7,709,519
Percentage of estimated actual property value	0.004%	0.000%	0.000%	0.000%
Per capita	2.46	0.00	0.00	0.00
Less: Amounts set aside to repay general debt	<u>280</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total net debt applicable to debt limit	-	-	-	-
Legal debt limit - eight percent (8%) of assessed valuation	<u>517,367</u>	<u>514,957</u>	<u>595,753</u>	<u>616,762</u>
Legal debt margin	<u>\$ 517,367</u>	<u>\$ 514,957</u>	<u>\$ 595,753</u>	<u>\$ 616,762</u>
Legal debt margin as a percentage of the debt limit	100.00%	100.00%	100.00%	100.00%

Source: Annual audited financial statements of this entity.

2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7,823,933	7,071,385	8,128,442	8,232,459	8,304,811	8,424,537
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0.00	0.00	0.00	0.00	0.00	0.00
—	—	—	—	—	—
—	—	—	—	—	—
625,915	565,711	650,275	658,597	664,385	673,963
\$ 625,915	\$ 565,711	\$ 650,275	\$ 658,597	\$ 664,385	\$ 673,963
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, 2019**  
 (amounts expressed in thousands)

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable</b>	<b>Estimated Share of Overlapping Debt</b>
<b>Debt repaid with property taxes</b>			
Direct Bonded Debt			
Wayne County	\$ -	100%	\$ -
Overlapping Bonded Debt			
Goldsboro	57,095	100%	57,095
Eureka	-	100%	-
Fremont	709	100%	709
Town of Mount Olive	7,608	100%	7,608
Pikeville	362	100%	<u>362</u>
<b>Subtotal, overlapping debt</b>			<b>65,774</b>
<b>Other debt</b>			
Limited Obligation Bonds	32,825	100%	32,825
Installment Purchase Contracts	48,199	100%	48,199
Promissory Notes Payable	-	100%	<u>-</u>
<b>Total direct and overlapping debt</b>			<b>\$ <u>146,798</u></b>

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)
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
2019	123,248	N/A	37,126	18,223	4.7%	1,272,208

(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	2019			2010		
		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	15.00%	6,171	1	11.64%
Wayne County Public Schools	Public Education	3,064	2	5.97%	3,067	2	5.78%
Wayne Memorial Hospital, Inc.	Health Care	1,616	3	3.15%	1,448	3	2.73%
County of Wayne	Local Government (full & part-time)	1,150	4	2.24%	1,096	5	2.07%
Case Farms Processing, Inc.	Poultry Processing	1,100	5	2.14%	1,012	7	1.91%
Cherry Hospital	State Psychiatric Hospital	1,076	6	2.10%	973	9	1.84%
Mount Olive Pickle Company, Inc.	Pickle Production (seasonal)	966	7	1.88%			
Goldsboro Milling Company	Turkey Feed Products	875	8	1.71%	1,000	8	1.89%
O'Berry Center	State Center for Handicapped	649	9	1.26%	1,053	6	1.99%
City of Goldsboro	Local Government (full & part-time)	596	10	1.16%			
Walmart/Sam's Club	Retail Stores				1,182	4	2.23%
Wayne Community College	Higher Education				600	10	1.13%
Total		<u>18,548</u>		<u>36.62%</u>	<u>17,602</u>		<u>33.20%</u>
Total County Employment		<u>51,308</u>			<u>53,024</u>		

Source: Wayne County Development Alliance, Inc.

Table 5-A

**Wayne County, North Carolina**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>General government</b>										
Board of commissioners	7	7	7	7	7	7	7	7	7	7
County manager	3	3	3	3	3	4	4	5	4	4
Finance	6	6	6	6	8	8	9	9	9	9
Human resources	4	4	4	4	3	3	4	4	4	4
Tax administration	18	16	19	17	16	15	15	15	16	15
GIS	2	2	2	2	2	2	2	2	2	2
County attorney	1	1	1	1	1	1	1	1	2	2
Court facility	-	-	-	1	-	1	2	2	2	4
Public affairs	-	-	-	-	2	2	2	2	3	3
Board of elections	8	8	20	7	7	5	5	5	4	4
Register of deeds	10	9	9	9	8	8	8	8	8	7
Central services	3	3	5	5	2	2	2	2	2	2
IT department	10	10	10	9	10	9	10	10	11	14
Building and grounds	31	30	30	33	35	35	37	38	39	40
<b>Public safety</b>										
Sheriff	115	116	125	125	106	100	119	127	128	151
Detention center	66	69	76	67	67	64	80	94	103	103
Day reporting	2	2	2	2	6	6	6	6	6	6
Electronic monitoring	1	2	2	-	-	-	-	-	-	-
NC school resource officers	7	7	7	7	9	11	12	12	11	16
Emergency management	34	37	37	30	34	34	38	38	38	32
Inspections	6	7	8	7	7	7	7	7	7	7
Animal control	12	12	12	13	13	13	13	14	15	15
EM telephone	1	1	2	5	1	1	1	1	-	-
622 EMS	71	73	83	76	100	97	107	108	110	110
Wayne Net	21	19	21	26	24	22	26	50	49	40
<b>Transportation</b>										
Goldsboro Wayne Airport	3	3	3	4	3	3	3	3	3	3
Goldsboro/Wayne Transp. Authority	1	2	1	1	1	1	-	-	-	1
<b>Economic and physical development</b>										
Economic development	4	3	4	4	4	4	3	3	4	4
Cooperative extension	3	3	3	3	1	2	2	3	3	2
Soil and water conservation	4	4	4	4	4	4	4	4	4	4
<b>Environmental protection</b>										
Planning	5	5	10	5	4	4	3	4	5	5

Table 5-A

**Wayne County, North Carolina**  
**Full-time Equivalent County Government Employees by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Education</b>										
Library	-	47	45	45	28	33	34	36	36	36
Literacy connection	-	-	2	3	3	3	3	3	3	3
<b>Human services</b>										
Coop ext smart start	2	2	2	-	-	-	-	-	-	-
Smart start-PAT	2	2	2	5	2	2	-	-	-	-
4-H	22	23	22	21	9	7	10	10	5	3
Veterans	2	2	2	2	2	2	3	3	3	3
Senior citizens	38	38	37	38	17	16	15	16	17	16
Social services	186	193	193	193	204	210	201	232	218	194
Health	123	124	136	129	123	121	117	117	114	111
<b>Utilities</b>										
Solid waste	55	57	56	53	46	46	45	45	45	45
Genoa sewer	1	1	1	-	1	1	1	1	1	1
<b>Convention Center</b>										
Maxwell	-	-	-	-	-	-	0	3	3	5
<b>Internal Service Fund</b>										
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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Inspections department</b>										
Building permits issued	560	506	441	429	478	443	548	622	543	587
Building inspections conducted	3,948	3,542	4,010	4,167	3,346	3,101	3,836	7,101	6,721	6,742
<b>Sheriff</b>										
Arrests	3,688	3,491	3,609	1,365	3,641	3,862	4,560	5,041	4,503	4,793
Citations	1,293	1,179	1,092	1,111	3,947	5,020	7,502	5,225	3,420	2,787
<b>Fire</b>										
Inspections	115	202	129	154	163	175	174	92	91	104
Permits	67	119	129	120	115	112	110	110	107	124
<b>EMS</b>										
Calls	15,193	15,791	16,342	16,818	16,613	17,690	18,391	18,725	19,520	20,084
<b>EMS Non-emergency</b>										
Calls	N/A	N/A	N/A	N/A	6,524	5,774	6,514	12,832	11,916	20,262
<b>Solid waste disposal</b>										
MSW (tons)	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	82,805.84
C&D (tons)	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	34,458.59
Storm debris (tons)	-	-	21.05	-	-	-	-	12,526.36	2.93	5,770.15
Recycle (tons)	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	4,152.12
Tires (count)	145,143	157,387	231,729	1,849	2,211	1,943	1,971	2,145	2,163	2,222
Oil (gallons)	19,425	19,200	17,980	17,495	22,820	14,965	16,750	16,250	24,500	22,500
Batteries (count)	697	346	309	287	207	72	0	0	0	2
<b>Jail</b>										
Inmates admitted (average)	619	456	511	507	552	561	579	545	538	4,300
Inmates (daily average)	216	231	227	225	223	214	220	395	363	363
<b>Department of social services</b>										
Adult medicaid (active cases)	36,967	34,747	39,568	39,777	40,111	40,477	100,551	140,143	145,302	138,255
Family and childrens medicaid (active cases)	141,687	164,859	159,271	161,496	122,788	127,779	255,350	331,271	347,251	294,236
Food stamps (active cases)	17,200	23,420	24,430	24,101	11,843	129,560	143,720	163,359	133,931	129,365
Children in foster care (avg per month)	53	46	46	61	71	40	38	56	72	64
Children in DSS custody (avg per month)	88	84	94	79	72	72	89	124	118	107
Day care (children served)	16,937	16,092	14,114	15,479	15,285	14,863	13,532	12,898	12,898	13,125
Child support (collections)	\$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	\$12,869,734
Work first (active cases)	7,699	6,919	7,089	5,533	3,911	4,664	2,858	3,506	3,690	3,278
Reception services (clients seen)	70,650	66,980	70,021	64,366	41,455	41,015	52,173	52,081	54,640	47,140
<b>Health department</b>										
TB (clients seen)	1,160	975	1,182	1,202	576	475	340	385	552	815
Communicable disease/STD (client visits)	3,811	2,422	2,824	5,139	3,874	3,421	3,508	3,143	2,573	2,721
Pharmacy (prescriptions filled)	13,446	12,941	9,167	9,011	8,030	5,464	4,189	4,448	4,496	3,384
BCCCP (client visits)	349	307	292	308	358	351	274	293	182	216
Wisewoman (client visits)	230	206	149	212	55	171	129	134	81	26
HIV/AIDS (tests)	2,669	2,688	4,840	4,622	4,386	2,425	2,181	3,780	1,723	3,448
Dental (client visits)	3,451	3,760	3,258	2,105	2,583	2,331	1,860	517	801	338
Immunizations (administered)	7,250	3,621	7,941	3,905	4,694	4,503	4,381	4,672	4,182	5,078
Lab (tests)	64,299	62,599	53,787	51,115	50,708	45,611	39,979	43,008	43,297	40,197
Environmental health (onsite inspections)	1,485	1,221	1,261	1,261	674	890	1,235	1,169	1,289	1,920
Environmental health (restaurant inspections)	1,587	1,442	1,532	1,532	1,615	1,531	1,231	1,081	1,227	1,380
WIC (caseloads)	4,534	4,534	4,359	4,315	4,373	4,373	4,387	4,152	3,916	3,952
Total prenatal visits	6,979	7,175	6,517	6,288	6,204	6,723	6,634	5,936	6,286	6,810

**Wayne County, North Carolina**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Health department, continued</b>										
Post partum home assessments	633	485	479	440	476	432	387	280	391	261
Family planning visits	7,496	6,945	6,761	6,139	11,368	5,345	2,658	5,184	5,083	3,828
Health Education/H.P. (persons reached)	15,922	12,953	6,907	12,974	9,704	17,036	20,992	11,432	2,312	2,990
<b>4-H</b>										
Elementary afterschool enrollment	478	367	307	235	235	185	238	60	158	133
Middle school afterschool enrollment	412	63	46	60	53	92	126	50	45	0
Elementary afterschool sites	6	9	6	9	10	9	9	6	8	4
Middle school afterschool sites	3	1	4	1	1	3	2	1	1	0
4H volunteer hours	6,500	3,668	7,500	8,745	8,354	3,000	4,400	4,819	4,818	1,406
Youth workshop attendance	9,781	7,412	9,875	8,010	10,196	1,050	1,440	1,052	2,849	1,247
<b>Cooperative extension</b>										
Workshop attendance	35,346	107,969	26,466	31,682	3,519	27,965	16,738	32,737	13,069	15,312
Extension training (farmers)	528	9,486	2,611	1,702	45	3,483	3,550	4,162	2,968	2,591
Home horticulture class attendance	1,097	966	594	1,248	877	2,479	2,071	2,099	1,177	2,466
Master gardeners volunteer hours	2,223	3,400	2,433	2,403	2,225	2,009	2,372	2,199	2,401	2,591
Equine training participants	841	228	236	65	50	-	-	-	-	-
Family and consumer science nutrition and wellness training attendance	4,906	10,159	16,329	8,903	7,037	5,644	1,215	2,721	794	2,241
Extension and community association volunteer hours	10,070	11,996	10,911	11,249	9,560	9,378	9,000	9,800	7,856	9,259
<b>Tax</b>										
% of collections	97.03%	97.10%	97.03%	97.19%	97.27%	97.93%	97.77%	97.78%	98.10%	98.10%
Real estate parcels	59,462	59,836	60,037	60,199	60,396	60,649	65,721	61,080	66,308	66,494
Real property value	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	6,040,090,705
Personal property value	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	687,656,540
Licensed vehicles value (Old DMV System)	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	982,644,768
<b>Airport</b>										
Gallons-Aviation gas sold (yearly)	N/A	32,981	38,029	35,723	39,118	39,401	50,782	55,182	64,691	63,577
Gallons-Jet A fuel sold (yearly)	N/A	79,681	66,388	80,320	74,466	51,319	48,825	76,694	90,910	81,685
Total transient flights (yearly)	N/A	641	1,474	1,314	1,236	698	627	482	563	357
<b>Library</b>										
Number of branches	N/A	4	4	4	4	4	4	4	4	4
Number of hours open to public	N/A	8,298	8,103	8,061	8,063	8,044	8,122	8,122	8,104	8,128
Total book & serial volumes	N/A	150,420	150,757	190,698	201,416	151,321	137,849	133,083	129,310	133,465
Total circulation	N/A	323,346	323,080	314,195	263,761	300,075	288,742	264,274	253,177	242,214
Number of persons entering library	N/A	614,962	670,772	316,379	290,049	295,405	280,344	260,598	235,677	211,057
Total childrens program attendance	N/A	18,546	17,016	17,103	13,693	15,537	16,704	20,521	24,368	20,572
Total adult program attendance	N/A	818	1,927	2,817	1,423	4,414	3,827	4,019	3,632	3,543

Sources: Various county departments

N/A = Not Available

Table 5-C

**County of Wayne, North Carolina**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General government</b>										
<b>Buildings and grounds</b>										
Building values	\$ 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	\$ 105,760,268
Contents value	\$ 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	\$ 28,062,313
<b>Sheriff</b>										
Patrol units	108	104	106	114	114	124	135	138	148	148
Canine units	3	3	3	4	4	4	5	5	6	6
Boats	1	1	1	1	1	2	2	2	2	2
Helicopters	1	1	1	2	2	2	2	2	2	2
<b>EMS</b>										
Stations	9	9	9	9	9	9	9	9	10	10
Ambulances	20	18	18	18	18	18	16	18	16	16
Difibrillator	7	10	18	22	12	12	16	11	9	13
<b>WayneNet</b>										
Stations	1	1	1	1	1	1	3	3	2	2
Ambulances	3	4	6	6	5	4	8	8	11	16
Difibrillator	4	5	6	5	-	1	1	1	2	13
<b>Wastewater</b>										
Sanitary sewers (miles)	9.0	9.0	9.0	9.0	9.0	9.0	9.0	9.0	4.3	4.3
Treatment capacity (gal)	N/A	N/A	N/A							
Avg daily containment	100,000	100,000	160,000	160,000	1,000,000	23,000	23,000	10,000	10,000	10,000
Pump stations	2	2	2	2	2	2	2	1	1	1
<b>Solid Waste Disposal</b>										
Sanitation trucks	5	5	5	5	5	5	5	4	4	4
<b>Department of Social Services</b>										
Vehicles	6	9	9	7	7	8	8	11	10	10
<b>Info Technology Services</b>										
Servers	59	36	46	39	39	43	52	66	48	48
Computers	788	723	624	442	477	497	427	401	559	901
Laptops	261	234	345	185	258	268	260	131	184	288
Thin Clients	N/A	N/A	550	650	552	658	470	469	598	542
<b>4-H</b>										
Vehicles	2	3	3	3	3	3	3	3	2	3
<b>Airport</b>										
Vehicles	N/A	2	3	3	3	3	3	3	3	2

Source: Various county departments

N/A = Not Available

## **Compliance Section**

**NUNN, BRASHEAR & UZZELL, P.A.**  
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**Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On  
An Audit Of Financial Statements Performed In Accordance With *Government Auditing Standards***

**Independent Auditors' Report**

To the Board of 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, 2019, 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 22, 2019. 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, Brashear, & Uzzell, P.A.*

Goldsboro, North Carolina  
November 22, 2019

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

**Independent Auditors' Report**

To the Board of 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, 2019. 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, 2019.

## **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 22, 2019

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**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, 2019. 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, 2019.

## **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 would not be 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 22, 2019

**Wayne County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
For the Fiscal Year Ended June 30, 2019

**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	Food and Nutrition Services - Administrative Funds
10.557	Special Supplemental Nutrition Program for Women, infants, and Children (WIC)
93.044-CL	Special Programs for the Aging - Cluster
93.568	Low-Income Home Energy Assistance
93.658-CL	IV-E Foster Care and Adoption Assistance - Cluster
93.667	Social Services Block Grant
93.778	Medical Assistance Program - Administrative Funds
97.039	Hazard Mitigation Grant Program

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, 2019

**State Awards**

Internal control over major State programs:

Material weakness identified?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Significant Deficiency(s) identified that are not considered to be material weaknesses	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to State awards	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> 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	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Identification of major State programs:

Program Name

Public School Building Capital Fund  
N.C. School Resource Officer Program  
State Aid to Airports Program

**Wayne County, North Carolina**  
**Schedule of Findings and Questioned Costs**  
For the Fiscal Year Ended June 30, 2019

**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, 2019

**III. Federal Awards Findings and Questioned Costs**

**None Noted**

**IV. State Awards Findings and Questioned Costs**

**None Noted**

**Wayne County, North Carolina**  
**Corrective Action Plan**  
For the Fiscal Year Ended June 30, 2019

**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, 2019

***Finding: 2017-002***

Status:      Corrected

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<b>Federal Awards:</b>						
<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) (Note 5):						
SNAP Administrative	10.561		\$ 1,066,224	\$ 43,917	\$ -	\$ 1,022,307
SNAP Fraud Administration	10.561		110,635	-	-	110,635
Total SNAP			1,176,859	43,917	-	1,132,942
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5)	10.557		781,703	-	-	115,036
Total U.S. Dept. of Agriculture			1,958,562	43,917	-	1,247,978
<u>U.S. Environmental Protection Agency</u>						
Passed-through the N.C. Division of Soil and Water						
Soil Conservation		566001520 01	10,058	23,467	-	202,169
Soil Conservation - State Matching Funds		566001520 02	-	3,600	-	-
Total U. S. Election Assistance Commission			10,058	27,067	-	202,169
<u>U.S. Dept. of Justice</u>						
<u>    Office of Justice Programs</u>						
State Criminal Alien Assistance Program (SCAAP)	16.606		7,535	-	-	-
Total U. S. Department of Justice			7,535	-	-	-
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through N. C. Dept. of Commerce:						
Division of Community Assistance						
Community Development Block Grant - NC Small Cities CDBG	14.228	8-16-DL-37-0001	432,878	-	-	-
Total U.S. Dept. of Housing and Urban Development			432,878	-	-	-
<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	Hurricane Florence	496,819	165,606	-	47,542
Emergency Performance Grants	97.042	EMPG-2017-17096/37151	52,899	-	-	52,899
Hazard Mitigation Grant Program	97.039	4285-057	989,394	-	-	-
State Acquisition and Relocation (SARF)			-	263,171	-	-
Total U. S. Department of Homeland Security			\$ 1,539,112	\$ 428,777	\$ -	\$ 100,441

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>U.S. Department of Education</u>						
<u>N.C. Department of Education</u>						
Passed-through the Wayne County Public Schools:						
21st Century Community Learning Centers	84.287		\$ 11,499	\$ -	\$ -	\$ -
Total U.S. Department of Education			\$ 11,499	\$ -	\$ -	\$ -
<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	62,273	-	-	10,741
Total U.S. Department of EPA			62,273	-	-	10,741
<u>U.S. Department of Transportation</u>						
Passed-through the N.C. Dept. of Transportation						
National Priority Safety Programs	20.600	22019.2.8	100,016	-	-	-
Airport Improvement Program	20.106	36237.22.15.1	6,265	-	-	696
Total U.S. Department of Transportation			106,281	-	-	696
<u>U.S. Dept. of Health &amp; 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		6,403	377	-	753
Special Programs for the Aging - Title III B:						
Access	93.044		110,070	83,851	-	21,547
In-Home	93.044		133,249	150,586	-	31,537
Special Programs for the Aging - Title III C:						
Congregate Nutrition C-1	93.045		115,620	6,801	6,801	13,602
Home Delivered Meals C-2	93.045		121,349	91,440	91,440	23,643
NSIP - Nutrition	93.053		71,796	-	71,796	-
Total Aging Cluster			558,487	333,055	170,037	91,082
Social Services Block Grant - In-Home Services	93.667					
Family Caregiver Support	93.052		19,458	1,297	-	-
Total Eastern Carolina Council			577,945	334,352	170,037	91,082
Passed-through N.C. Department of Insurance						
Senior Health Insurance Information Program	93.779		\$ 13,687	\$ -	\$ -	\$ -
Total N.C. Department of Insurance			\$ 13,687	\$ -	\$ -	\$ -

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<u>Administration for Children and Families</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
<u>Foster Care and Adoption</u>						
Title IV-E CPS	93.658		\$ 74,720	\$ 48,009	\$ -	\$ 62,358
Title IV-E Foster Care Training	93.658		19,896	-	-	6,632
Title IV-E Foster Care/Off Trn	93.658		225,096	-	-	225,096
Title IV-E Adoption/Off Trn	93.659		22,293	3,267	-	19,026
Title IV-E Admin County Paid to CCI	93.658		84,996	42,498	-	42,498
Total Foster Care and Adoption			427,001	93,774	-	355,610
<u>Temporary Assistance for Needy</u>						
Families (TANF/Work First) - Administration	93.558		54,877	-	-	173,203
Division of Public Health: TANF	93.558		22,048	-	-	-
Total Temporary Assistance for Needy			76,925	-	-	173,203
N.C. Child Support Enforcement Section						
Title IV-D Administration	93.563		1,362,900	-	-	944,039
Title IV-D Offset Fees	93.563		7,717	-	-	3,975
Low-Income Home Energy Assistance Block Grant:						
Administration	93.568		113,108	-	-	-
Energy Assistance Payments- Direct Benefit Payments	93.568		777,400	-	-	-
Crisis Intervention Program	93.568		769,871	-	-	-
Child Welfare Services - State Grants						
- Permanency Planning - Families for Kids-Special	93.645		38,669	-	-	12,890
AFDC Payments and Penalties	93.560		(93)	(25)	-	(25)
SSBG - TANF to SSBG	93.667		328,994	-	-	579,602
SSBG - Other Service and Training	93.667		563,012	-	-	187,670
Independent Living Grant	93.674		20,272	5,068	-	40,843
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		215,750	59,919	-	1,697,930
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - In Home Service Fund Over 60	93.667		9,810	-	-	1,401
Division of Child Development:						
<u>Child Care Development Fund:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		183,839	-	-	22,540
Smart Start			-	43,016	-	103,748
Total Child Care Development			\$ 183,839	\$ 43,016	\$ -	\$ 126,288

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Passed-through Eastpointe Division of Public Health Child Substance Abuse Prevention	93.959		\$ 65,775	\$ -	\$ -	\$ -
<b><u>Centers for Medicare and Medicaid Services</u></b>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance (Note 5):						
Medical Assistance Program (Public Health)						
Pregnancy Care Management/Care Coordination 4 Children	93.778		795,809	-	-	719,428
Division of Social Services:						
Medical Assistance Program/Administration:						
Adult Care Home Case Mgmt/Spec	93.778		53,367	16,649	-	36,718
Medical Assistance Administration	93.778		2,227,331	-	-	917,094
Medical Transportation Administration	93.778		149,945	-	-	149,945
State County Special Assistance	93.778		151,108	-	-	50,369
State Children's Ins. Program - N.C. Health Choice (Note 5)	93.767		(229)	-	-	-
<b><u>Office of Population Affairs</u></b>						
Passed-through the N.C. Dept. of Health and Human Services:						
Office of Population Affairs						
Family Planning Services	93.217		57,660	-	-	822,458
<b><u>Centers for Disease Control</u></b>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		2,315	-	-	2,580
Hospital Preparedness Program and Public Health						
Emergency Preparedness Aligned Coop. Agreements	93.074		33,906	-	-	-
Well-Integrated Screening and Evaluation for Women						
Across the Nation (Wisewoman)	93.436		7,350	-	-	1,554
Project Grants and Cooperative Agreements for						
Tuberculosis Control Program	93.116		26,824	-	-	42,563
Immunization Grants	93.268		37,028	-	-	102,085
Funded solely with Prevention and PH Funds	93.758		9,136	-	-	-
Cancer Prevention and Control Programs for State	93.898		33,660	-	-	84,510
Preventive Health Services-STD Control Grants	93.977		100	-	-	-
Total U.S. Dept. of Health and Human Services			9,137,892	552,753	170,037	7,143,812
Total federal awards	\$ 13,266,090	\$ 1,052,514	\$ 170,037	\$ 8,705,837		

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
<b>State Awards:</b>						
<u>N.C. Dept. of Commerce:</u>						
Rural Center Grant - Stormberg Foods	2017-160	\$ -	\$ 146,279	\$ -	\$ -	\$ -
Building Reuse - Alta Foods Grant	2018-142	<u>-</u>	<u>162,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total N. C. Dept. of Commerce		<u>-</u>	<u>308,779</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>N.C. Dept. of Military &amp; Veteran Affairs</u>						
Veteran Services		<u>-</u>	<u>2,216</u>	<u>-</u>	<u>-</u>	<u>169,015</u>
Total N.C. Dept. of Military & Veteran Affairs		<u>-</u>	<u>2,216</u>	<u>-</u>	<u>-</u>	<u>169,015</u>
<u>N.C. Dept. of State Budget and Management:</u>						
Special Appropriation	7763	<u>-</u>	<u>83,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total N. C. Dept. of State Budget and Management		<u>-</u>	<u>83,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>N.C. Department of Natural and Cultural Resources:</u>						
State Library of North Carolina						
Library State Aid Grant		<u>-</u>	<u>166,183</u>	<u>-</u>	<u>-</u>	<u>61,131</u>
Library Smart Start-Every Child Read		<u>-</u>	<u>156,152</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total N.C. Department of Cultural Resources		<u>-</u>	<u>322,335</u>	<u>-</u>	<u>-</u>	<u>61,131</u>
<u>N.C. Department of Environmental Quality</u>						
Division of Environmental Health	566001520					
Electronics Management		<u>-</u>	<u>7,161</u>	<u>-</u>	<u>-</u>	<u>67,114</u>
Stream Debris Removal		<u>-</u>	<u>95,083</u>	<u>-</u>	<u>-</u>	<u>95,067</u>
Total N.C. Dept. of Environmental and Natural Resources		<u>-</u>	<u>102,244</u>	<u>-</u>	<u>-</u>	<u>162,181</u>
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
Passed through Eastern Carolina Council:						
Operation Fan		<u>-</u>	<u>657</u>	<u>-</u>	<u>-</u>	<u>-</u>
Senior Center General Purpose		<u>-</u>	<u>8,020</u>	<u>-</u>	<u>-</u>	<u>2,673</u>
Total Eastern Carolina Council		<u>-</u>	<u>8,677</u>	<u>-</u>	<u>-</u>	<u>2,673</u>
Division of Social Services						
Energy Assist Private Grants		<u>-</u>	<u>16,049</u>	<u>-</u>	<u>-</u>	<u>-</u>
Non-Allocating County Cost		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>243,275</u>
SFHF Maximization		<u>-</u>	<u>143,766</u>	<u>-</u>	<u>-</u>	<u>143,766</u>
Foster Care at Risk Maximization		<u>-</u>	<u>12,906</u>	<u>-</u>	<u>-</u>	<u>5,707</u>
AFDC Incentive/Prog Integrity		<u>-</u>	<u>103</u>	<u>-</u>	<u>-</u>	<u>-</u>
State Foster Home		<u>-</u>	<u>113,681</u>	<u>-</u>	<u>-</u>	<u>113,681</u>
Total Division of Social Service		<u>\$ -</u>	<u>\$ 286,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 506,429</u>

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
Division of Public Health						
CHA/CHIP Peer Review			\$ -	\$ 118,711	\$ -	\$ 636,416
Food and Lodging Fees				23,093	-	610,706
Mosquito and Tick Suppression - Hurricane Florence				102,144	-	21,177
Public Health Nursing				400	-	-
School Nurse Funding Initiative				250,000	-	-
Communicable Disease Control				13,257	-	68,413
Minority Diabetes Prevention Program				-	-	19,719
HMHC-Family Planning				77,700	-	-
High Risk Maternity Clinics				110,347	-	-
Breast and Cervical Cancer Program				21,675	-	-
Child Health				38,077	-	-
Women's Health Service Fund				14,572	-	-
HIV/STD State				21,667	-	382,868
Sexually Transmitted Diseases				1,189	-	-
Tuberculosis				64,239	-	42,563
Total Division of Public Health				<u>857,071</u>		<u>1,781,862</u>
Total N. C. Department of Health and Human Services				1,152,253	-	2,290,964
<u>N.C. Dept. of Transportation</u>						
State Aid to Airports Program	DOT-8		-	1,064,232	-	420,414
NC DOT Cluster ROAP/SMAP						
- ROAP Elderly and Disabled Transportation Assistance Program	36220.10.8.1		-	94,426	94,426	-
- ROAP Employment	36236.11.7.1		-	29,588	29,588	-
- ROAP Rural General Public Program	36228.22.8.1		-	91,845	91,845	-
Total ROAP Cluster				<u>1,280,091</u>	<u>215,859</u>	<u>420,414</u>
<u>N.C. Dept. of Public Instruction:</u>						
Public School Building Capital Fund	LEA 960/2018-20		-	1,275,097	-	-
N.C. School Resource Officer Grant	488015683		-	709,756	-	579,411
Total N. C. Dept. of Public Instruction				<u>1,984,853</u>		<u>579,411</u>
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs				436,224	436,224	-
Total Dept. of Public Safety				<u>436,224</u>	<u>436,224</u>	-
<u>Wayne County Partnership for Children</u>						
Smart Start - Health Service Team			-	56,390	-	5,202
Total Wayne County Partnership for Children				<u>56,390</u>		<u>5,202</u>
Total State awards				5,728,385	652,083	3,688,318
Total federal and State awards			\$ <u>13,266,090</u>	\$ <u>6,780,899</u>	\$ <u>822,120</u>	\$ <u>12,394,155</u>

**Wayne County, North Carolina**  
**Schedule of Expenditures of Federal and State Awards**  
**For the Year Ended June 30, 2019**

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct &amp; Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Pass-through to Subrecipients</u>	<u>Local Expenditures</u>
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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, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal REgulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the 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.

3. Indirect Cost Rate

Wayne County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

4. Cluster of Programs

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes:

Foster Care and Adoption

5. Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for WIC	10.557	3,041,748	-
Supplemental Nutrition Assistance Program	10.551	38,179,895	-
Temporary Assistance for Needy Families	93.558	643,605	-
Refugee Assistance	93.566	1,231	-
Foster Care - Title IV-E/Adoption Subsidy	93.658	1,109,210	279,375
Medical Assistance Program	93.778	117,940,853	61,522,983
Children's Health Insurance Program	93.767	1,169,685	-
Child Welfare Services Adoption			498,520
State/County Special Assistance Program			964,203