

**Comprehensive Annual
Financial Report
of the
County of Wayne
Goldsboro, North Carolina
For the Fiscal Year Ended
June 30, 2020**

**Craig Honeycutt
County Manager**

**Allison W. Speight
Finance Director**

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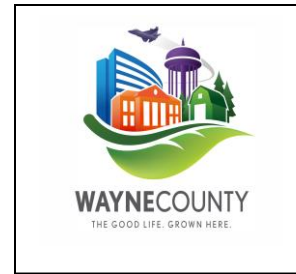
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Introductory Section

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Letter of Transmittal

County of Wayne **Craig Honeycutt** County Manager / Budget Officer



December 31, 2020

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, 2020 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, 2020.

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

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

Nunn, Brashear & Uzzell, PA, a firm of licensed certified public accountants, has audited Wayne County's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of Wayne County for the fiscal year ended June 30, 2020 are

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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, 2020 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of 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 and 4th 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. SJAFB 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 \$1billion 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 be achieve successes.

Major Initiatives

1. 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, 2020, the new Meadow Lane school is complete and opened to students in the fall of 2019, and the HVAC project has been finished. The six additional classrooms have been removed from the plans of the Southern Wayne High School Gym, and the gym will now be a full competition gym facility. The gym bid was awarded to Daniels & Daniels Construction Company on August 20, 2019 by the Board of Commissioners at a price of \$5,997,000 without alternates. Engineering fees for the gym totaled \$432,420 leaving a budget shortfall for the project as only \$3,200,000 was originally borrowed for the gym. To fill the funding gap, the Board of Commissioners voted on November 5, 2019 to reallocate unspent bond proceeds of \$408,686 from the 2017 bond issuance. The remaining revenue of \$2,820,734 was transferred by the Commissioners from the Schools Sales Tax Fund out of the \$4,600,000 that was unofficially set aside for Fremont Elementary School. The Southern Wayne gym was completed in December 2020.

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2. 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. Other revenue sources for this project include restricted 911 monies from the County's restricted fund balance, debt-financing proceeds, a small grant and general fund dollars. Construction began on this project and was completed in December 2020. The building was named the A. Joe Gurley, III Emergency Services Building by the Board of Commissioners on August 4, 2020 in honor of the late A. Joe Gurley, III, who served as the long-time Office of Emergency Services Director and more recently as a County Commissioner.
3. 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.
4. 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.
5. 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 2021. Both the building specs and design plans have been completed.

6. 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.
7. A Stream Debris Removal Project contract following Hurricane Florence has been awarded. The County has received \$512,591 in a grant from the NCDA&CS Division of Soil & Water Conservation. This is a “snag and drag” operation to remove any woody debris that is obstructing flow in streams that empty into the Neuse River. The General Assembly has appropriated disaster recovery funds to help implement BMPs that will address the impacts of Hurricane Florence. Stream Debris removal is one of the BMP’s. The “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 a minimum of 30’ from the top of the natural 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.
8. In order to provide redundant county network services to the Winders Jail, new 911 Center, COB, and Courthouse, 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 which will not be a part of the redundant path-just highspeed data access to county resources. 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. Another extension of this run of fiber will be to the Dixie Trail building before Social Services moves in it. The project is about 85% finished.
9. 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. The project was completed in June 2020.
10. 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.

11. 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.
12. 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.
13. 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. Since Wayne County is a Tier 1 county, Open Broadband was able to apply for a state-provided grant, the GREAT grant, to extend coverage to unserved census populations. The application was denied in the grant funding cycle two times. However, the company continues to try to expand services through other grant opportunities such as the Dudley antenna site funded through a Library grant. They also plan to use their own capital to fund growth and expansion of access.
14. 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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15. The Apron Pavement Rehabilitation (Design) project is needed to perform the design and prepare the bid documents for the asphalt pavement reconstruction of the Jetport's main aircraft parking apron. The existing apron pavement has been experiencing problems with deflections in the asphalt from parked aircraft, causing many impacts to airport operations and fuel sales. The Apron Pavement Rehabilitation (Design) is being funded 90% by FAA Non-Primary Entitlement (NPE) funds, with a 10% local match supplied by the County. The project will be "shovel ready" at the end of design with the hope of grant funds for construction being awarded during the 2021 calendar year.
16. 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 construction is complete and the project is currently being closed out. A large portion of the project was funded by a 90% FAA NPE / 10% County grant, 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.
17. The main portion of the Corporate Area Expansion construction project was completed in late 2019. A change order to reconstruct the access road to the site was approved earlier this year. Construction of the new access road is complete and being closed out. The construction of the access road is being funded by the balance of state grant funds for the Corporate Area Expansion project and FAA NPE funds (no County match required), with the balance of construction being funded by the County.
18. 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. This building was intended to house the Department of Social Services. However, due to cost concerns of renovating the building and other capital project needs, this project is being re-evaluated.
19. 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. The study was completed and recommendations made to the County in April of 2020.
20. 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 evaluation the current needs, project future inmate population and space needs and provide recommendations to renovate or construct facilities for long-term solutions. Interim results

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have been presented to the County, and the company will progress to the next phase of the project.

21. 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 voted on November 19, 2019, to approve the franchise agreement with North State Transport. However, following the June 30, 2020 year-end, the Board of Commissioners began the process of franchising all non-emergency medical transport to private companies. As discussed under the Subsequent Events Note Disclosures, the Wayne NET department was closed, and the Board of Commissioners approved, on July 21, 2020 a franchise agreement with both North State Medical Transport Service, Inc. and MedEx Medical Transport Service, Inc.
22. In July of 2019, the Board of Commissioners approved a reimbursement resolution to reimburse the County under US Treasury regulations from a debt financing. The purpose of this debt financing was to finance the replacement of certain voting equipment in the Board of Elections; the acquisition, construction, purchase and repair of towers, land and communications equipment by the Office of Emergency Services; software replacement for the Finance, Human Resources, Inspections and Planning Departments; and the renovation of the Dixie Trail facility for use by the Department of Social Services. The Board of Commissioners approved to move forward with the financing on July 21, 2020, and the debt application for the County was approved by the Local Government Commission on August 4, 2020. An Installment Financing Agreement was executed on August 20, 2020 for \$10,000,000. The renovation of the Dixie Trail facility was put on hold and was not part of the borrowing; however, funds were borrowed for part of the construction and equipment of the new 911 Center. All other projects mentioned above were part of the debt financing as originally planned.
 - a. The replacement of voting equipment was completed in the 19-20 fiscal year.
 - b. A contract for \$2,799,264 with Radio Communications Company was approved by the Board of Commissioners on August 20, 2019. This agreement is for a county-wide radio system upgrade including the development of three new tower sites (Fremont, Seven Springs and Nahunta), providing new distributed control points and replacement of the microwave system.
 - c. As part of the debt-financed project for the Office of Emergency Services, the County purchased replacement portable radios for some of its departments and for any fire departments who wished to take advantage of the county pricing proposal. Some of the fire departments applied for and received grant funding to reimburse the County for their portables. The remaining fire departments entered into an agreement with the County to pay back their purchase amount over a set period of time with interest and the annual payment to be deducted from their December fire tax receipts.
 - d. During the August 20, 2019 Board of Commissioner meeting, a contract was approved to move forward with Tyler Technologies for software replacement for the Finance, Human Resources, Inspections and Planning Departments. The

Letter of Transmittal

Finance software implementation went live on July 1, 2020 and will be followed by the Human Resources/Payroll module on April 1, 2021. The Inspections and Planning software modules will have an implementation start date of May 1, 2021 with a go-live date to be determined later. The total project is estimated to cost around \$1,400,000.

23. On April 21, 2020, the Board of Commissioners approved an Offer to Purchase and Contract between the Wayne County Board of Education and the Evans family for \$312,000 for a tract of land in Fremont. This approval was conditional upon the Board of Education agreeing to a joint application with the County for the Tier 1 Lottery Grant Funds from the State. The site will be the future home of Fremont Elementary School. The Board of Commissioners subsequently approved filing a joint application with the Wayne County Board of Education for the Tier 1 Lottery Funds Grant in their recessed meeting on April 28, 2020.
24. On March 16, 2020, the County was declared to be in a State of Emergency due to the COVID-19 global pandemic. As of June 30, 2020, the County received \$2,253,000 of the state-allocated Coronavirus Relief Funding (CRF) to address various eligible expenditures of the county between March 1 and December 31 of 2020. Additional CRF funds were released after June 30 and are described in the Subsequent Events Notes to the Financial Statements. Various departments also received separate grant funding related to COVID-19 both before the June 30 year-end and after the year-end. As the pandemic continues, the county is working with federal and state agencies to follow regulations, implement safeguards, and protect its employees and citizens to the extent possible. As of the date of this report, the County was still under a State of Emergency and has now begun to move into the vaccination phase of the COVID-19 pandemic.

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.

AWARDS AND ACKNOWLEDGEMENTS:

In 2020 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, 2019. The 2019 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 (24) years. We believe the Report for fiscal year 2020 continues

Letter of Transmittal

to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

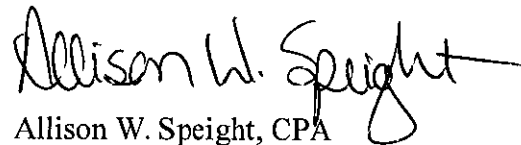
We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of the CAFR. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public accountants, Nunn, Brashear 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.

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

Sincerely,



Craig F. Honeycutt
Wayne County Manager
& Budget Officer



Allison W. Speight, CPA
Finance Director

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County Commissioners



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For the Fiscal Year Ended

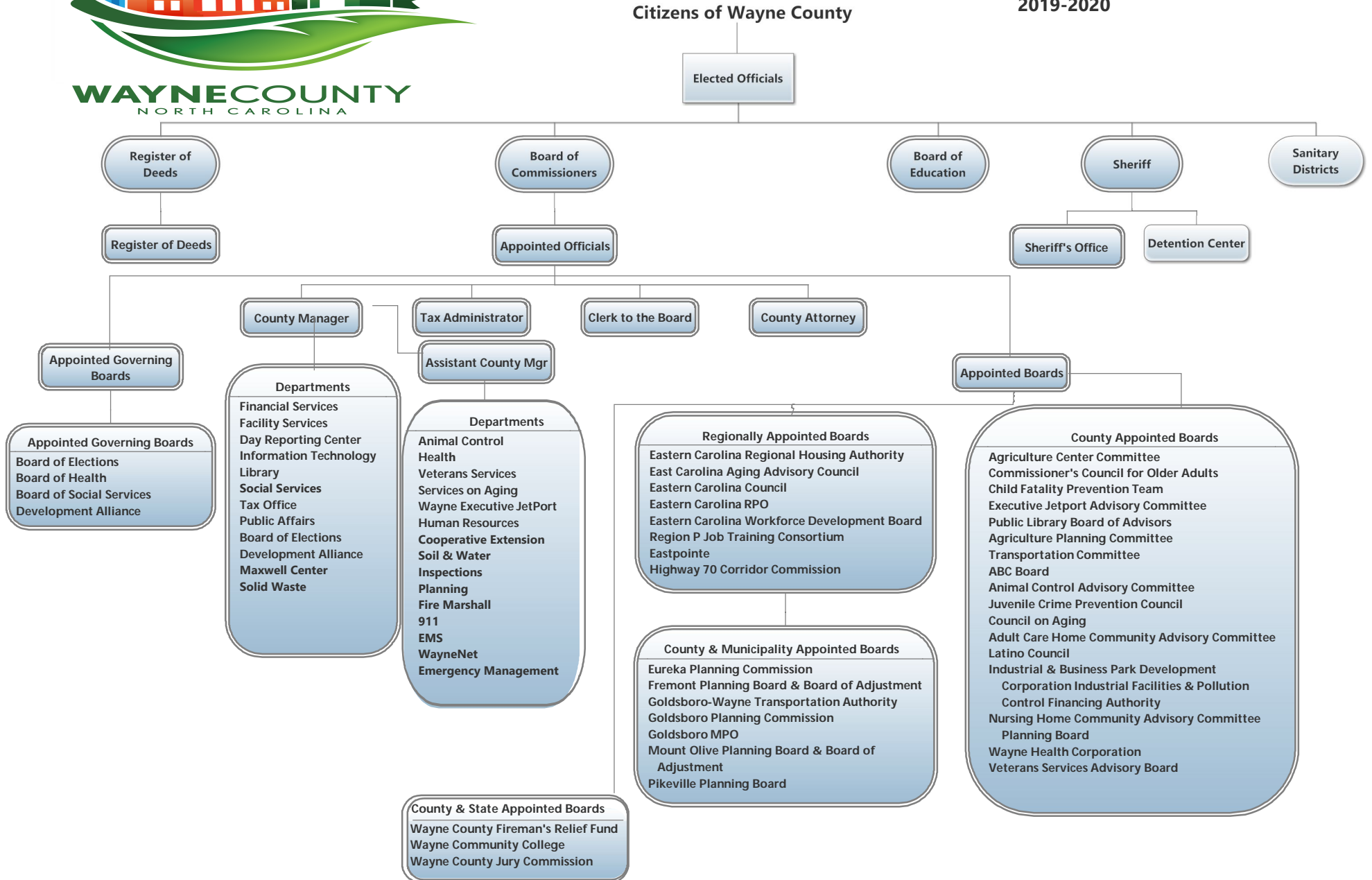
June 30, 2019

Christopher P. Morill

Executive Director/CEO



Wayne County Government Organizational Chart 2019-2020



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Financial Section

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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, 2020, 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.

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, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, 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 18 through 29, 107 through 108, 109 through 112, 113 through 116, and 117 through 118, 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 December 31, 2020 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

December 31, 2020

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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, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

Financial Highlights

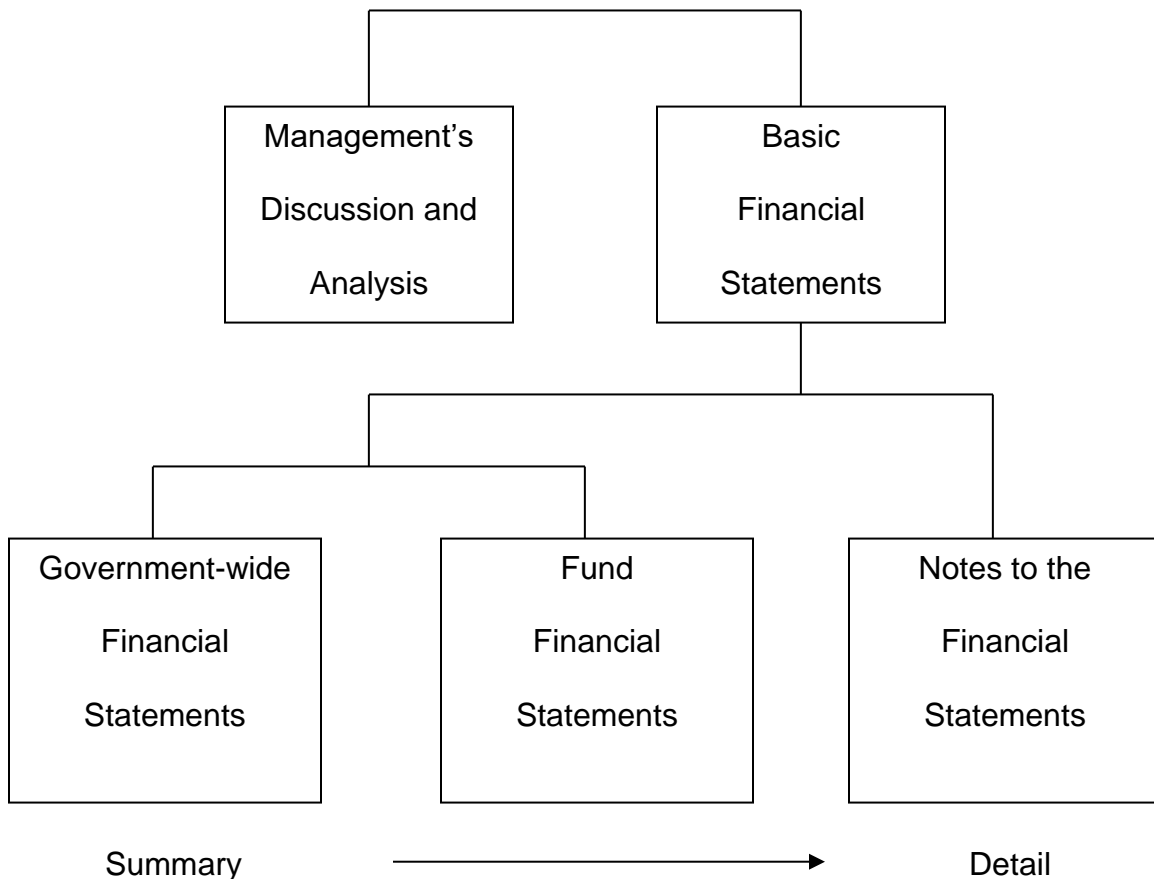
- The assets of Wayne County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$158,756,249 (*net position*).
- Deferred outflows of resources ended at \$13,337,357, an increase of \$870,504 over last year. Deferred inflows of resources ended at \$5,161,982, a decrease of \$1,093,453 over last year.
- The government's total net position increased by \$709,114. This increase is primarily due to proprietary fund grants received to assist with capital projects and increased collections of user fees, property taxes, and sales taxes.
- As of the close of the current fiscal year, Wayne County's governmental funds reported combined ending fund balances of \$52,447,398 a decrease of \$10,372,938 in comparison with the prior year. Approximately 55.18 percent of this total amount, or \$28,937,935, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$13,345,356 or 12.44 percent of total general fund expenditures for the fiscal year.
- Wayne County's total debt decreased by \$4,604,877 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 45 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 \$158,756,249 as of June 30, 2020. The County’s net position increased by \$709,114 for the fiscal year ended June 30, 2020. One of the largest portions \$143,061,018, 90.11%, 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 \$28,895,002, 18.20%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$13,199,771) (8.31%) is unrestricted.

Wayne County's Net Position Figure 2

	Governmental Activities		Business-type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current assets	\$ 51,351,270	\$ 63,357,640	\$ 20,526,286	\$ 18,619,825	\$ 71,877,556	\$ 81,977,465
Noncurrent assets	8,739,027	7,661,367	-	-	8,739,027	7,661,367
Capital assets	155,459,398	149,311,689	62,881,406	59,400,626	218,340,804	208,712,315
Total assets	<u>215,549,695</u>	<u>220,330,696</u>	<u>83,407,692</u>	<u>78,020,451</u>	<u>298,957,387</u>	<u>298,351,147</u>
Total deferred outflow s of resources	11,136,166	10,074,969	2,201,191	2,391,884	13,337,357	12,466,853
Long-term liabilities	109,735,956	106,964,215	28,030,300	28,312,415	137,766,256	135,276,630
Other liabilities	8,182,597	8,925,681	2,427,660	2,313,120	10,610,257	11,238,801
Total liabilities	<u>117,918,553</u>	<u>115,889,896</u>	<u>30,457,960</u>	<u>30,625,535</u>	<u>148,376,513</u>	<u>146,515,431</u>
Total deferred inflow s of resources	4,351,351	5,337,758	810,631	917,677	5,161,982	6,255,435
Net position:						
Net investment in capital assets	93,027,599	86,075,786	50,033,419	45,685,683	143,061,018	131,761,469
Restricted	28,895,002	29,415,699	-	-	28,895,002	29,415,699
Unrestricted	(17,506,644)	(6,313,473)	4,306,873	3,183,440	(13,199,771)	(3,130,033)
Total net position	<u>\$ 104,415,957</u>	<u>\$ 109,178,012</u>	<u>\$ 54,340,292</u>	<u>\$ 48,869,123</u>	<u>\$ 158,756,249</u>	<u>\$ 158,047,135</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 and Sewer to fund capital projects and expansion.

- Continued diligence in the collection of property taxes by maintaining a high collection percentage of 98.28%.
- 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 \$1.8 million due to economic growth in the County. However, the impacts of the COVID-19 pandemic were not really impactful to this fiscal year's sales tax collections since the time lapse between the sales of goods to the receipt of the sales tax by the County is 4 months.

Wayne County's Changes in Net Position Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 8,853,102	\$ 10,551,727	\$ 14,556,922	\$ 15,590,991	\$ 23,410,024	\$ 26,142,718
Grants/contributions	23,377,353	19,491,424	6,300,496	2,676,981	29,677,849	22,168,405
General revenues:						
Property taxes	62,052,615	59,799,476	-	-	62,052,615	59,799,476
Local option sales tax	25,091,605	23,254,541	-	-	25,091,605	23,254,541
Other taxes	318,340	314,324	-	-	318,340	314,324
Other	815,404	1,111,812	208,251	286,830	1,023,655	1,398,642
Total revenue	120,508,419	114,523,304	21,065,669	18,554,802	141,574,088	133,078,106
Expenses:						
General government	14,957,710	14,113,920	-	-	14,957,710	14,113,920
Public safety	30,771,396	29,747,584	-	-	30,771,396	29,747,584
Transportation	444,493	401,409	-	-	444,493	401,409
Environmental protection	1,276,287	1,126,413	-	-	1,276,287	1,126,413
Economic & physical dev.	5,852,543	1,991,925	-	-	5,852,543	1,991,925
Human services	26,408,593	26,284,213	-	-	26,408,593	26,284,213
Cultural and recreation	2,528,812	2,559,040	-	-	2,528,812	2,559,040
Education	35,940,325	29,245,606	-	-	35,940,325	29,245,606
Interest on long-term debt	1,484,537	1,554,463	-	-	1,484,537	1,554,463
Solid Waste Disposal	-	-	5,081,978	4,564,560	5,081,978	4,564,560
EMS - EMS Net	-	-	12,269,924	12,563,366	12,269,924	12,563,366
Sewer	-	-	719,211	852,243	719,211	852,243
Jetport	-	-	1,240,259	1,338,975	1,240,259	1,338,975
Maxwell Center	-	-	1,888,906	1,727,393	1,888,906	1,727,393
Total expenses	119,664,696	107,024,573	21,200,278	21,046,537	140,864,974	128,071,110
Increase (decrease) in net position before transfers	843,723	7,498,731	(134,609)	(2,491,735)	709,114	5,006,996
Transfers	(5,055,778)	(6,832,220)	5,055,778	6,832,220	-	-
Increase (decrease) in net position	(4,212,055)	666,511	4,921,169	4,340,485	709,114	5,006,996
Net position, July 1	109,178,012	107,632,195	48,869,123	44,528,638	158,047,135	152,160,833
Restatement	(550,000)	879,306	550,000	-	-	879,306
Net position, restated	108,628,012	108,511,501	49,419,123	44,528,638	158,047,135	153,040,139
Net position, June 30	\$ 104,415,957	\$ 109,178,012	\$ 54,340,292	\$ 48,869,123	\$ 158,756,249	\$ 158,047,135

Governmental activities: Governmental activities decreased the County's net position by \$4,212,055 before restatement, thereby accounting for a portion of the total loss in the

net position of Wayne County. The note disclosures provide more information on this restatement. Key elements of this increase are as follows:

- Falling interest rates due to a weaker interest rate environment, both before and after the onset of COVID-19 reduced the amount of interest significantly for the fiscal year over the prior year.
- Significant increase in educational spending as capital funds were spent down by both the public schools and community college on small capital projects. The County also increased teacher supplements and current expense funds to the public schools. Additional funds were allotted and spent on the Southern Wayne High School gym and Advanced Manufacturing Center at Wayne Community College.
- Increased collection of property and sales taxes above the budgeted amount assisted with offsetting the decreasing net position.
- Received various hurricane-related reimbursements from SARF and HMGP to offset expenditures in the prior and current fiscal years.
- 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 \$4,921,169. Key elements of this increase are as follows:

- Increase in NCDOT & FAA grants to help fund capital projects and expansion in the Jetport Fund.
- Increase in grant monies received in the Sewer Fund through the Golden Leaf Grant to replace the Genoa lift station. Operational costs were also reduced.

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 \$13,345,076, while total fund balance was \$36,681,130. Fund balance available in the General Fund decreased from the prior year by \$7,345,611. The majority of this decrease was due to the County advancing funds for capital projects that will be reimbursed with debt proceeds after the fiscal year. The public schools and community college both spent down some of their fund balance reserves on small capital projects. Also, additional funds were transferred to the Southern Wayne High School gym project. 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 budgeted 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 10.51% of general fund expenditures, while total fund balance represents 28.90% of that same amount.

At June 30, 2020, the governmental funds of Wayne County reported a combined fund balance of \$52,447,398, a 16.51% decrease over last year. This decrease is due primarily to spending down of bond and sales tax proceeds for Southern Wayne High School gym and county funds for the A. Joe Gurley III, Emergency Services Building. The remainder was due to reasons explained in the above paragraph.

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 \$18.5 million or approximately 17.46%. The County amended its anticipated revenues from FEMA due to the impact of Hurricane Florence by an increase of \$482,000. The Board of Commissioners anticipated additional revenues of \$985,000 for additional grant funds for the Stream Debris Removal project. The bulk of the increase in revenues were a result of Hazard Mitigation grant program funds awarded to the County in the amount of \$11.7 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 \$13.2 million also occurred. A bulk of the change occurred with funding of capital projects in advance from the General Fund that were later reimbursed through a debt financing that occurred after the fiscal year end. These projects are described in Item #22 in the Transmittal Letter under Major Initiatives. The County also experienced an increase in inmate medical and safekeeping expenditures above what was originally budgeted. 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 \$9.4 million, a 7.5% variance from final budget, reflecting increased collection of ad valorem taxes of \$750,000 and sales taxes of \$2.5 million. The remaining bulk of revenues that were significantly under budget included restricted intergovernmental revenues of state administrative funds for Social Services, economic development grant incentives, Hazard Mitigation and SARF funding. 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 \$19.7 million, a variance of 15.5% from the final budget, (\$1.18 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, (\$5.36 million) of which was in health and human services where vacancies or employee turnover created lapsed salaries in both Social Services and Health, (\$1.92 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, (\$1.24 million) of which was in education where spending did not reach the expected levels, (\$9.76 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. Due to travel restrictions from COVID-19 beginning in March of 2020, expenditures were reduced in areas of Travel, Meals & Lodging, Training & Fuel. 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 \$4,505,790. The total increase in net position for the Solid Waste Disposal Fund was \$520,192. Increase in net position of the EMS – EMS Net Fund at the end of the fiscal year amounted to \$874,302. The Maxwell Center decreased net position by \$49,751. Increase in net position of the Jetport Fund was \$3,594,301. The Sewer Fund, non-major fund, decreased net position by \$11,710. 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, 2020, totals \$218,340,804 (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	
	2020	2019	2020	2019	2020	2019
Land	\$ 18,416,213	\$ 15,223,852	\$ 14,454,322	\$ 14,048,440	\$ 32,870,535	\$ 29,272,292
Buildings and improvements	122,684,085	122,075,589	38,951,933	36,427,954	161,636,018	158,503,543
Infrastructure	1,714,255	834,414	3,583,979	3,180,362	5,298,234	4,014,776
Contractor equipment	-	-	3,361,150	2,745,071	3,361,150	2,745,071
Furniture & equipment	10,098,166	8,569,440	1,066,218	1,239,080	11,164,384	9,808,520
Intangibles	886,840	693,926	122,831	152,101	1,009,671	846,027
Vehicles	1,659,839	1,914,468	1,340,973	1,607,618	3,000,812	3,522,086
Total	<u>\$ 155,459,398</u>	<u>\$ 149,311,689</u>	<u>\$ 62,881,406</u>	<u>\$ 59,400,626</u>	<u>\$ 218,340,804</u>	<u>\$ 208,712,315</u>

Major capital asset transactions during the fiscal year include:

- Ribbon cutting and significant progress on the A. Joe Gurley, III Emergency Services Building
- Progress on a shell building for economic development
- Purchase of additional vehicles for the Sheriff's Office
- Completion of sewer lift station replacement

- Began construction of new radio towers and radio system upgrade
- First major module of Finance software replacement started and completed
- Purchase of land for future Fremont Elementary School
- Purchase of land and additional hangars for Jetport projects
- 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, 2020, Wayne County had limited obligation bonds, promissory notes, and installment purchase contracts of \$76,418,783 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	
	2020	2019	2020	2019	2020	2019
Limited obligation bonds	\$ 19.720	\$ 21.555	\$ 11.200	\$ 12.270	\$ 30.920	\$ 32.825
Installment purchase contr.	43.837	46.126	1.662	2.073	45.500	48.199
Totals	\$ 63.557	\$ 66.681	\$ 12.862	\$ 14.343	\$ 76.420	\$ 81.024

Wayne County's total debt decreased by \$4,604,877, 5.68% 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 \$701,682,081. The County has no bonds unissued at June 30, 2020.

Additional information regarding Wayne County's long-term debt can be found in note 7 beginning on page 93 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 following key economic indicators reflect the growth and prosperity of the County.

- As mentioned in the Letter of Transmittal, the County was declared to be in a State of Emergency beginning in March of 2020 due to the COVID-19 global pandemic. As of the date of this report, the County is still in a State of Emergency. The

pandemic caused business and school shutdowns for extended periods of time, and the economic impact could not be known for certain at the time of budget preparation. The County took a conservative stance with respect to projecting revenues and expenditures for the 20-21 budget year understanding that figures may have to be amended as the year progressed and the effects of the pandemic were realized.

- The June 2020, not seasonally adjusted, unemployment rate for Wayne County was 6.9%, which was higher than the June 2019 rate of 4.8%. The State's not seasonally adjusted unemployment rate as of June 2020 was 7.7% which is up from the June 2019 rate of 4.4%.
- As of 2018, the per capita income for Wayne County was \$38,472, which is lower than the State average of \$46,802. Wayne County's median household income is \$41,572, which is lower than the State's median household income of \$52,752.
- The property tax base was projected to grow by a small rate of 1.00%. This was a conservative rate since the impact of COVID-19 on property tax collections could not be known at the time of budget preparation.
- There was no growth projected for sales taxes due to COVID-19. 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. However, at the time of budget preparation and due to the span of time between retail sales and disbursement of sales taxes, the impact of the pandemic could not be known at budget preparation.

All of these factors were considered in preparing Wayne County's budget for Fiscal Year 2020-2021.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities:

- The property tax rate remained the same for the fiscal year 2020-2021 budget \$.6635 per \$100 of assessed valuation.
- The County approved an original budget of \$175,543,503 for fiscal year 2021, and the budget included no growth in sales taxes as explained above.
- There were no merit increases or cost of living adjustments for employees budgeted for FY 2021. Due to the uncertainty surrounding the cost and economic impact of COVID-19, only targeted salary increases were approved in the budget based on salary studies and employee turnover.
- The budget included an 8.9% increase in the County's portions of medical insurance premiums for the PPO and the HSA Plan. The employees also saw an 8.9% increase in the premiums of the dependent care options.
- 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 \$2.6 million. However, this represents a decrease of \$400,000 from the original budget last year. This decrease is due to the completion of various capital projects last year and paying down some debt. The Fund Balance being appropriated in the 2020-2021 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 a change in billing companies with reduced operating expenditures and the forecasted closing of Wayne NET, as described in the Subsequent Events Note Disclosure. Solid Waste has a small increase in revenues based on historical collections in user fees. The Jetport had a significant decrease from the prior year due to timing of grants budgeted and reduction in transfers and fund balance appropriated. However, the Jetport will have additional 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 budgeting fees based on more accurate meter readings and completion of capital projects. Finally, the Maxwell Center was seeing a nice increase in revenues prior to COVID-19. However, due to the stay-home orders issued by the State of North Carolina, bookings had to be canceled or rescheduled. Anticipated fees had to be adjusted down to account for the unknown booking revenue losses in the 2020-2021 fiscal year. Transfers to the fund increased to cover the annual debt service payment, capital outlay and operational losses due to COVID-19.

Requests for Information

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

Financial Statements

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

	Primary Government			Component Unit	
	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Total</u>	<u>WC Tourism</u> <u>Development</u> <u>Authority</u>	<u>Wayne County</u> <u>ABC Board</u>
Assets					
Current assets:					
Cash and cash equivalents	\$ 31,835,596	\$ 18,076,719	\$ 49,912,315	\$ 75,401	\$ 2,697,181
Restricted cash and cash equivalents	7,148,078	28,834	7,176,912	-	-
Receivables, net	3,678,598	2,052,081	5,730,679	15,384	-
Due from other governments	8,665,865	322,409	8,988,274	-	-
Inventories	23,133	46,243	69,376	-	634,172
Total current assets	51,351,270	20,526,286	71,877,556	90,785	3,331,353
Noncurrent Assets:					
Investments, long-term restricted cash	8,575,674	-	8,575,674	-	-
Net pension asset - ROD	163,353	-	163,353	-	-
Land, improvements	18,416,213	14,454,322	32,870,535	-	708,108
Other Capital Assets, net depreciation	137,043,185	48,427,084	185,470,269	-	1,668,846
Total noncurrent assets	164,198,425	62,881,406	227,079,831	-	2,376,954
Total Assets	215,549,695	83,407,692	298,957,387	90,785	5,708,307
Deferred Outflows of Resources	11,136,166	2,201,191	13,337,357	-	219,984
Liabilities					
Current liabilities:					
Accounts payable	1,983,040	1,125,389	3,108,429	-	1,125,592
Accrued wages and benefits	135,616	198,568	334,184	-	-
Other accrued expenses	547,354	27,516	574,870	-	758,412
Due within one year	5,516,587	1,076,187	6,592,774	-	-
Total current liabilities	8,182,597	2,427,660	10,610,257	-	1,884,004
Long Term liabilities:					
Due in more than one year	60,254,000	19,362,453	79,616,453	-	-
Net other post employment liability	33,287,380	5,624,504	38,911,884	-	-
Net pension liability - LGERS	13,075,105	3,043,343	16,118,448	-	-
Net pension liability - LEOSA	3,119,471	-	3,119,471	-	-
Total noncurrent liabilities	109,735,956	28,030,300	137,766,256	-	-
Total liabilities	117,918,553	30,457,960	148,376,513	-	1,884,004
Deferred Inflows of Resources	4,351,351	810,631	5,161,982	-	93,662
Net Position					
Net investment in capital assets	93,027,599	50,048,457	143,076,056	-	2,376,954
Restricted for (expendable):					
General government	1,464,076	-	1,464,076	-	-
Future debt obligations	8,575,674	-	8,575,674	-	-
Public safety	2,198,358	-	2,198,358	-	-
Education	4,761,419	-	4,761,419	-	-
Stabilization by State Statute	11,730,429	-	11,730,429	15,384	-
Register of Deeds pension plan	157,946	-	157,946	-	-
Senior Center-earnings	280	-	280	-	-
Working capital	-	-	-	-	360,379
Restricted for (nonexpendable):					
Senior Center-principal	7,100	-	7,100	-	-
Unrestricted	(17,506,924)	4,291,835	(13,215,089)	75,401	1,213,292
Total net position	\$ 104,415,957	\$ 54,340,292	\$ 158,756,249	\$ 90,785	\$ 3,950,625

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, 2020

Functions/Programs	Expenses	Program Revenue	
		Charges for Services	Operating Grants and Contributions
Primary government			
Governmental Activities			
General government	\$ 14,957,710	\$ 3,913,478	\$ 223,959
Public safety	30,771,396	2,829,288	2,243,436
Transportation	444,493	-	219,500
Human services	26,408,593	2,063,064	14,778,625
Culture and recreation	2,528,812	41,912	26,379
Education	35,940,325	-	1,853,390
Interest on long-term debt	1,484,537	-	-
Environmental protection	1,276,287	5,360	34,454
Economic and physical development	5,852,543	-	3,872,610
Total governmental activities	<u>119,664,696</u>	<u>8,853,102</u>	<u>23,252,353</u>
Business-type activities			
Solid Waste Disposal Fund	5,081,978	5,140,008	325,195
EMS - EMS Net Fund	12,269,924	7,096,141	1,682,163
Sewer Fund	719,211	558,672	467,298
Airport Fund	1,240,259	638,418	3,825,840
Maxwell Fund	1,888,906	1,123,683	-
Total business-type activities	<u>21,200,278</u>	<u>14,556,922</u>	<u>6,300,496</u>
Total primary government	<u>140,864,974</u>	<u>23,410,024</u>	<u>29,552,849</u>
Component Unit			
WC Tourism Development Authority	198,058	185,526	-
ABC Board	8,648,582	9,369,863	-
Total component units	<u>\$ 8,846,640</u>	<u>\$ 9,555,389</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.

<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Position Primary Government</u>			<u>Component Unit</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>	<u>WC Tourism Development Authority</u>	<u>ABC Board</u>
\$ -	\$ (10,820,273)	\$ -	\$ (10,820,273)		
125,000	(25,573,672)	-	(25,573,672)		
-	(224,993)	-	(224,993)		
-	(9,566,904)	-	(9,566,904)		
-	(2,460,521)	-	(2,460,521)		
-	(34,086,935)	-	(34,086,935)		
-	(1,484,537)	-	(1,484,537)		
-	(1,236,473)	-	(1,236,473)		
-	(1,979,933)	-	(1,979,933)		
125,000	(87,434,241)	-	(87,434,241)		
-	-	383,225	383,225		
-	-	(3,491,620)	(3,491,620)		
-	-	306,759	306,759		
-	-	3,223,999	3,223,999		
-	-	(765,223)	(765,223)		
-	-	(342,860)	(342,860)		
125,000	(87,434,241)	(342,860)	(87,777,101)		
-				\$ (12,532)	\$ -
-				-	721,281
-				(12,532)	721,281
62,052,615	-	62,052,615	-	-	-
25,091,605	-	25,091,605	-	-	-
318,340	-	318,340	-	-	-
586,143	208,251	794,394	-	-	2,225
229,261	-	229,261	-	-	-
(5,055,778)	5,055,778	-	-	-	-
83,222,186	5,264,029	88,486,215	-	-	2,225
(4,212,055)	4,921,169	709,114	(12,532)	-	723,506
109,178,012	48,869,123	158,047,135	103,317	-	3,227,119
(550,000)	550,000	-	-	-	-
108,628,012	49,419,123	158,047,135	103,317	-	3,227,119
\$ 104,415,957	\$ 54,340,292	\$ 158,756,249	\$ 90,785	\$ 3,950,625	

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2020

	<u>Major</u>	<u>Non-Major</u>	
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets			
Cash and cash equivalents	\$ 14,745,378	\$ 8,508,736	\$ 23,254,114
Restricted cash	8,575,674	6,582,401	15,158,075
Investments	5,974,601	-	5,974,601
Taxes receivable, net	1,853,853	1,261,979	3,115,832
Due from other funds	857,298	-	857,298
Receivable from other governments	9,631,525	943,985	10,575,510
Total assets	<u>41,638,329</u>	<u>17,297,101</u>	<u>58,935,430</u>
Liabilities and Fund Balances			
Liabilities:			
Accounts payable	573,377	1,067,653	1,641,030
Due to other funds	2,253,382	290,000	2,543,382
Total liabilities	<u>2,826,759</u>	<u>1,357,653</u>	<u>4,184,412</u>
Deferred Inflows of Resources	<u>2,130,440</u>	<u>173,180</u>	<u>2,303,620</u>
Fund balances:			
Non-spendable:			
Senior Center-principal	-	7,100	7,100
Restricted for:			
Stabilization by State Statute	10,190,047	1,540,382	11,730,429
Future debt payments, QSCB	8,575,674	-	8,575,674
Fire protection	-	2,398	2,398
Public Schools	2,030,530	2,730,889	4,761,419
Law enforcement	168,267	-	168,267
Tax revaluation	565,677	-	565,677
Public safety	-	2,030,092	2,030,092
Community development	-	7,557	7,557
Transportation	-	398,283	398,283
Capital improvements	-	372,158	372,158
Grants	318,881	-	318,881
Senior Center-earnings	-	280	280
Committed for:			
Future capital projects	-	8,677,129	8,677,129
Community college	20,915	-	20,915
Public schools	1,177,099	-	1,177,099
Assigned for:			
Subsequent year's expenditures	241,806	-	241,806
Donations	47,157	-	47,157
Unassigned	13,345,076	-	13,345,076
Total fund balances	<u>36,681,130</u>	<u>15,766,268</u>	<u>52,447,398</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 41,638,329</u>	<u>\$ 17,297,101</u>	

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

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2020

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

Total fund balances	\$ 52,447,398
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Amounts reported for governmental activities in the Statement of Net Position 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 Position.	155,459,398
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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 Position.	2,486,294
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Net deferred inflows of resources for taxes and special assessments receivables	2,394,575
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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.	(66,317,941)
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Net pension liability - LGERS	(13,075,105)
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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	7,492,623
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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	(180,281)
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Net pension liability - LEOSSA	(3,119,471)
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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	620,973
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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	(88,175)
---	----------

Net pension asset - ROD	163,353
-------------------------	---------

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	24,546
---	--------

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	(7,877)
--	---------

Net OPEB liability	(33,287,380)
--------------------	--------------

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	2,995,024
---	-----------

OPEB - Contributions and other activity to the OPEB plan in the current fiscal year are deferred inflows of resources on the Statement of Net Position	(3,591,997)
--	-------------

Net position of governmental activities	\$ 104,415,957
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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
Governmental Funds
For the Year Ended June 30, 2020

	<u>Major</u>	<u>Non-Major</u>	
	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues			
Property Taxes	\$ 58,324,448	\$ 3,622,863	\$ 61,947,311
Sales and miscellaneous taxes	23,638,002	1,627,259	25,265,261
Other taxes and licenses	523,216	-	523,216
Licenses and permits	2,138,346	601,535	2,739,881
Intergovernmental	657,955	-	657,955
Restricted intergovernmental	23,279,511	307,000	23,586,511
Charges for services	4,741,164	-	4,741,164
Investment earnings	384,732	279,802	664,534
Miscellaneous	1,371,258	-	1,371,258
Payments from various municipalities	44,444	15,000	59,444
Total revenues	<u>115,103,076</u>	<u>6,453,459</u>	<u>121,556,535</u>
Expenditures			
Current:			
General government	13,036,811	-	13,036,811
Public safety	23,233,413	5,539,944	28,773,357
Transportation	416,302	14,217	430,519
Human services	25,750,012	246	25,750,258
Culture and recreation	2,368,228	-	2,368,228
Education	28,944,250	4,725,621	33,669,871
Economic and physical development	7,474,373	-	7,474,373
Debt Service:			
Principal	3,674,484	-	3,674,484
Interest and other charges	2,370,220	-	2,370,220
Capital Outlay	-	9,318,264	9,318,264
Total Expenditures	<u>107,268,093</u>	<u>19,598,292</u>	<u>126,866,385</u>
Excess (deficiency)			
Revenues over expenditures	<u>7,834,983</u>	<u>(13,144,833)</u>	<u>(5,309,850)</u>
Other Financing Sources (Uses)			
Transfers in	1,451,883	11,962,550	13,414,433
Transfers out	(16,795,700)	(1,845,044)	(18,640,744)
Proceeds from sale of assets	163,223	-	163,223
Total other financing sources and uses	<u>(15,180,594)</u>	<u>10,117,506</u>	<u>(5,063,088)</u>
Net change in fund balances	<u>(7,345,611)</u>	<u>(3,027,327)</u>	<u>(10,372,938)</u>
Fund balances - beginning	44,026,741	18,793,595	62,820,336
Fund balances - ending	<u>\$ 36,681,130</u>	<u>\$ 15,766,268</u>	<u>\$ 52,447,398</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, 2020

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

Net change in fund balances - total governmental funds:	\$	(10,372,938)
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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.		6,326,236
--	--	-----------

Cost of capital asset disposed of during the year, not recognized on modified accrual basis.		(178,523)
--	--	-----------

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.		3,694,469
--	--	-----------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(60,831)
--	--	----------

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.		107,025
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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.		(274,779)
--	--	-----------

Contributions and costs, net, to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.		(3,199,839)
---	--	-------------

Contributions and costs, net, to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.		(241,035)
--	--	-----------

Contributions and costs, net, to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.		(12,549)
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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.		709
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Total changes in net position of governmental activities	\$	(4,212,055)
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The notes to the financial statements are an integral part of this statement.

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Wayne County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2020

	Original Budget	Final Budget	Actual	Variance with Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 57,590,467	\$ 57,590,467	\$ 58,324,447	\$ 733,980
Local option sales taxes	20,990,924	21,172,318	23,638,002	2,465,684
Other taxes and licenses	535,000	535,000	523,216	(11,784)
Licenses and permits	1,671,000	1,760,493	2,138,345	377,852
Intergovernmental	573,847	573,847	657,955	84,108
Restricted intergovernmental	18,404,538	35,563,418	23,279,511	(12,283,907)
Charges for services	4,261,617	5,229,963	4,741,163	(488,800)
Investment earnings	489,070	489,070	384,732	(104,338)
Miscellaneous	1,150,282	1,251,975	1,371,261	119,286
Payments from various municipalities	287,431	287,425	44,444	(242,981)
Total revenues	<u>105,954,176</u>	<u>124,453,976</u>	<u>115,103,076</u>	<u>(9,350,900)</u>
Expenditures				
Current:				
General government	12,982,554	14,225,639	13,036,811	1,188,828
Public safety	23,084,665	25,151,308	23,233,413	1,917,895
Transportation	162,499	416,304	416,302	2
Economic and physical development	1,757,478	17,230,700	7,474,373	9,756,327
Human services	28,892,909	31,106,276	25,750,012	5,356,264
Culture and recreation	2,409,961	2,559,595	2,368,228	191,367
Education	27,652,532	30,184,374	28,944,250	1,240,124
Debt Service:				
Principal	3,644,484	3,674,484	3,674,484	-
Interest and other charges	2,349,405	2,370,225	2,370,220	5
Total expenditures	<u>102,936,487</u>	<u>126,918,905</u>	<u>107,268,093</u>	<u>19,650,812</u>
Excess (deficiency) of revenues over expenditures	3,017,689	(2,464,929)	7,834,983	10,299,912
Other Financing Sources (Uses)				
Transfers in	47,520,545	1,591,108	1,451,883	(139,225)
Transfers out	(55,022,343)	(16,795,700)	(16,795,700)	-
Proceeds from sale of assets	-	-	163,223	(163,223)
Total other financing sources and (uses)	<u>(7,501,798)</u>	<u>(15,204,592)</u>	<u>(15,180,594)</u>	<u>(302,448)</u>
Revenues and other financing sources under expenditures	(4,484,109)	(17,669,521)	(7,345,611)	10,323,910
Appropriated fund balance	<u>4,484,109</u>	<u>17,669,521</u>	<u>-</u>	<u>(17,669,521)</u>
Revenues, other sources, and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	(7,345,611)	<u>\$ (7,345,611)</u>
Fund balances - beginning			44,026,741	
Fund balances - ending			<u>\$ 36,681,130</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, 2020

Exhibit 6

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS - EMS Net Fund	Maxwell Center Fund
Assets			
Current assets:			
Cash and cash equivalents	\$ 11,151,757	\$ 5,607,485	\$ 801,985
Accounts receivable, net	571,497	341,945	357,170
Due from other funds	-	-	137,142
Receivables from other governments	97,829	22,911	4,433
Inventories	7,020	-	-
Total current assets	<u>11,828,103</u>	<u>5,972,341</u>	<u>1,300,730</u>
Capital assets:			
Land	11,022,663	124,816	2,210,000
Other capital assets, net of depreciation	8,149,311	3,577,932	22,670,020
Total non-current assets	<u>19,171,974</u>	<u>3,702,748</u>	<u>24,880,020</u>
Total assets	<u>31,000,077</u>	<u>9,675,089</u>	<u>26,180,750</u>
Deferred Outflows of Resources	525,837	1,583,515	64,592
Liabilities			
Current liabilities:			
Accounts payable	92,989	386,150	802
Other liabilities	38,318	160,251	-
Accrued interest payable	-	-	22,652
Due to other funds	-	100,000	-
Payable to other governments	-	-	525
Compensated absences	109,353	196,531	13,932
Current portion of long term debt	-	-	661,877
Total current liabilities	<u>240,660</u>	<u>842,932</u>	<u>699,788</u>
Non-current liabilities:			
Other postemployment benefits	1,020,271	4,513,575	-
Accrued landfill closure/postclosure costs	7,252,548	-	-
Net pension liability	756,810	2,141,612	112,716
Bonds, notes and loans payable	-	-	10,709,906
Total non-current liabilities	<u>9,029,629</u>	<u>6,655,187</u>	<u>10,822,622</u>
Total liabilities	<u>9,270,289</u>	<u>7,498,119</u>	<u>11,522,410</u>
Deferred Inflows of Resources	199,555	538,032	63,279
Net Position			
Net investment in capital assets	19,171,975	3,702,748	13,529,131
Unrestricted	2,884,098	(480,293)	1,130,522
Total net position	<u>\$ 22,056,073</u>	<u>\$ 3,222,455</u>	<u>\$ 14,659,653</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 position - business-type activities

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

Business-type Activities		Governmental Activities	
Major	Nonmajor		
	Other Enterprise Funds	Totals	Internal Service Funds
Jetport Fund			
\$ 282,938	\$ 261,387	\$ 18,105,552	\$ 3,172,558
414,120	566,261	2,250,993	16,941
-	-	137,142	-
51,566	8,534	185,273	-
39,217	-	46,237	23,134
787,841	836,182	20,725,197	3,212,633
1,073,214	23,628	14,454,321	-
10,084,467	3,945,355	48,427,085	15,844
11,157,681	3,968,983	62,881,406	15,844
11,945,522	4,805,165	83,606,603	3,228,477
25,539	1,708	2,201,191	-
20,394	57,227	557,562	742,183
-	-	198,569	-
-	4,864	27,516	-
-	-	100,000	-
3	-	528	-
4,493	-	324,309	-
-	90,000	751,877	-
24,890	152,091	1,960,361	742,183
48,854	41,803	5,624,503	-
-	-	7,252,548	-
32,205	-	3,043,343	-
-	1,400,000	12,109,906	-
81,059	1,441,803	28,030,300	-
105,949	1,593,894	29,990,661	742,183
4,269	5,496	810,631	-
11,157,680	2,486,923	50,048,457	15,844
703,163	253,262	4,490,752	2,481,721
\$ 11,860,843	\$ 2,740,185	54,539,209	\$ 2,497,565
		(198,917)	
		\$ 54,340,292	

Wayne County, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS - EMS Net Fund	Maxwell Center Fund
Operating Revenues			
User fees	\$ 5,095,510	\$ 6,978,153	\$ 730,284
Insurance premiums	-	-	-
Fleet services	-	-	-
Total operating revenues	<u>5,095,510</u>	<u>6,978,153</u>	<u>730,284</u>
Operating expenses			
Salaries and employee benefits	2,052,577	6,640,191	444,663
Contractual services	53,162	293,078	11,574
Utilities	-	-	62,980
Repairs and maintenance	336,826	144,488	19,504
Other departmental expenses	836,593	128,974	27,596
Other supplies and expenses	297,969	3,437,879	80,717
Indirect costs	357,178	1,171,880	200,000
Closure and postclosure costs	350,882	-	-
Insurance claims and expenses	-	-	-
Depreciation	795,336	468,216	625,456
Total operating expenses	<u>5,080,523</u>	<u>12,284,706</u>	<u>1,472,490</u>
Operating income (loss)	<u>14,987</u>	<u>(5,306,553)</u>	<u>(742,206)</u>
Non-operating Revenues (Expenses)			
Restricted intergovernmental revenues	306,138	-	393,399
Interest and investment revenue	135,612	49,133	7,582
Miscellaneous revenue	35,288	16,225	-
Gain (loss) on sale of assets	9,210	139,369	-
Operating grants and contributions	18,957	1,667,046	-
Interest expense	-	(2,472)	(415,870)
Total non-operating revenue (expenses)	<u>505,205</u>	<u>1,869,301</u>	<u>(14,889)</u>
Income (loss) before contributions/transfers	<u>520,192</u>	<u>(3,437,252)</u>	<u>(757,095)</u>
Transfers in	-	4,311,554	707,344
Transfers out	-	-	-
Change in net position	<u>520,192</u>	<u>874,302</u>	<u>(49,751)</u>
Total net position - beginning	<u>21,535,882</u>	<u>2,348,154</u>	<u>14,709,405</u>
Restatement, Note X	-	-	-
Net position, beginning, restated	<u>21,535,882</u>	<u>2,348,154</u>	<u>14,709,405</u>
Total net position - ending	<u>\$ 22,056,074</u>	<u>\$ 3,222,456</u>	<u>\$ 14,659,654</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
\$ 638,418	\$ 558,672	\$ 14,001,037	\$ -
-	-	-	8,855,820
-	-	-	475,852
638,418	558,672	14,001,037	9,331,672
98,639	18,095	9,254,165	172,882
68,023	-	425,837	-
-	-	62,980	917
48,608	32,969	582,395	(2,025)
77,755	413,852	1,484,770	88,849
323,761	-	4,140,326	261,764
119,638	40,590	1,889,286	-
-	-	350,882	-
-	-	-	9,332,320
503,722	146,109	2,538,839	-
1,240,146	651,615	20,729,480	9,854,707
(601,728)	(92,943)	(6,728,443)	(523,035)
-	-	699,537	-
5,990	9,935	208,252	32,805
5,308	-	56,821	38,757
(2,373)	-	146,206	-
3,822,905	467,298	5,976,206	-
-	(68,680)	(487,022)	-
3,831,830	408,553	6,600,000	71,562
3,230,102	315,610	(128,443)	(451,473)
364,199	281,366	5,664,463	170,533
-	(608,686)	(608,686)	-
3,594,301	(11,710)	4,927,334	(280,940)
8,266,542	2,201,895	49,061,878	2,778,505
-	550,000	550,000	-
8,266,542	2,751,895	49,611,878	-
\$ 11,860,843	\$ 2,740,185	\$ 54,539,212	\$ 2,497,565
		4,927,334	
		(6,162)	
		\$ 4,921,172	

Wayne County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

	Business-type Activities		
	Major		
	Solid Waste Disposal	EMS	Maxwell Center
Cash flows from operating activities:			
Receipts from customers	\$ 5,144,159	\$ 7,777,891	\$ 981,829
Payments to employees for services	(1,843,126)	(6,118,469)	(412,004)
Payments to suppliers of goods and services	(1,805,025)	(5,173,188)	(415,962)
Proceeds from unrestricted revenues	35,288	16,225	-
Net cash provided (used) by operating activities	1,531,296	(3,497,541)	153,863
Cash flows from noncapital financing activities:			
Grant proceeds	325,095	1,667,046	394,065
Due (to) from other government	(10,382)	27,188	-
Transfers (to) from other funds	-	4,311,554	707,344
Net cash provided (used) by noncapital financing activities	314,713	6,005,788	1,101,409
Cash flows from capital and related financing activities:			
Principal payments related to capital debt	-	(178,531)	(661,877)
Interest payments related to capital debt	-	(3,628)	(417,160)
Proceeds related to capital debt	-	-	1,718
Change in accrued interest	-	-	-
Noncash transfers of assets	-	-	-
Cash received on disposal of assets	37,904	-	-
Payments for the acquisition of capital assets	(1,300,787)	(224,906)	-
Net cash provided (used) by capital and related financing activities	(1,262,881)	(407,065)	(1,077,319)
Cash flows from investing activities			
Interest payments received	135,612	49,133	7,580
Net cash provided (used) by investing activities	135,612	49,133	7,580
Net increase (decrease) in cash and cash equivalents	718,740	2,150,315	185,533
Cash and cash equivalents, July 1	10,433,019	3,457,170	616,451
Cash and cash equivalents, June 30	11,151,759	5,607,485	801,984
Operating income	14,987	(5,306,553)	(742,206)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:			
Depreciation	795,336	468,216	625,456
Pension expense	-	-	-
Non operating income	35,288	16,225	-
Changes in assets and liabilities			
(Increase) decrease			
Accounts receivable	48,648	799,739	251,544
Inventory	9,661	-	-
Increase (decrease)			
Accounts payable	67,043	3,111	(13,588)
Postemployment liability	99,764	359,249	-
Pensions	91,037	102,439	28,929
Postclosure costs	350,882	-	-
Other liabilities	18,650	60,033	3,728
Total adjustments	1,516,309	1,809,012	896,069
Net cash provided (used) by operating activities	\$ 1,531,296	\$ (3,497,541)	\$ 153,863

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
\$ 872,470	\$ 75,443	\$ 14,851,792	\$ 9,323,943
(89,290)	(21,265)	(8,484,154)	-
(887,249)	6,313	(8,275,111)	(9,832,179)
5,308	-	56,821	38,757
(98,761)	60,491	(1,850,652)	(469,479)
3,822,905	467,298	6,676,409	-
(28,148)	-	(11,342)	(20,000)
364,199	(316,189)	5,066,908	170,534
4,158,956	151,109	10,630,566	150,534
-	(90,000)	(930,408)	-
-	(68,680)	(489,468)	-
-	-	1,718	-
-	(300)	(300)	-
-	-	37,904	-
-	-	(1,300,787)	-
(3,867,757)	(516,763)	(4,609,426)	-
(3,867,757)	(675,743)	(7,290,765)	-
5,990	9,934	208,249	32,804
5,990	9,934	208,249	32,804
198,428	(454,209)	2,798,807	(286,141)
84,510	715,596	15,306,746	3,458,699
282,938	261,387	18,105,553	3,172,558
(601,728)	(92,943)	(6,728,443)	(523,035)
503,722	146,109	2,538,839	-
5,308	-	56,821	38,757
234,052	(483,229)	850,754	(7,729)
10,662	-	20,323	(4,033)
(260,126)	493,724	290,164	26,561
8,869	49	467,931	-
(1,021)	(3,219)	218,165	-
-	-	350,882	-
1,501	-	83,912	-
502,967	153,434	4,877,791	53,556
\$ (98,761)	\$ 60,491	\$ (1,850,652)	\$ (469,479)

Wayne County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2020

	Agency Fund
Assets	
Cash and cash equivalents	\$ 208,737
Total assets	<u>208,737</u>
 Liabilities	
Miscellaneous liabilities	<u>200,621</u>
Total liabilities	<u>200,621</u>
 Net Position	
Held in trust for benefits and other purposes	<u>\$ 8,116</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, 2020

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 and the internal activities have been allocated between governmental and business-type activities in the process of consolidating the 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, 2020

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:

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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Fire District Fund: This fund accounts for the ad valorem tax levies of the twenty-six 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.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 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,

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

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

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

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 object level for all annually budgeted funds and multi-year funds (capital projects). Amendments are required for any revisions to the approved budgets and may fall into one of two categories: Manager approval or Commissioner approval. Manager approval amendments require County Manager approval and include the following: funds transferred between line items within a department less than \$5,000 and unspent funds reappropriated from one fiscal year to the next without changes. Commissioner approval budget amendments require Board of Commissioner approval upon the following circumstances: funds transferred between line items over \$5,000 or between departments, reappropriation of funds from a prior year to a different purpose and amounts that increase or decrease the department's budget. During the year, 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, 2020

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, 2020.

- The North Carolina Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio is a 2a-7 fund which invests in treasuries and government agencies and is rated AAAm rating by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 15-30. The Term Portfolio has no rating. 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, 2020

Wayne County, North Carolina Restricted Cash

Current Assets:

Governmental Activities

General Fund	Tax Revaluation	\$ 565,677
Special Revenue Fund	Emergency Telephone	2,030,091
Special Revenue Fund	Fire Districts	2,397
Special Revenue Fund	Community Development	7,557
Special Revenue Fund	Neighborhood Utility and Roads	398,282
Capital Projects Fund	General Government Bond	372,158
Capital Projects Fund	School Buildings	3,764,537
Permanent Fund	Senior Center	7,379

Restricted Cash, Current Assets - Governmental	7,148,078
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Business-type Activities

Sewer Fund	Debt Proceeds	7,940
MRACC Fund	Debt Proceeds	20,894

Restricted Cash, Current Assets - Business-type	28,834
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Total Restricted Cash, Current Assts	7,176,912
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Noncurrent Assets:

Governmental Activities

General Fund	QSCB Sinking Fund	8,575,674
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Total Restricted Cash, Noncurrent Assets	8,575,674
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Total Restricted Cash	\$ 15,752,586
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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, 2020.

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, 2020

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, 2020

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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.

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 for Permanent Fund, Senior Center-principal – portion of fund balance that is permanently restricted by donor (only the earning may be used for the purpose of projects associated with the Senior Center).

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,*

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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.

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 Community Development – portion of fund balance that is restricted by revenue source for Community Development Block Grant (CDBG).

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-earnings – portion of fund balance from permanent non-spendable principal 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

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

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

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

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

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)

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

(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.

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 \$51,968,559 consists of several elements as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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).	\$ 216,888,890
Less accumulated depreciation	61,429,492
	<u>155,459,398</u>
Internal service funds are used by management to charge the costs of health insurance, workman's compensation, and fleet management to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities.	2,486,294
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.	2,394,575
LGERS - pension related deferrals	7,312,342
LGERS - net pension liability	(13,075,105)
LEOSSA - pension related deferrals	532,798
LEOSSA - net pension liability	(3,119,471)
ROD - pension related deferrals	16,669
ROD - net pension asset	163,353
OPEB - OPEB related deferrals	(596,973)
OPEB - net pension liability	(33,287,380)
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	(63,557,000)
Compensated absences	(2,213,587)
Accrued interest payable	(547,354)
	<u>(66,317,941)</u>
Total adjustment	<u>\$ 51,968,559</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 \$6,160,883 as follows:

Description	Amount
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	\$ 12,485,169
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.	(6,158,933)
Cost of capital assets disposed of during the year, not recognized on modified accrual basis.	(178,523)
Contributions and costs to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities.	(3,199,839)
Contributions and costs to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities.	(241,035)
Contributions and costs to the ROD pension plan in the current fiscal year are not included on the Statement of Activities.	(12,549)
Contributions and costs to the OPEB plan in the current fiscal year are not included on the Statement of Activities.	709
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.	3,694,469
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.	101,006
Compensated absences	6,019
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements:	(60,831)
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.	(274,779)
Total adjustment	\$ 6,160,883

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2020, the County's deposits had a carrying amount of \$65,664,901 and a bank balance of \$69,411,010. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$122,122 in non-interest-bearing deposits and \$35,072,907

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

in interest bearing deposits were covered by collateral held under the Pooling Method.

At June 30, 2020, Wayne County had \$18,819 cash on hand.

At June 30, 2020, the carrying amount of deposits for the Wayne County ABC Board was \$2,690,581 and the bank balance was \$2,641,494. All of the bank balance was covered by federal depository insurance except for \$2,041,226, which was collateralized by institutions using the Pooling Method. At June 30, 2020, The ABC Board had \$6,600 cash on hand.

At June 30, 2020, the carrying amount of deposits for the Wayne County Tourism Development Authority was \$75,401 and the bank balance was \$92,637. All of the Tourism Authority's deposits were fully covered by federal depository insurance.

2. Investments

As of June 30, 2020 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	\$ 5,974,601	N/A	\$ 5,974,601
NC Capital Management Trust Government Portfolio	Fair Value - Level 1	11,824,099	11,824,099	N/A
NC Capital Management Trust Term Portfolio*	Fair Value - Level 1	15,648,462	15,648,462	N/A
Total		<u>\$ 33,447,162</u>	<u>\$ 27,472,561</u>	<u>\$ 5,974,601</u>

As of June 30, 2020, the NCCMT Term Portfolio has a duration of .15 years. Because the NCCMT Government and Term Portfolios have a weighted average maturity of less than 90 days, they are presented as an investment with a maturity of less than 6 months. The NCCMT Government Portfolio has an AAAM rating from S&P. The NCCMT Term Portfolio has no rating.

All investments are measured using the market approach: using prices and other relevant information 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 1.3 years at June 30, 2020.

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, 2020, 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, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the 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 \$8,575,674.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Management is allocated to the government wide and proprietary statements and consists of vehicle parts and are recorded when consumed.

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

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

In accordance with the general statutes, agriculture, horticulture, and forestland may be taxed by the County at the present-use value as opposed to market value. When the property loses its eligibility for use-value taxation, the property tax is recomputed at market value for the current year and the three preceding fiscal years, along with the accrued interest from the original due date. This tax is immediately due and payable. The following are property taxes that could become due if present use-value eligibility is lost. These amounts have not been recorded in the financial statements.

Year Levied	Tax	Interest	Total
2016-17	\$ 3,143,989	\$ 1,029,656	\$ 4,173,645
2017-18	3,137,192	745,083	3,882,275
2018-19	3,137,869	462,836	3,600,705
2019-20	4,039,441	232,268	4,271,709
	<u>\$ 13,458,491</u>	<u>\$ 2,469,843</u>	<u>\$ 15,928,334</u>

5. Receivables

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

	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Governmental Activities:				
General	\$ 1,277,546	\$ 3,030,741	\$ 7,766,694	\$ 12,074,981
Other governmental	50,128	160,623	899,171	1,109,922
Total receivables	1,327,674	3,191,364	8,665,865	13,184,903
Allowance for doubtful accounts	-	(840,440)	-	(840,440)
Total-governmental activities	<u>\$ 1,327,674</u>	<u>\$ 2,350,924</u>	<u>\$ 8,665,865</u>	<u>\$ 12,344,463</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Accounts	Taxes and Accrued Interest	Due from Other Governments	Total
Business-type Activities:				
Solid Waste Disposal	\$ 673,964	\$ -	\$ 97,829	\$ 771,793
Sewer Fund	566,261	-	8,529	574,790
EMS - EMS Net Fund	2,940,430	-	22,911	2,963,341
Airport	414,120	-	51,565	465,685
MRAC	158,260	-	141,575	299,835
Total receivables	4,753,035	-	322,409	5,075,444
Allowance for doubtful accounts	(2,700,954)	-	-	(2,700,954)
Total-business-type activities	<u>\$ 2,052,081</u>	<u>\$ -</u>	<u>\$ 322,409</u>	<u>\$ 2,374,490</u>

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

Local option sales tax	\$ 4,053,249
Sales tax refund	850,307
Grants receivable	1,961,076
Other	2,121,642
Total	<u>\$ 8,986,274</u>

6. Capital Assets

Primary Government

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

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 15,223,852	\$ 3,216,911	\$ 24,550	\$ 18,416,213
Total capital assets not being depreciated	15,223,852	3,216,911	24,550	18,416,213
Capital assets being depreciated:				
Buildings	157,831,039	4,471,713	922,166	161,380,586
Infrastructure	1,119,580	927,784	-	2,047,364
Intangibles	1,528,045	281,143	6,800	1,802,388
Furniture and equipment	23,819,086	2,773,794	381,997	26,210,883
Vehicles and motor equipment	6,632,717	741,369	342,626	7,031,460
Total capital assets being depreciated	190,930,467	9,195,803	1,653,589	198,472,681
Less accumulated depreciation for:				
Buildings	35,755,450	3,745,736	804,681	38,696,505
Infrastructure	285,166	48,209	268	333,107
Intangibles	834,119	88,232	6,800	915,551
Furniture and equipment	15,249,646	1,627,436	440,988	16,436,094
Vehicles and motor equipment	4,718,249	649,588	319,598	5,048,239
Total accumulated depreciation	56,842,630	\$ 6,159,201	\$ 1,572,335	61,429,496
Total capital assets being depreciated, net	134,087,837			137,043,185
Governmental activity capital assets, net	<u>\$ 149,311,689</u>			<u>\$ 155,459,398</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

General government	\$ 2,455,619
Public safety	1,627,175
Economic and physical development	140,301
Human services	338,288
Cultural and recreational	4,381
Environmental protection	3,868
Education	1,589,569
Total depreciation expense	<u><u>\$ 6,159,201</u></u>

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-type activities:</u>				
Solid Waste Disposal:				
Capital assets not being depreciated:				
Land	\$ 11,022,663	\$ -	\$ -	\$ 11,022,663
Total capital assets not being depreciated	11,022,663	-	-	11,022,663
Capital assets being depreciated:				
Buildings	1,118,236	199,311	-	1,317,547
Land improvements	5,624,195	-	-	5,624,195
Contractor equipment	7,148,160	1,051,632	52,569	8,147,223
Furniture and equipment	1,401,265	18,943	-	1,420,208
Vehicles and motor equipment	906,812	30,901	48,964	888,749
Total capital assets being depreciated	16,198,668	1,300,787	101,533	17,397,922
Less accumulated depreciation for:				
Buildings	425,699	34,446	-	460,145
Land improvements	2,269,761	199,054	-	2,468,815
Contractor equipment	4,403,089	406,856	23,872	4,786,073
Furniture and equipment	820,748	74,411	-	895,159
Vehicles and motor equipment	606,814	80,569	48,964	638,419
Total accumulated depreciation	8,526,111	\$ 795,336	\$ 72,836	9,248,611
Total capital assets being depreciated, net	7,672,557			8,149,311
Solid Waste Disposal capital assets, net	<u><u>\$ 18,695,220</u></u>			<u><u>\$ 19,171,974</u></u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-type activities:</u>				
EMS - EMS Net:				
Capital assets not being depreciated:				
Land	\$ 124,816	\$ -	\$ -	\$ 124,816
Total capital assets not being depreciated	124,816	-	-	124,816
Capital assets being depreciated:				
Leasehold improvements	104,726	-	-	104,726
Building	2,119,351	246,394	-	2,365,745
Furniture and equipment	597,453	-	-	597,453
Vehicles and motor equipment	3,235,393	118,960	20,565	3,333,788
Total capital assets being depreciated	6,056,923	365,354	20,565	6,401,712
Less accumulated depreciation for:				
Leasehold improvements	61,228	5,460	-	66,688
Building	51,411	56,630	-	108,041
Furniture and equipment	297,252	77,910	-	375,162
Vehicles and motor equipment	1,966,236	328,218	20,565	2,273,889
Total accumulated depreciation	2,376,127	\$ 468,218	\$ 20,565	2,823,780
Total capital assets being depreciated, net	3,680,796			3,577,932
EMS capital assets, net	\$ 3,805,612			\$ 3,702,748

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-type activities:</u>				
Sewer:				
Capital assets not being depreciated:				
Land	\$ 23,628	\$ -	\$ -	\$ 23,628
Total capital assets not being depreciated	23,628	-	-	23,628
Capital assets being depreciated:				
Infrastructure	5,604,711	510,792	-	6,115,503
Buildings	150,762	-	-	150,762
Furniture and equipment	419,481	5,971	-	425,452
Vehicles and motor equipment	119,425	-	-	119,425
Total capital assets being depreciated	6,294,379	516,763	-	6,811,142
Less accumulated depreciation for:				
Infrastructure	2,424,349	109,589	-	2,533,938
Buildings	32,527	5,296	-	37,823
Furniture and equipment	181,838	23,506	-	205,344
Vehicles and motor equipment	80,964	7,718	-	88,682
Total accumulated depreciation	2,719,678	\$ 146,109	\$ -	2,865,787
Total capital assets being depreciated, net	3,574,701			3,945,355
Sewer capital assets, net	\$ 3,598,329			\$ 3,968,983

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-type activities:</u>				
Airport:				
Capital assets not being depreciated:				
Land	\$ 667,332	\$ 405,882	\$ -	\$ 1,073,214
Total capital assets not being depreciated	667,332	405,882	-	1,073,214
Capital assets being depreciated:				
Buildings	10,014,828	3,459,443	2,373	13,471,898
Intangibles	143,854	-	-	143,854
Infrastructure	-	2,462	-	2,462
Furniture and equipment	230,265	-	-	230,265
Vehicles and motor equipment	43,295	-	22,000	21,295
Total capital assets being depreciated	10,432,242	3,461,905	24,373	13,869,774
Less accumulated depreciation for:				
Buildings	3,077,480	476,250	-	3,553,730
Intangibles	59,691	6,726	-	66,417
Infrastructure	-	49	-	49
Furniture and equipment	123,121	20,697	-	143,818
Vehicles and motor equipment	43,293	-	22,000	21,293
Total accumulated depreciation	3,303,585	\$ 503,722	\$ 22,000	3,785,307
Total capital assets being depreciated, net	7,128,657			10,084,467
Airport capital assets, net	\$ 7,795,989			\$ 11,157,681

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
<u>Business-type activities:</u>				
Maxwell Center:				
Capital assets not being depreciated:				
Land	\$ 2,210,000	\$ -	\$ -	\$ 2,210,000
Total capital assets not being depreciated	2,210,000	-	-	2,210,000
Capital assets being depreciated:				
Buildings	24,044,588	-	-	24,044,588
Equipment	15,037	-	-	15,037
Intangibles	95,221	-	-	95,221
Total capital assets being depreciated	24,154,846	-	-	24,154,846
Less accumulated depreciation for:				
Buildings	830,626	601,658	-	1,432,284
Equipment	1,462	1,253	-	2,715
Intangibles	27,283	22,544	-	49,827
Total accumulated depreciation	859,371	\$ 625,455	\$ -	1,484,826
Total capital assets being depreciated, net	23,295,475			22,670,020
Maxwell Center capital assets, net	23,295,475			24,880,020
Business-type activities capital assets, net	\$ 57,190,625			\$ 62,881,406

Construction Commitments

The government has active construction commitments as of June 30, 2020 - the Fiber Loop Project, Southern Wayne High School Gym, A. Joe Gurley, III Emergency Services Building, Radio Communications Project, Jetport Corporate Area Expansion and Corporate Area Hanger Projects.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2020 was as follows:

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020
Wayne County ABC Board				
Capital assets not being depreciated:				
Land and construction in progress	\$ 708,108	\$ -	\$ -	\$ 708,108
Total capital assets not being depreciated	708,108	-	-	708,108
Capital assets being depreciated:				
Building	1,984,044	77,416	-	2,061,460
Furniture and equipment	729,861	31,263	-	761,124
Vehicles and motor equipment	166,348	6,000	-	172,348
Leasehold improvements	12,544	-	-	12,544
Total capital assets being depreciated	2,892,797	114,679	-	3,007,476
Less accumulated depreciation for:				
Building	538,957	51,784	-	590,741
Furniture and equipment	531,603	48,872	-	580,475
Vehicles and motor equipment	146,479	8,391	-	154,870
Leasehold improvements	12,544	-	-	12,544
Total accumulated depreciation	1,229,583	\$ 109,047	\$ -	1,338,630
Total capital assets being depreciated, net	1,663,214			1,668,846
Wayne County ABC Board, net	\$ 2,371,322			\$ 2,376,954

The Wayne County Tourism Development Authority does not have any capital assets as of June 30, 2020.

B. Liabilities

1. Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Total
Governmental Activities:				
General	\$ 1,946,180	\$ 135,616	\$ 547,354	\$ 2,629,150
Other governmental	36,860	-	-	36,860
Total-governmental activities	<u>\$ 1,983,040</u>	<u>\$ 135,616</u>	<u>\$ 547,354</u>	<u>\$ 2,666,010</u>
Business-type Activities:				
Solid Waste Disposal	\$ 92,989	\$ 38,318	\$ -	\$ 131,307
Sewer Fund	524,525	-	4,864	529,389
EMS - EMS Net Fund	486,150	160,250	-	646,400
Airport	20,398	-	-	20,398
MRAC	1,327	-	22,652	23,979
Total-business-type activities	<u>\$ 1,125,389</u>	<u>\$ 198,568</u>	<u>\$ 27,516</u>	<u>\$ 1,351,473</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

Benefits Provided. LGERS provides retirement and survivor benefits. Retirement benefits are determined as 1.85% of the member's average final compensation times the member's years of creditable service. A member's average final compensation is calculated as the average of a member's four highest consecutive years of compensation. Plan members are eligible to retire with full retirement benefits at age 65 with five years of creditable service, at age 60 with 25 years of creditable service, or at any age with 30 years of creditable service. Plan members are eligible to retire with partial retirement benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

LGERS plan members who are LEOs are eligible to retire with full retirement benefits at age 55 with five years of creditable service as an officer, or at any age with 30 years of creditable service. LEO plan members are eligible to retire with partial retirement benefits at age 50 with 15 years of creditable service as an officer. Survivor benefits are available to eligible beneficiaries of LEO members who die while in active service or within 180 days of their last day of service and who also have either completed 20 years of creditable service regardless of age, or have completed 15 years of service as a LEO and have reached age 50, or have completed five years of creditable service as a LEO and have reached age 55, or have completed 15 years of creditable service as a LEO if killed in the

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

line of duty. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions.

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.700% of compensation for law enforcement officers and 9.02% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. This includes the required death benefit percentage of 0.070% for general employees. Contributions to the pension plan from the County were \$3,327,364 for the year ended June 30, 2020.

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

The ABC Boards' current rate for Employees not engaged in law enforcement officers is 9.12% of annual covered payroll. The ABC Board's contributions to LGERS for the year ended June 30, 2020, was \$75,277. The Wayne County Tourism Development Authority does not have any employees and does not participate in LGERS.

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

At June 30, 2020, the County reported a liability of \$16,118,448 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.590%, which was a decrease of 0.00594% from its proportion measured as of June 30, 2019 (measure as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$4,026,585. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,759,886	\$ -
Changes of assumptions	2,627,040	-
Net difference between projected and actual earnings on pension plan	393,152	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	129,154	222,243
Employer contributions subsequent to the measurement date*	3,327,364	-
Total	<u>\$ 9,236,596</u>	<u>\$ 222,243</u>

\$3,327,364 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 2,873,336
2022	904,051
2023	1,513,458
2024	396,144
2025	-
Thereafter	-
	<u>\$ 5,686,989</u>

At June 30, 2020, the ABC Board reported a liability of \$248,747 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The 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, 2020, the ABC Board's proportion was 0.00911%, which was an decrease of (0.00109%) from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the ABC Board recognized pension expense of \$116,259. At June 30, 2020, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 42,599	\$ -
Changes of assumptions	40,548	-
Net difference between projected and actual earnings on pension plan	6,069	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	13,275	-
Employer contributions subsequent to the measurement date*	75,277	-
Total	<u>\$ 177,768</u>	<u>\$ -</u>

\$75,277 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 50,410
2022	18,244
2023	26,737
2024	7,098
2025	-
Thereafter	-
	<u>\$ 102,489</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 percent
Salary increases	3.5 percent
Investment rate of return	7.0 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2020 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset liability and investment policy study for the North Carolina Retirement Systems, including LRS. 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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)	\$ 36,865,838	\$ 16,118,448	\$ (1,126,836)
ABC Board's proportionate share of the net pension liability	569,021	248,787	(17,393)

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

b. Law Enforcement Officers' Special Separation Allowance

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	13
Active plan members	128
Total	141

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2019.

Mortality Rate

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

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

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

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

Mortality Projection: All mortality rates are projected from 2014 using generational improvement with Scale MP-2015.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

earnings. The County paid \$121,594 as benefits came due for the measurement period, and paid \$63,197 in benefits and actuarial costs for the period subsequent to December 31, 2019 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, 2020, the County reported a total pension liability of \$3,119,471. The total pension liability was measured as of December 31, 2019 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$361,793.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 392,841	\$ -
Changes of assumptions	165,772	88,175
Employer contributions subsequent to the measurement date*	62,360	-
Total	<u>\$ 620,973</u>	<u>\$ 88,175</u>

\$61,306 reported as deferred outflows of resources related to pensions resulting from benefit payments made and \$1,054 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 119,905
2022	119,905
2023	108,680
2024	75,849
2025	46,099
Thereafter	-
	<u>\$ 470,438</u>

Sensitivity of the County's total pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.26 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26 percent) or 1-percentage-point higher (4.26 percent) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 3,399,910	\$ 3,119,471	\$ 2,865,093

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Schedule of Changes in Total Pension Liability	
Service cost	\$ 150,160
Interest on TOL and cash flows	91,746
Changes in benefit terms	-
Difference between expected and actual experience	318,232
Changes in assumptions or other inputs	99,637
Benefit payments	(121,594)
Net changes in total LEOWSA liability	538,181
Total LEOWSA liability (TOL) - beginning	2,581,290
Total LEOWSA liability (TOL) - ending	\$ 3,119,471

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at December 31, 2018 (valuation date) to 3.26 percent at December 31, 2019 (measurement date).

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study completed by the Actuary for the Local Government Employees' Retirement System for the five year period ending December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

Plan Description. The County contributes to the Supplemental Retirement Income Plan (Plan), a defined contribution pension plan administered by the Department of State Treasurer and a Board of Trustees. The Plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$934,723, which consisted of \$577,504 from the County and \$357,219 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, 2020, 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, 2020 was \$733,949.

e. Registers of Deeds' Supplemental Pension Fund

Plan Description. Wayne County also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. The Fund provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LGERS) or an equivalent locally sponsored plan. Article 3 of G.S. Chapter 161 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the State Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Registers of Deeds' Supplemental Pension Fund is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for the Registers of Deeds' Supplemental Pension Fund. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$8,639 for the year ended June 30, 2020.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

At June 30, 2020, the County reported an asset of \$163,353 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 0.827%, which was a decrease of (0.126%) from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the County recognized pension expense of \$18,432. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 7,877
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan	1,671	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,992	-
Employer contributions subsequent to the measurement date*	5,883	-
Total	<u>\$ 27,546</u>	<u>\$ 7,877</u>

\$5,883 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021.

Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Year ended June 30:

2021	\$	4,593
2022		7,723
2023		4,697
2024		(3,227)
2025		-
Thereafter		-
	\$	<u>13,786</u>

Actuarial Assumptions. The total pension liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 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, 2018 valuation were based on the results of an actuarial experience study as of December 31, 2014.

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2020 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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	\$ (11,005)	\$ 163,353	\$ (7,422)

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The total pension liability for LEOSSA was measured as of June 30, 2019, with an actuarial valuation date of December 31, 2018. The County's proportion of the net pension liability was based on the County's share of contributions to the pension plan relative to the contribution of all participating entries. Following is information related to the proportionate share and pension expense:

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 16,118,448	\$ (163,353)	\$ -	\$ 15,955,095
Proportion of the Net Pension Liability (Asset)	0.590%	0.827%	N/A	1.417%
Total Pension Liability	\$ -	\$ -	\$ 3,119,471	\$ 3,119,471
Pension Expense	\$ 4,026,585	\$ 18,432	\$ 361,793	\$ 4,406,810

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 2,759,886	\$ -	\$ 392,841	\$ 3,152,727
Changes of assumptions	2,627,040	-	165,772	2,792,812
Net difference between projected and actual earnings on pension plan	393,152	1,671	-	394,823
Changes in proportion and differences between employer contributions and proportionate share of contributions	129,154	19,992	-	149,146
County contributions (LGERS,ROD)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date	3,327,364	5,883	62,360	3,395,607
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 7,877	\$ -	\$ 7,877
Changes of assumptions	-	-	88,175	88,175
Changes in proportion and differences between employer contributions and proportionate share of contributions	222,243	-	-	222,243

f. Deferred Compensation Plan

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

g. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months' salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the county does not determine the number of eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the postemployment benefit amount and the other 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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, 2019, the date of the latest actuarial valuation:

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

Total OPEB Liability

The County's total OPEB liability of \$38,911,883 was measured as of June 30, 2019 and was determined by an actuarial valuation as of June 30, 2018.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Inflation	2.50 percent
Salary increases	3.50 - 7.75 percent, including inflation
Discount rate	3.50 percent
Healthcare cost trend rates	Medical/Prescription - 5.38 percent

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

Changes in the Total Liability

Balance at July 1, 2019	\$ 35,231,937
Changes for the Year	
Service cost	779,946
Interest	1,351,482
Changes in benefit terms	-
Difference between expected and actual experience	61,302
Changes in assumptions or other inputs	2,475,570
Benefit payments	(988,353)
Net changes	<u>3,679,947</u>
Balance at June 30, 2020	<u>\$ 38,911,884</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 3.89% in 2018 to 3.50% in 2019.

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 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 (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 46,485,605	\$ 38,911,883	\$ 33,003,132

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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	\$ 32,257,100	\$ 38,911,883	\$ 47,603,698

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$738,941. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 50,075	\$ 857,763
Changes of assumptions	2,022,169	3,357,123
Employer contributions subsequent to the measurement date	1,379,999	-
Total	<u>\$ 3,452,243</u>	<u>\$ 4,214,886</u>

\$1,379,999 reported as deferred outflows of resources related to OPEB employer contributions resulting from benefit payments made, \$1,314,591, and administrative expenses, \$65,618, incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources less deferred outflow of resources, related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2021	\$ (790,343)
2022	(790,343)
2023	(79,343)
2024	14,655
2025	213,732
Thereafter	-
	<u>\$ (1,431,642)</u>

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

requirements. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

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

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, 2019, 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
Total	<u>26</u>

ABC Board - Total OPEB Liability

The County's total OPEB liability of \$509,625 was measured as of June 30, 2019 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	3.50 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

ABC Board - Changes in the Total Liability

Balance at July 1, 2019	\$	479,051
Changes for the Year		
Service cost		13,896
Interest		18,147
Changes in benefit terms		-
Difference between expected and actual experience		(1,723)
Changes in assumptions or other inputs		25,613
Benefit payments		(25,359)
Net changes		30,574
Balance at June 30, 2020	\$	509,625

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

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table, 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 ABC Board's, as well as what the ABC Board's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower (2.50 percent) or 1-percentage point higher (4.50 percent) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability	\$ 586,321	\$ 509,625	\$ 447,979

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 ABC Board, as well as what the ABC Board'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	\$ 439,542	\$ 509,625	\$ 599,758

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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

For the year ended June 30, 2020, the ABC Board recognized OPEB expense of \$13,949. At June 30, 2020, the ABC Board 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	\$ 345	\$ 58,092
Changes of assumptions	21,528	35,570
Employer contributions subsequent to the measurement date	20,343	-
Total	<u>\$ 42,216</u>	<u>\$ 93,662</u>

\$20,343 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, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Year ended June 30:	
2021	\$ (20,673)
2022	(20,673)
2023	(18,545)
2024	(12,443)
2025	(576)
Thereafter	1,030
	<u>\$ (71,880)</u>

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 \$7,252,548 reported as landfill closure and postclosure care liability at June 30, 2020, 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 \$2,412,984 and \$4,839,564 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 \$8,995,574 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 2020. 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, 2020

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pensions/OPEB - difference between expected and actual experience		
LGERS	\$ 2,759,885	\$ -
LEOSSA	392,841	-
Register of Deeds	-	7,877
OPEB	50,075	857,763
Pensions/OPEB - changes of assumptions		
LGERS	2,627,040	-
LEOSSA	165,772	88,175
Register of Deeds	-	-
OPEB	2,022,169	3,357,123
Pensions - net difference between projected and actual earnings on investments		
LGERS	393,152	-
Register of Deeds	1,671	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	129,154	222,243
Register of Deeds	19,992	-
Employer contributions subsequent to measurement date		
LGERS	3,327,364	-
LEOSSA	62,360	-
Register of Deeds	5,883	-
OPEB	1,379,999	-
Prepaid taxes not yet earned (General)	-	309,841
Prepaid taxes not yet earned (Special Revenue)	-	162,957
Taxes receivable, net, less penalties (Special Revenue)	-	10,223
Deferred fee and grant revenue (Business)	-	145,780
	<u>\$ 13,337,357</u>	<u>\$ 5,161,982</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

5. Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. 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 \$5,000 deductible for all major perils (except for flood and earthquake). Public entity fidelity coverage is included with a limit of \$250,000 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).

The County's property insurance program includes a \$10 million limit for damage due to flood for all locations outside of federally designated flood zone "A" subject to a \$25,000 deductible. Locations inside special hazard flood zones are also insured for damages due to flood with a limit of \$1 million subject to a deductible of \$500,000. 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 except for the crime coverage. This accurately reflects the County's current exposure. 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.

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 \$697,041 is due in the current year.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	2020	2019
Liability balance, July 1,	\$ 679,364	\$ 576,577
Incurred claims & claim adjustment expenses	8,807,034	8,458,873
Claims & claims adjustment expenses	(8,789,357)	(8,356,086)
Liability Balance, June 30	<u>\$ 697,041</u>	<u>\$ 679,364</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, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

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.

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, 2020, the amounts owed to Wayne County from the local municipalities are as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	<u>Original Loan</u>	<u>Payments Received</u>	<u>Balance</u>
Town of Fremont, NC	\$ 255,245	\$ (255,245)	\$ -
City of Goldsboro, NC	636,876	(636,876)	-
City of Goldsboro, NC	3,000,000	(600,000)	2,400,000
Town of Mt. Olive, NC	100,000	(100,000)	-
Town of Fremont, NC	70,000	(49,491)	20,509
	<u>\$ 4,062,121</u>	<u>\$ (1,641,612)</u>	<u>\$ 2,420,509</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.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 has paid this note in full during the year ending June 30, 2020.

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, 2020, the fire departments have paid their portion in full. The County has paid this note in full during the year ending June 30, 2020.

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, 2020

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%. 28,837,000
\$ 43,837,000

For Governmental activities, the future minimum payments as of June 30, 2020 are:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2021	\$ 1,923,000	\$ 1,416,076	\$ 3,339,076
2022	1,923,000	1,363,194	3,286,194
2023	1,923,000	1,310,311	3,233,311
2024	1,923,000	1,257,429	3,180,429
2025	1,923,000	1,204,546	3,127,546
Thereafter	34,222,000	2,967,555	37,189,555
Total	<u>\$ 43,837,000</u>	<u>\$ 9,519,111</u>	<u>\$ 53,356,111</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Business-type activities:

The installment financing agreements are as follows:

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.	\$ 1,661,783
	<u>\$ 1,661,783</u>

For business type activities, the future minimum payments as of June 30, 2020 are:

<u>Year ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Principal and Interest</u>
2021	\$ 231,877	\$ -	\$ 231,877
2022	231,877	-	231,877
2023	231,877	-	231,877
2024	231,877	-	231,877
2025	231,877	-	231,877
Thereafter	502,398	-	502,398
Total	<u>\$ 1,661,783</u>	<u>\$ -</u>	<u>\$ 1,661,783</u>

6. Limited Obligation Bond

The County of Wayne has determined that it is necessary and expedient to finance the construction and renovation of various public school projects, in addition to, the construction of the Maxwell Center, the construction of the County Fiber Loop Project, the installation of the Sheriff Office software, and a public street assessment project. Pursuant to Section 160A-20 of the General Statutes of North Carolina, the County financed the NC Limited Obligation Bonds, Series 2017 through an agreement, as of June 28, 2017, between the County and U.S. Bank, whereby U.S. Bank shall advance moneys to the County and the County, subject to its right of non-appropriation, shall repay the advance with interest in installments. The principal amount of the Series 2017 bonds was \$35,945,000 over 19 years at a true interest cost of 2.72%. The balance as of June 30, 2020 is \$30,920,000. Governmental activities balance is \$19,720,000 as of June 30, 2020 and business-type activities balance is \$1,490,000 and \$9,710,000 as of June 30, 2020, sewer and Maxwell Center, respectively.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

For governmental activities, the future minimum payments as of June 30, 2020 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2021	\$ 1,380,000	\$ 853,960	\$ 2,233,960
2022	1,375,000	784,960	2,159,960
2023	1,370,000	716,210	2,086,210
2024	1,375,000	647,710	2,022,710
2025	1,210,000	578,960	1,788,960
Thereafter	13,010,000	3,034,920	16,044,920
Total	<u>\$ 19,720,000</u>	<u>\$ 6,616,720</u>	<u>\$ 26,336,720</u>

For business-type activities, the future minimum payments as of June 30, 2020 are:

Year ending June 30	Principal	Interest	Total Principal and Interest
2021	\$ 520,000	\$ 470,540	\$ 990,540
2022	520,000	444,540	964,540
2023	520,000	418,540	938,540
2024	520,000	392,540	912,540
2025	510,000	366,540	876,540
Thereafter	8,610,000	2,147,980	10,757,980
Total	<u>\$ 11,200,000</u>	<u>\$ 4,240,680</u>	<u>\$ 15,440,680</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 \$1,154,035.

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, 2020:

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
Governmental activities:					
Installment purchase contract	\$ 46,126,469	\$ -	\$ 2,289,469	\$ 43,837,000	\$ 1,923,000
Limited obligation bond	20,555,000	550,000	1,385,000	19,720,000	1,380,000
Net OPEB liability	30,076,194	3,211,186	-	33,287,380	-
Total pension liability (LEOSSA)	2,581,290	538,181	-	3,119,471	-
Net pension liability (LGERS)	11,269,731	1,805,374	-	13,075,105	-
Compensated absences	2,219,607	2,213,587	2,219,607	2,213,587	2,213,587
Total governmental activities	<u>\$ 112,828,291</u>	<u>\$ 8,318,328</u>	<u>\$ 5,894,076</u>	<u>\$ 115,252,543</u>	<u>\$ 5,516,587</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
<u>Business-type activities:</u>					
Solid Waste Disposal:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	6,901,665	350,883	-	7,252,548	-
Net OPEB liability	920,507	99,764	-	1,020,271	-
Net pension liability (LGERS)	627,646	129,164	-	756,810	-
Compensated absences	95,920	109,353	95,920	109,353	109,353
Total governmental activities	<u>\$ 8,545,738</u>	<u>\$ 689,164</u>	<u>\$ 95,920</u>	<u>\$ 9,138,982</u>	<u>\$ 109,353</u>

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
<u>Business-type activities:</u>					
Sewer:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Limited obligation bond	2,130,000	-	640,000	1,490,000	90,000
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	40,925	878	-	41,803	-
Net pension liability (LGERS)	13,948	-	13,948	-	-
Compensated absences	-	-	-	-	-
Total governmental activities	<u>\$ 2,184,873</u>	<u>\$ 878</u>	<u>\$ 653,948</u>	<u>\$ 1,531,803</u>	<u>\$ 90,000</u>

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
<u>Business-type activities:</u>					
EMS - EMS Net:					
Installment purchase contract	\$ 178,531	\$ -	\$ 178,531	\$ -	\$ -
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	4,154,326	359,249	-	4,513,575	-
Net pension liability (LGERS)	2,120,048	21,564	-	2,141,612	-
Compensated absences	171,623	196,531	171,623	196,531	196,531
Total governmental activities	<u>\$ 6,624,528</u>	<u>\$ 577,344</u>	<u>\$ 350,154</u>	<u>\$ 6,851,718</u>	<u>\$ 196,531</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
Business-type activities:					
Jetport:					
Installment purchase contract	\$ -	\$ -	\$ -	\$ -	\$ -
Limited obligation bond	-	-	-	-	-
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	39,985	8,869	-	48,854	-
Net pension liability (LGERS)	27,895	4,310	-	32,205	-
Compensated absences	2,992	4,493	2,992	4,493	4,493
Total governmental activities	<u>\$ 70,872</u>	<u>\$ 17,672</u>	<u>\$ 2,992</u>	<u>\$ 85,552</u>	<u>\$ 4,493</u>

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
Business-type activities:					
Maxwell Center:					
Installment purchase contract	\$ 1,893,660	\$ -	\$ 231,877	\$ 1,661,783	\$ 231,877
Limited obligation bond	10,140,000	-	430,000	9,710,000	430,000
Accrued landfill closure and post-closure care costs	-	-	-	-	-
Net OPEB liability	-	-	-	-	-
Net pension liability (LGERS)	83,686	29,030	-	112,716	-
Compensated absences	8,362	13,932	8,362	13,932	13,932
Total governmental activities	<u>\$ 12,125,708</u>	<u>\$ 42,962</u>	<u>\$ 670,239</u>	<u>\$ 11,498,431</u>	<u>\$ 675,809</u>

	Balance July 01, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balance
Business-type activities:					
Combined:					
Installment purchase contract	\$ 2,072,191	\$ -	\$ 410,408	\$ 1,661,783	\$ 231,877
Limited obligation bond	12,270,000	-	1,070,000	11,200,000	520,000
Accrued landfill closure and post-closure care costs	6,901,665	350,883	-	7,252,548	-
Net OPEB liability	5,155,743	468,760	-	5,624,503	-
Net pension liability (LGERS)	2,873,223	184,068	13,948	3,043,343	-
Compensated absences	278,897	324,309	278,897	324,309	324,309
Total governmental activities	<u>\$ 29,551,719</u>	<u>\$ 1,328,020</u>	<u>\$ 1,773,253</u>	<u>\$ 29,106,486</u>	<u>\$ 1,076,186</u>

At June 30, 2020, Wayne County had no unissued bonds and a legal debt margin of \$701,682,081.

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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

8. Debt Used for Capital Purposes

	Governmental Activities	Business- type Activities	Total Debt
Installment Purchase Contracts	\$ 43,837,000	\$ 1,661,783	\$ 45,498,783
Limited Obligation Bonds	19,720,000	11,200,000	30,920,000
	<u>\$ 63,557,000</u>	<u>\$ 12,861,783</u>	<u>\$ 76,418,783</u>

Interfund Balances and Activity

Transfers to/from:

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

<u>Description</u>	<u>Amount</u>
From the General fund to Emergency Services fund to provide resources for emergency operations.	\$ (4,311,554)
From the Sewer fund to Capital Projects funds to adjust bond issuance proceeds and debt.	327,320
From the General fund to Jetport fund to provide resources for capital assets.	(364,200)
From the General fund to Maxwell fund to provide resources for operations.	(707,344)
Total General Fund Transfers (Exhibit 2)	<u>\$ (5,055,778)</u>

<u>Description</u>	<u>Amount</u>
From the General fund to Emergency Services fund to provide resources for emergency operations.	\$ (4,059,449)
From the Sewer fund to Capital Projects funds to adjust bond issuance proceeds and debt.	(281,366)
From the General fund to Jetport fund to provide resources for capital assets.	(362,369)
From the General fund to Maxwell fund to provide resources for operations.	(707,344)
From the General fund to County Public School Funds to provide resources for capital projects.	(8,844,362)
From the General fund to County Capital Project fund to provide resources for the street assessment project.	(2,370,277)
From the General Fund to the Internal Service Fund - Fleet Management to cover indirect costs.	(170,533)
Total General Fund transfers out (Exhibit 4)	<u>\$ (16,795,700)</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

Description	Amount
From the County Capital Reserve Project fund to the General fund to provide resources for capital outlay.	\$ (1,370,348)
From the County Capital Reserve Project fund to the Emergency Services fund to provide resources for capital outlay.	(129,882)
From the County Capital Reserve Project fund to the Jetport fund to provide resources for capital outlay.	(124,054)
From the Street Assessment Fund to the General Fund to cover debt payment.	\$ (220,760)
Total Other Governmental Fund transfers out (Exhibit 4)	(1,845,044)
Total transfers out (Exhibit 4)	<u>\$ (18,640,744)</u>

C. Net Investment in Capital Assets

Net investment in Capital Assets as of June 30, 2020 consists of the following:

	Governmental Activities	Business-type Activities	Total	Wayne County ABC Board
Capital Assets	\$ 155,459,398	\$ 62,881,406	\$ 218,340,804	\$ 2,376,954
less: long-term debt	63,557,000	12,861,783	76,418,783	-
plus: Unspent debt proceeds	1,125,201	28,834	1,154,035	-
Net investment in capital assets	<u>\$ 93,027,599</u>	<u>\$ 50,048,457</u>	<u>\$ 143,076,056</u>	<u>\$ 2,376,954</u>

D. Fund Balance

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

Total fund balance - General Fund (Exhibit 3)	\$ 36,681,130
Less:	
Restricted for: Stabilization by state statute	10,190,047
Restricted for: Future debt payments, QSCB	8,575,674
Restricted for: Public Schools	2,030,530
Restricted for: Tax revaluation	565,677
Restricted for: Law enforcement	168,267
Restricted for: Grants	318,881
Committed for: Community College	20,915
Committed for: Public Schools	1,177,099
Assigned for: Subsequent year's expenditures	241,806
Assigned for: Donations	47,157
Working Fund Balance Policy	<u>7,578,600</u>
	(30,914,653)
Remaining Fund Balance	<u>\$ 5,766,477</u>

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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 provide.

V. Joint Ventures

The County, in conjunction with the State of North Carolina and the Wayne County Board of Education, participates in a joint venture to operate Wayne Community College. Each of the three participants appoints four members of the twelve-member board of trustees of the community college. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. No debt is outstanding at this time. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$4,170,897 and \$1,127,990 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the community college may be obtained from the community college's administrative offices at 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

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.

	Federal	State
Medicaid	\$ 132,828,870	\$ 61,874,598
N.C. Health Choice	2,986,280	211,139
Temporary Assistance for Needy Families	691,253	
Refugee Assistance Program	181	-
Special Assistance for Adults	-	841,249
Women, Infant, Children Program	3,201,820	-
Supplemental Nutrition Assistance Program	34,408,845	-
IV-E Foster Care/Adoption Subsidy	1,047,333	261,454
CWS Adoption Subsidy and Vendor	-	447,107
	<u>\$ 175,164,582</u>	<u>\$ 63,635,547</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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

VIII. Change in Accounting Principles/Restatement

The County had unspent bond funds in the Sewer Fund (proprietary). The bond agency allowed the County to reallocate \$550,000 of the unspent funds to the Fiber Loop Project, \$185,000, and the School Gym and Classroom Project, \$365,000. The County increased the net position of the Sewer Fund and decreased the governmental activities net position by the total \$550,000. The overall prior period adjustment to net position on Exhibit 2 is \$0.

IX. Subsequent Events

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings. Therefore, the County expects this matter to negatively impact the various taxes they receive to operate in the 2020-2021 fiscal year. However, the related financial impact and duration cannot be reasonably estimated at this time.

On July 30, 2020, the County was notified about additional funding for NC local governments from the Coronavirus Relief Fund (CRF) established under the CARES Act. These funds were to be spent according to the IRS Treasury regulations for dealing with the COVID-19 pandemic. Specifically, Wayne County was allocated an additional \$2,389,720 bringing its total CRF monies received to \$4,643,102. Of that amount, the required municipal distribution was \$1,160,775 to municipalities who completed the proper documentation by September 1, 2020. However, as all municipalities either did not choose to apply for their allocated funding or did not request their full amount, the actual amount sub granted to municipalities totaled \$1,055,702. The County spent all of its CRF funds by December 31, 2020 and worked with the NC Pandemic Recovery Office (NC PRO) to submit all required reports and documentation. It is not clear, at this time, if additional funds will be allotted to the County for managing the impact of COVID-19. However, several departments have received mini-grants specific to their programs to handle the various ways that they are dealing with the pandemic.

Effective July 31, 2020, the County closed its non-emergency transport division known as Wayne NET. This department was in operations since 2006. However, due to the increasing costs and of operations and revenue collections for this department, the Board of Commissioners decided to contract these services out to two private companies – North State Medical Transport and MedEx Medical Transport. The existing staff from Wayne NET were either transferred to Wayne County EMS or given the opportunity to work for one of the new contract providers.

On September 29, 2020, a special session of the Board of Commissioners was held to discuss and possibly take action on a Regional Memorandum of Understanding (MOU) regarding economic development. After a presentation and some discussion, a motion was passed to approve this MOU subject to review and approval by the County attorneys. Historically, the Wayne County Development Alliance has provided the economic development services for the County, and its operations haven have been funded by the County. With the approval MOU, the County's economic development activities will be managed through this regional arrangement consisting of Wayne County, Lenoir County, Greene County and the NC Global TransPark (GTP). WCDA will still exist, but its operating costs will be substantially reduced with this new MOU with NC

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2020

GTP. Existing industries operating within the County will continue to be assisted by an Existing Industry employee that was transferred from the County to Wayne Community College. The remaining WCDA employees were transferred under the employment of the NC GTP, and each of the counties, as party to the MOU, will contribute an appropriation each year to help fund operations of this regional arrangement. The County will be responsible for reimbursing Wayne Community College for the salary of the Existing Industry employee.

On October 14, 2020, the County, along with Wayne County Public Schools, was notified that their joint application for funding through the 2020-20201 Needs-Based School Capital Fund was approved in the amount of \$15,000,000. As a Tier 1 county, Wayne County will be required to match \$1 in local funds for every \$3 in grant funds with a total match required of \$5,000,000. The grant will be used to construct a new Fremont Elementary School as outlined in the application. The County will be ineligible to receive allocations from the Annual Public School Building Capital Fund (lottery fund) for a five-year period beginning October 1, 2020. Construction is expected to begin on the school around the Spring of 2021.

Required Supplemental Financial Data

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

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

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

Schedule of County Contributions (LGERS)

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

Schedule of County Contributions (ROD)

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

Wayne County, North Carolina
Other Postemployment Benefits (OPEB)
Schedule of Changes in Total OPEB Liability and Related Ratios
June 30, 2020*

	<u>2020</u>	<u>2019</u>
Service costs at end of the year**	\$ 779,945	\$ 979,860
Interest on TOL and cash flows	1,351,482	1,301,395
Changes of benefit terms	-	-
Differences between expected and actual experience	61,302	(1,261,468)
Changes of assumptions	2,475,570	(1,932,010)
Benefit payments	(988,353)	(816,597)
Net change in total OPEB liability	<u>3,679,946</u>	<u>(1,728,820)</u>
Total OPEB liability (TOL) - beginning	<u>35,231,937</u>	<u>36,960,757</u>
Total OPEB liability (TOL) - ending	<u><u>\$ 38,911,883</u></u>	<u><u>\$ 35,231,937</u></u>
Covered payroll		
	11,972,970	11,972,970
Total OPEB liability as a percentage of covered payroll	325.00%	294.26%

**The service cost includes interest for the year.

Notes to Schedule

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

<u>Year</u>	<u>Rate</u>
2020	3.50%
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.

2018	
\$	1,129,480
	1,179,241
	-
	(111,921)
	(4,089,514)
	(643,166)
	(2,535,880)
	39,496,637
\$	<u>36,960,757</u>

12,052,425
306.67%

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

	<u>2020</u>	<u>2019</u>
County's Proportion of the net pension liability (asset) %	0.590%	0.596%
County's proportionate share of the net pension liability (asset) \$	\$ 16,118,448	\$ 14,142,954
County's covered payroll	\$ 37,295,354	\$ 36,327,778
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.218%	38.932%
Plan fiduciary net position as a percentage of the total pension liability	90.860%	91.630%

* 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.

2018	2017	2016	2015	2014
0.578%	0.528%	0.533%	0.518%	0.524%
\$ 8,832,072	\$ 11,211,235	\$ 2,390,956	\$ (3,052,879)	\$ 6,312,596
\$ 34,691,540	\$ 31,101,885	\$ 30,402,981	\$ 29,463,829	\$ 29,463,829
25.459%	36.047%	7.700%	-10.040%	21.420%
94.180%	91.470%	98.090%	102.640%	94.350%

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

	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 3,333,247	\$ 2,762,866
Contributions in relation to the contractually required contribution	<u>3,333,247</u>	<u>2,762,866</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 36,441,645	\$ 37,295,354
Contributions as a percentage of covered payroll	9.147%	7.408%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 2,548,954	\$ 2,586,457	\$ 2,123,597	\$ 2,148,490	\$ 2,091,600
<u>2,548,954</u>	<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>	<u>\$ -</u>
\$ 36,327,778	\$ 34,691,540	\$ 31,101,885	\$ 30,402,981	\$ 29,463,829
7.017%	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 Seven Fiscal Years *

	<u>2020</u>	<u>2019</u>
County's Proportion of the net pension liability (asset) %	0.827%	0.954%
County's proportionate share of the net pension liability (asset) \$	\$ (163,353)	\$ (157,946)
County's covered payroll	\$ 64,230	\$ 62,915
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-254.325%	-251.047%
Plan fiduciary net position as a percentage of the total pension liability	164.110%	153.310%

* 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.

2018	2017	2016	2015	2014
0.977%	0.980%	0.956%	0.962%	0.925%
\$ (166,701)	\$ (183,300)	\$ (221,556)	\$ (218,061)	\$ (197,627)
\$ 62,531	\$ 64,808	\$ 58,761	\$ 57,974	\$ 57,974
-266.589%	-282.835%	-341.870%	-371.100%	-340.890%
153.770%	160.170%	197.290%	193.880%	190.500%

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

	<u>2020</u>	<u>2019</u>
Contractually required contribution	\$ 8,639	\$ 8,161
Contributions in relation to the contractually required contribution	<u>8,639</u>	<u>8,161</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 65,223	\$ 64,230
Contributions as a percentage of covered payroll	13.245%	12.706%

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>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
\$ 8,486	\$ 7,814	\$ 8,009	\$ 7,650	\$ 7,855
<u>8,486</u>	<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>
\$ 62,915	\$ 62,531	\$ 64,808	\$ 58,761	\$ 57,974
13.488%	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 Four Fiscal Years *

	2020	2019
Service costs at end of the year**	\$ 150,160	\$ 147,373
Interest on TOL and cash flows	91,746	75,742
Changes of benefit terms	-	-
Differences between expected and actual experience	318,232	121,079
Changes of assumptions	99,637	(107,909)
Benefit payments	(121,594)	(103,778)
Net change in total LEOSSA liability	538,181	132,507
Total LEOSSA liability (TOL) - beginning	2,581,290	2,448,783
Total LEOSSA liability (TOL) - ending	\$ 3,119,471	\$ 2,581,290
<i>**The service cost includes interest for the year.</i>		
Covered payroll	5,967,904	5,925,898
Total LEOSSA liability as a percentage of covered payroll	52.27%	43.56%

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 decreased from 3.64% to 3.26%.

December 31, 2018 Measurement Date: The Municipal Bond Index Rate increased from 3.16% to 3.64%.

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.

2018	2017
\$ 124,978	\$ 119,982
76,588	67,593
-	-
112,524	-
177,740	(50,080)
(54,409)	(38,993)
437,421	98,502
2,011,362	1,912,860
<u>\$ 2,448,783</u>	<u>\$ 2,011,362</u>
5,497,204	4,948,972
44.55%	40.64%

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General Fund

Major Fund

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

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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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes			
Taxes	\$ 57,300,467	\$ 58,035,097	\$ 734,630
Penalties and interest	290,000	289,350	(650)
Total	<u>57,590,467</u>	<u>58,324,447</u>	<u>733,980</u>
Local option sales tax			
Article 39 one percent	8,001,993	9,509,504	1,507,511
Article 40 one/half of one percent	6,459,675	6,743,087	283,412
Article 42 one/half of one percent	5,254,828	5,737,589	482,761
Article 44 one/half of one percent	1,455,822	1,647,821	191,999
Total	<u>21,172,318</u>	<u>23,638,001</u>	<u>2,465,683</u>
Other taxes and licenses			
Cable TV franchise tax	470,000	449,200	(20,800)
Leased vehicle tax	65,000	74,016	9,016
Total	<u>535,000</u>	<u>523,216</u>	<u>(11,784)</u>
Unrestricted intergovernmental revenues			
Beer and wine	308,300	355,716	47,416
Incentives	265,547	302,239	36,692
Total	<u>573,847</u>	<u>657,955</u>	<u>84,108</u>
Restricted intergovernmental			
Federal and State grants	35,388,269	23,131,829	(12,256,440)
Court facility fees	160,000	131,641	(28,359)
Controlled substance tax	15,150	16,041	891
Total	<u>35,563,419</u>	<u>23,279,511</u>	<u>(12,283,908)</u>
Permits and fees			
Building permits and inspection fees	500,000	679,972	179,972
Register of Deeds	1,260,493	1,458,373	197,880
Total	<u>1,760,493</u>	<u>2,138,345</u>	<u>377,852</u>
Charges for services			
Rents	1,696,955	1,328,764	(368,191)
Jail fees	1,132,605	1,116,923	(15,682)
Service fees	2,102,403	1,977,140	(125,263)
Tax collection fees	298,000	318,335	20,335
Total	<u>5,229,963</u>	<u>4,741,162</u>	<u>(488,801)</u>
Investment earnings	\$ 489,070	\$ 384,732	\$ (104,338)

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues (cont'd)			
Miscellaneous			
Donations	\$ 25,309	\$ 173,028	\$ 147,719
Refunds and reimbursements	448,196	414,566	(33,630)
Other	778,463	783,669	5,206
Total	<u>1,251,968</u>	<u>1,371,263</u>	<u>119,295</u>
Payments from various municipalities	<u>287,431</u>	<u>44,444</u>	<u>(242,987)</u>
Other revenue 2	-	-	-
Total revenues	124,453,976	115,103,076	(9,350,900)
Expenditures			
General government			
Board of commissioners			
Board - per diem	160,730	152,091	8,639
Operating expenditures	<u>148,354</u>	<u>113,070</u>	<u>35,284</u>
Total	<u>309,084</u>	<u>265,161</u>	<u>43,923</u>
County manager			
Salaries and employee benefits	529,563	603,350	(73,787)
Operating expenditures	<u>46,676</u>	<u>32,173</u>	<u>14,503</u>
Total	<u>576,239</u>	<u>635,523</u>	<u>(59,284)</u>
Board of elections			
Salaries and employee benefits	321,918	285,630	36,288
Per diem	15,050	15,008	42
Operating expenditures	<u>503,652</u>	<u>302,412</u>	<u>201,240</u>
Total	<u>840,620</u>	<u>603,050</u>	<u>237,570</u>
Finance			
Salaries and employee benefits	783,866	741,114	42,752
Operating expenditures	<u>454,549</u>	<u>419,020</u>	<u>35,529</u>
Total	<u>1,238,415</u>	<u>1,160,134</u>	<u>78,281</u>
Information and technology			
Salaries and employee benefits	1,086,843	1,047,636	39,207
Operating expenditures	841,727	556,238	285,489
Capital outlay	<u>401,093</u>	<u>610,083</u>	<u>(208,990)</u>
Total	<u>2,329,663</u>	<u>2,213,957</u>	<u>115,706</u>
Communications			
Salaries and employee benefits	181,336	176,617	4,719
Operating expenditures	<u>80,448</u>	<u>53,097</u>	<u>27,351</u>
Total	<u>\$ 261,784</u>	<u>\$ 229,714</u>	<u>\$ 32,070</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Tax listing			
Salaries and employee benefits	\$ 952,634	\$ 905,666	\$ 46,968
Operating expenditures	606,362	506,241	100,121
Total	<u>1,558,996</u>	<u>1,411,907</u>	<u>147,089</u>
Tax revaluation			
Salaries and employee benefits	33,255	2,011.00	31,244
Operating expenditures	213,781	15,000	198,781
Total	<u>247,036</u>	<u>17,011</u>	<u>230,025</u>
GIS			
Salaries and employee benefits	7,372	7,266	106.00
Operating expenditures	70,649	53,906	16,743
Capital outlay	16,500	15,457	1,043
Total	<u>94,521</u>	<u>76,629</u>	<u>17,892</u>
County-staff attorney			
Salaries and employee benefits	176,783	167,037	9,746
Operating expenditures	395,390	388,218	7,172
Total	<u>572,173</u>	<u>555,255</u>	<u>16,918</u>
County attorney			
Salaries and employee benefits	136,646	135,922	724
Operating expenditures	121,236	44,071	77,165
Total	<u>257,882</u>	<u>179,993</u>	<u>77,889</u>
Register of Deeds			
Salaries and employee benefits	375,497	362,135	13,362
Operating expenditures	577,951	575,324	2,627
Total	<u>953,448</u>	<u>937,459</u>	<u>15,989</u>
Buildings and grounds			
Salaries and employee benefits	1,769,027	1,741,193	27,834
Operating expenditures	518,915	446,575	72,340
Utilities	1,007,100	934,149	72,951
Maintenance	804,071	607,225	196,846
Capital outlay	509,532	351,104	158,428
Total	<u>4,608,645</u>	<u>4,080,246</u>	<u>528,399</u>
Central services			
Salaries and employee benefits	374,957	893,797	(518,840)
Operating expenditures	433,483	413,505	19,978
Fixed charges	687,952	658,955	28,997
Contra accounts	(2,205,146)	(2,205,146)	-
Total	<u>\$ (708,754)</u>	<u>\$ (238,889)</u>	<u>\$ (469,865)</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Planning board			
Salaries and employee benefits	\$ 334,031	\$ 302,499	\$ 31,532
Operating expenditures	109,755	95,838	13,917
Total	<u>443,786</u>	<u>398,337</u>	<u>45,449</u>
Personnel			
Salaries and employee benefits	287,477	271,637	15,840
Operating expenditures	42,851	33,825	9,026
Total	<u>330,328</u>	<u>305,462</u>	<u>24,866</u>
County aid			
Chamber of Commerce	15,800	(22,500)	38,300
Miscellaneous	53,325	52,075	1,250
Total	<u>69,125</u>	<u>29,575</u>	<u>39,550</u>
Court facilities			
Superior court	50,000	50,000	-
Law library	159,482	126,287	33,195
Total	<u>209,482</u>	<u>176,287</u>	<u>33,195</u>
Contingency	33,166	-	33,166
Total	<u>33,166</u>	<u>-</u>	<u>33,166</u>
Total general government	14,225,639	13,036,811	1,188,828
Public Safety			
Medical examiner			
Professional services	38,540	34,500	4,040
Autopsies	92,800	85,750	7,050
Total	<u>131,340</u>	<u>120,250</u>	<u>11,090</u>
Office of the sheriff			
Salaries and employee benefits	7,729,854	7,431,151	298,703
Operating expenditures	1,904,619	1,483,109	421,510
Capital outlay	822,322	935,529	(113,207)
Total	<u>10,456,795</u>	<u>9,849,789</u>	<u>607,006</u>
County jail			
Salaries and employee benefits	5,490,495	5,182,262	308,233
Operating expenditures	2,380,374	2,044,648	335,726
Capital outlay	139,579	144,207	(4,628)
Total	<u>\$ 8,010,448</u>	<u>\$ 7,371,117</u>	<u>\$ 639,331</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Day reporting center			
Salaries and employee benefits	\$ 319,725	\$ 319,323	\$ 402
Operating expenditures	63,747	43,461	20,286
Total	<u>383,472</u>	<u>362,784</u>	<u>20,688</u>
Sheriff grant			
Salaries and employee benefits	309,728	308,343	1,385
Operating expenditures	168,194	164,236	3,958
Total	<u>477,922</u>	<u>472,579</u>	<u>5,343</u>
NC resource officers			
Salaries and employee benefits	1,117,881	1,034,888	82,993
Operating expenditures	145,030	113,730	31,300
Total	<u>1,262,911</u>	<u>1,148,618</u>	<u>114,293</u>
Emergency services			
Salaries and employee benefits	293,210	285,892	7,318
Operating expenditures	710,461	656,160	54,301
Total	<u>1,003,671</u>	<u>942,052</u>	<u>61,619</u>
Emergency telephone			
Salaries and employee benefits	1,761,471	1,550,323	211,148
Operating expenditures	102,441	89,670	12,771
Capital outlay	139,225	-	139,225
Total	<u>2,003,137</u>	<u>1,639,993</u>	<u>363,144</u>
Inspectors			
Salaries and employee benefits	496,463	488,589	7,874
Operating expenditures	56,801	50,600	6,201
Total	<u>553,264</u>	<u>539,189</u>	<u>14,075</u>
Hurricane Activity			
Salaries and employee benefits	17,489	17,489	-
Operating expenditures	23,875	36,953	(13,078)
Total	<u>41,364</u>	<u>54,442</u>	<u>(13,078)</u>
Animal control			
Salaries and employee benefits	621,731	576,043	45,688
Operating expenditures	205,253	156,557	48,696
Total	<u>826,984</u>	<u>732,600</u>	<u>94,384</u>
Total public safety	\$ 25,151,308	\$ 23,233,413	\$ 1,917,895

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, 2020

	Budget	Actual	Variance Positive (Negative)
Transportation			
Salaries and employee benefits	\$ 103,815	\$ 103,813	\$ 2
Mount Olive Airport	33,281	33,281	-
Mass transit	279,208	279,208	-
Total	416,304	416,302	2
Total transportation	416,304	416,302	2
Economic and physical development			
Agricultural extension service			
Salaries and employee benefits	130,443	117,462	12,981
Operating expenditures	607,764	559,424	48,340
Total	738,207	676,886	61,321
Soil conservation service			
Salaries and employee benefits	235,186	215,097	20,089
Operating expenditures	24,616	17,691	6,925
Total	259,802	232,788	27,014
Forest fire control			
Operating expenditures	126,874	92,705	34,169
Total	126,874	92,705	34,169
Hazardous mitigation			
Operating expenditures	5,437,453	1,249,406	4,188,047
Capital Outlay	6,883,196	3,204,096	3,679,100
Total	12,320,649	4,453,502	7,867,147
Economic development			
US 70 Corridor	25,000	25,000	-
Other	1,978,057	265,200	1,712,857
Capital Outlay	878,694	845,393	33,301
Total	2,881,751	1,135,593	1,746,158
Economic Development Commission			
Salaries and employee benefits	376,575	376,343	232
Operating expenditures	526,842	506,556	20,286
Total	903,417	882,899	20,518
Total economic and physical development	17,230,700	7,474,373	9,756,327
Human services			
Veterans service officer			
Salaries and employee benefits	175,898	147,916	27,982
Operating expenditures	15,115	8,003	7,112
Total	\$ 191,013	\$ 155,919	\$ 35,094

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
WAGES/Communities in School			
Transportation	\$ 539,279	\$ 550,755	\$ (11,476)
Total	<u>539,279</u>	<u>550,755</u>	<u>(11,476)</u>
4-H Discovery			
Salaries and employee benefits	72,677	48,981	23,696
Operating expenditures	24,582	14,194	10,388
Total	<u>97,259</u>	<u>63,175</u>	<u>34,084</u>
4-H expansion program			
Salaries and employee benefits	50,262	50,157	105
Operating expenditures	119,581	82,550	37,031
Capital outlay	71,191	71,191	-
Total	<u>241,034</u>	<u>203,898</u>	<u>37,136</u>
4-H fees and donations			
Operating expenditures	15,390	4,309	11,081
Total	<u>15,390</u>	<u>4,309</u>	<u>11,081</u>
Cooperative extension Smart Start			
Operating expenditures	53,893	30,077	23,816
Total	<u>53,893</u>	<u>30,077</u>	<u>23,816</u>
County aid			
Miscellaneous	291,807	291,584	223
Total	<u>291,807</u>	<u>291,584</u>	<u>223</u>
<i>Children and youth council</i>			
Youth council			
Operating expenditures	473,300	472,031	1,269
Total	<u>473,300</u>	<u>472,031</u>	<u>1,269</u>
<i>Total children and youth council</i>	<u>473,300</u>	<u>472,031</u>	<u>1,269</u>
<i>Senior citizens</i>			
Chore			
Salaries and employee benefits	408,666	329,941	78,725
Operating expenditures	40,265	29,352	10,913
Total	<u>448,931</u>	<u>359,293</u>	<u>89,638</u>
Transportation			
Salaries and employee benefits	16,460	16,318	142
Transportation	39,113	36,257	2,856
Total	<u>\$ 55,573</u>	<u>\$ 52,575</u>	<u>\$ 2,998</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Senior center health promotion			
Salaries and employee benefits	\$ 8,172	\$ 2,984	\$ 5,188
Operating expenditures	14,525	12,782	1,743
Total	<u>22,697</u>	<u>15,766</u>	<u>6,931</u>
Transportation general			
Salaries and employee benefits	18,731	15,764	2,967
Operating expenditures	440	330	110
Transportation	86,626	36,975	49,651
Total	<u>105,797</u>	<u>53,069</u>	<u>52,728</u>
Information/care assistance			
Salaries and employee benefits	51,305	51,085	220
Operating expenditures	2,877	1,516	1,361
Total	<u>54,182</u>	<u>52,601</u>	<u>1,581</u>
State chore			
Salaries and employee benefits	15,361	12,858	2,503
Operating expenditures	2,980	1,363	1,617
Total	<u>18,341</u>	<u>14,221</u>	<u>4,120</u>
Family care givers			
Operating expenditures	26,966	26,518	448
Total	<u>26,966</u>	<u>26,518</u>	<u>448</u>
Senior citizens program			
Salaries and employee benefits	177,442	167,928	9,514
Operating expenditures	399,869	314,473	85,396
Total	<u>577,311</u>	<u>482,401</u>	<u>94,910</u>
SHIIP			
Salaries and employee benefits	11,532	7,942	3,590
Operating expenditures	2,741	433	2,308
Total	<u>14,273</u>	<u>8,375</u>	<u>5,898</u>
<i>Total senior citizens program</i>	<i>1,324,071</i>	<i>1,064,819</i>	<i>259,252</i>
<i>Social services</i>			
Administration			
Salaries and employee benefits	336,933	966,888	(629,955)
Operating expenditures	65,956	64,681	1,275
Total	<u>\$ 402,889</u>	<u>\$ 1,031,569</u>	<u>\$ (628,680)</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Child support - Title IV-D			
Salaries and employee benefits	\$ 1,224,179	\$ 1,016,683	\$ 207,496
Operating expenditures	342,031	182,662	159,369
Professional services	123,652	114,317	9,335
Total	<u>1,689,862</u>	<u>1,313,662</u>	<u>376,200</u>
Energy assistance			
Crisis intervention program	829,771	798,557	31,214
Progress Energy assistance	773,214	764,310	8,904
Total	<u>1,602,985</u>	<u>1,562,867</u>	<u>40,118</u>
Other administrative expenditures			
Operating expenditures	1,248,721	794,950	453,771
Contracted services	131,070	117,541	13,529
Capital outlay	107,593	22,480	85,113
Total	<u>1,487,384</u>	<u>934,971</u>	<u>552,413</u>
Regular service administrative			
Salaries and employee benefits	4,884,505	3,797,142	1,087,363
Operating expenditures	93,683	70,530	23,153
Total	<u>4,978,188</u>	<u>3,867,672</u>	<u>1,110,516</u>
Income maintenance			
Salaries and employee benefits	5,006,022	4,316,586	689,436
Operating expenditures	71,426	53,128	18,298
Total	<u>5,077,448</u>	<u>4,369,714</u>	<u>707,734</u>
Public assistance programs			
Special assistance to adults	1,200,845	843,100	357,745
Medicaid	3,550	2,302	1,248
Aid to the blind	10,529	10,529	-
IVE and IVB vendor payments	13,200	9,769	3,431
Adoption assistance	379,107	302,935	76,172
Miscellaneous	21,601	24,938.00	(3,337)
Total	<u>1,628,832</u>	<u>1,193,573</u>	<u>435,259</u>
Purchased services			
State in home care	23,556	8,083	15,473
Day care for children	35,000	-	35,000
Foster care	552,000	480,027	71,973
AFDC foster care	645,000	440,364	204,636
Transportation	240,715	204,951	35,764
Professional services	128,815	82,541	46,274
Miscellaneous	34,857	365	34,492
Total	<u>\$ 1,659,943</u>	<u>\$ 1,216,331</u>	<u>\$ 443,612</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Work first block grant			
Education	\$ 4,000	\$ -	\$ 4,000
Miscellaneous	36,000	16,250	19,750
Total	<u>40,000</u>	<u>16,250</u>	<u>23,750</u>
County only assistance			
Miscellaneous services	20,450	6,367	14,083
Clothing	27,945	23,163	4,782
Total	<u>48,395</u>	<u>29,530</u>	<u>18,865</u>
<i>Total social services</i>	<i>18,615,926</i>	<i>15,536,139</i>	<i>3,079,787</i>
<i>Public health</i>			
Health administration			
Salaries and employee benefits	1,286,201	1,110,514	175,687
Operating expenditures	377,718	277,693	100,025
Capital outlay	46,088	46,088	-
Total	<u>1,710,007</u>	<u>1,434,295</u>	<u>275,712</u>
Communicable diseases			
Salaries and employee benefits	32,792	32,573.00	219
Operating expenditures	608	50	558
Total	<u>33,400</u>	<u>32,623</u>	<u>777</u>
Tuberculosis			
Salaries and employee benefits	199,845	144,166	55,679
Operating expenditures	28,785	15,978	12,807
Total	<u>228,630</u>	<u>160,144</u>	<u>68,486</u>
Smart Start health services			
Salaries and employee benefits	50,092	50,059	33
Operating expenditures	13,714	10,571	3,143
Total	<u>63,806</u>	<u>60,630</u>	<u>3,176</u>
Health promotion			
Salaries and employee benefits	21,087	6,701	14,386
Operating expenditures	41,509	10,654	30,855
Total	<u>62,596</u>	<u>17,355</u>	<u>45,241</u>
Crippled children			
Salaries and employee benefits	14,720	7,550	7,170
Operating expenditures	700	359	341
Total	<u>\$ 15,420</u>	<u>\$ 7,909</u>	<u>\$ 7,511</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Adult health			
Salaries and employee benefits	\$ 125,521	\$ 124,761	\$ 760
Operating expenditures	71,849	32,336	39,513
Total	<u>197,370</u>	<u>157,097</u>	<u>40,273</u>
Maternity care project			
Salaries and employee benefits	1,380,288	1,159,071	221,217
Operating expenditures	352,309	297,652	54,657
Total	<u>1,732,597</u>	<u>1,456,723</u>	<u>275,874</u>
Child health			
Salaries and employee benefits	267,183	193,936	73,247
Operating expenditures	96,609	47,033	49,576
Total	363,792	240,969	122,823
Child services coordinator			
Salaries and employee benefits	373,651	349,734	23,917
Operating expenditures	99,867	93,682	6,185
Total	<u>473,518</u>	<u>443,416</u>	<u>30,102</u>
Dental program			
Salaries and employee benefits	65,908	50,326	15,582
Operating expenditures	149,852	57,124	92,728
Total	<u>215,760</u>	<u>107,450</u>	<u>108,310</u>
Family planning			
Salaries and employee benefits	1,003,926	670,157	333,769
Operating expenditures	230,757	104,063	126,694
Total	<u>1,234,683</u>	<u>774,220</u>	<u>460,463</u>
AIDS control			
Salaries and employee benefits	266,498	245,465	21,033
Operating expenditures	39,882	26,627	13,255
Total	<u>306,380</u>	<u>272,092</u>	<u>34,288</u>
Women, infants and children			
Salaries and employee benefits	829,665	703,092	126,573
Operating expenditures	125,685	88,786	36,899
Total	<u>\$ 955,350</u>	<u>\$ 791,878</u>	<u>\$ 163,472</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
Environmental health			
Salaries and employee benefits	\$ 533,006	\$ 512,790	\$ 20,216
Operating expenditures	<u>74,772</u>	<u>52,127</u>	<u>22,645</u>
Total	607,778	564,917	42,861
 Bioterrorism program			
Salaries and employee benefits	90,298	21,877	68,421
Operating expenditures	41,632	31,737	9,895
Capital outlay	<u>18,200</u>	<u>18,147</u>	<u>53</u>
Total	150,130	71,761	78,369
 Opioid Action Plan			
Salaries and employee benefits	54,303	15,636	38,667
Operating expenditures	<u>136,181</u>	<u>84,966</u>	<u>51,215</u>
Total	190,484	100,602	89,882
 Minority Health			
Salaries and employee benefits	13,710	-	13,710
Operating expenditures	<u>5,540</u>	<u>5,539</u>	<u>1</u>
Total	19,250	5,539	13,711
 Maternal care coordinator			
Salaries and employee benefits	340,418	339,730	688
Operating expenditures	<u>67,835</u>	<u>62,459</u>	<u>5,376</u>
Total	408,253	402,189	6,064
 School nurse initiative			
Salaries and employee benefits	-	-	-
Operating expenditures	<u>250,000</u>	<u>233,433</u>	<u>16,567</u>
Total	250,000	233,433	16,567
 Maternal Health			
Operating expenditures	<u>100</u>	<u>64</u>	<u>36</u>
Total	100	64	36
 Primary Care			
Operating expenditures	<u>2,000</u>	<u>-</u>	<u>2,000</u>
Total	<u>2,000</u>	<u>-</u>	<u>2,000</u>
 <i>Total public health</i>	 \$ 9,221,304	 \$ 7,335,306	 \$ 1,885,998

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Expenditures (cont'd)			
<i>Mental health</i>			
Administration			
Mental health services	\$ 42,000	\$ 42,000	\$ -
Total human services	31,106,276	25,750,012	5,356,264
Cultural and recreational			
Wayne County Public Library			
Salaries and employee benefits	1,749,560	1,624,208	125,352
Operating expenditures	463,236	398,109	65,127
Total	2,212,796	2,022,317	190,479
Literacy Connections			
Salaries and employee benefits	155,404	154,516	888
Operating expenditures	98,195	98,195	-
Total	253,599	252,711	888
County aid			
Museum	25,000	25,000	-
Parks and recreation	43,950	43,950	-
Miscellaneous	24,250	24,250	-
Total	93,200	93,200	-
Total cultural and recreational	2,559,595	2,368,228	191,367
Education			
Wayne Community College			
Current expenditures	4,170,897	4,170,897	-
Capital outlay	1,136,698	1,127,990	8,708
Total	5,307,595	5,298,887	8,708
Wayne County Public Schools			
Current expenditures	21,507,385	21,325,991	181,394.00
Capital outlay	3,369,394	2,319,372	1,050,022
Total	24,876,779	23,645,363	1,231,416
Total education	30,184,374	28,944,250	1,240,124
Debt Service			
Principal payments	3,674,484	3,674,484	-
Interest payments	2,370,225	2,370,220	5
Total debt service	6,044,709	6,044,704	5
Total Expenditures	126,918,905	107,268,093	19,650,812
Revenues over (under) expenditures	\$ (2,464,929)	\$ 7,834,983	\$ 10,299,912

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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Other Financing Sources (Uses)			
Transfers in			
Capital Projects Funds	\$ 1,370,348	\$ 1,370,348	\$ -
Special Revenue Funds	220,760	81,535	139,225
Transfers out			
Internal Service Fund	(170,533)	(170,533)	-
Capital Projects Funds	(11,214,639)	(11,214,639)	-
Proprietary Funds	(5,410,528)	(5,410,528)	-
Sale of capital assets	-	163,223	(163,223)
Total other financing sources	<u>(15,204,592)</u>	<u>(15,180,594)</u>	<u>(23,998)</u>
Revenues and other financing sources under expenditures	(17,669,521)	(7,345,611)	10,323,910
Appropriated fund balance	<u>17,669,521</u>	<u>-</u>	<u>(17,669,521)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	(7,345,611)	<u>\$ (7,345,611)</u>
Fund balance - July 1		44,026,741	
Fund balances - June 30		<u>\$ 36,681,130</u>	

Special Revenue Funds

Nonmajor Funds

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

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

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

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

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

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

Capital Projects Funds

Major and Nonmajor Funds

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

Major Fund

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.

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.

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, 2020

Exhibit B

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Emergency Telephone Service Fund	Fire District Fund	Community Development Fund	Utility Fund	Street Assessment Fund	
Assets						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted cash and cash equivalents	2,030,091	2,398	7,557	27,064	371,217	2,438,327
Taxes receivable, net	-	160,623	-	-	1,081,792	1,242,415
Due from other governments	49,537	272,822	425,627	14,249	-	762,235
Total assets	<u>2,079,628</u>	<u>435,843</u>	<u>433,184</u>	<u>41,313</u>	<u>1,453,009</u>	<u>4,442,977</u>
Liabilities and Fund Balance						
Liabilities						
Accounts payable	-	-	-	1,085	-	1,085
Interfund payable	-	-	290,000	-	-	290,000
Total liabilities	<u>-</u>	<u>-</u>	<u>290,000</u>	<u>1,085</u>	<u>-</u>	<u>291,085</u>
Deferred Inflows of Resources						
Taxes receivable, net	-	162,957	-	10,223	-	173,180
Total deferred inflows of resources	<u>-</u>	<u>162,957</u>	<u>-</u>	<u>10,223</u>	<u>-</u>	<u>173,180</u>
Fund balances						
Non-spendable:						
Senior Center-principal	-	-	-	-	-	-
Restricted:						
Stabilization by state statute	49,536	270,488	135,627	2,939	1,081,792	1,540,382
Fire protection	-	2,398	-	-	-	2,398
Public safety	2,030,092	-	-	-	-	2,030,092
Community development	-	-	7,557	-	-	7,557
Public schools	-	-	-	-	-	-
Debtors	-	-	-	-	-	-
Transportation	-	-	-	27,066	371,217	398,283
Senior Center-earnings	-	-	-	-	-	-
Committed:						
Capital Projects	-	-	-	-	-	-
Unassigned:						
Total fund balances	<u>2,079,628</u>	<u>272,886</u>	<u>143,184</u>	<u>30,005</u>	<u>1,453,009</u>	<u>3,978,712</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,079,628</u>	<u>\$ 435,843</u>	<u>\$ 433,184</u>	<u>\$ 41,313</u>	<u>\$ 1,453,009</u>	<u>\$ 4,442,977</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
\$ -	\$ 3,703,983	\$ -	\$ 2,937,208	\$ 1,867,545	\$ 8,508,736	\$ -	\$ 8,508,736
685,640	372,158	3,078,896	-	-	4,136,694	7,380	6,582,401
-	-	-	-	19,564	19,564	-	1,261,979
5,282	152,930	23,538	-	-	181,750	-	943,985
690,922	4,229,071	3,102,434	2,937,208	1,887,109	12,846,744	7,380	17,297,101
-	-	1,062,467	-	4,101	1,066,568	-	1,067,653
-	-	-	-	-	-	-	290,000
-	-	1,062,467	-	4,101	1,066,568	-	1,357,653
-	-	-	-	-	-	-	173,180
-	-	-	-	-	-	-	173,180
-	-	-	-	-	-	7,100	7,100
-	-	-	-	-	-	-	1,540,382
-	-	-	-	-	-	-	2,398
-	-	-	-	-	-	-	2,030,092
-	-	-	-	-	-	-	7,557
690,922	-	2,039,967	-	-	2,730,889	-	2,730,889
-	372,158	-	-	-	372,158	-	372,158
-	-	-	-	-	-	-	398,283
-	-	-	-	-	-	280	280
-	3,856,913	-	2,937,208	1,883,008	8,677,129	-	8,677,129
-	-	-	-	-	-	-	-
690,922	4,229,071	2,039,967	2,937,208	1,883,008	11,780,176	7,380	15,766,268
\$ 690,922	\$ 4,229,071	\$ 3,102,434	\$ 2,937,208	\$ 1,887,109	\$ 12,846,744	\$ 7,380	\$ 17,297,101

Wayne County, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020

Exhibit C

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Emergency Telephone Service Fund	Fire District Fund	Community Development Fund	Utility Fund	Street Assessment Fund	
Revenues						
Property Taxes	\$ -	\$ 3,622,863	\$ -	\$ -	\$ -	\$ 3,622,863
Sales and miscellaneous taxes	-	1,610,300	-	16,959	-	1,627,259
Licenses and permits	601,535	-	-	-	-	601,535
Restricted intergovernmental	-	-	7,000	-	-	7,000
Investment earnings	18,424	2,397	-	325	70,316	91,462
Private grants	-	-	-	-	-	-
Total revenues	<u>619,959</u>	<u>5,235,560</u>	<u>7,000</u>	<u>17,284</u>	<u>70,316</u>	<u>5,950,119</u>
Expenditures						
Current:						
Public Safety	302,235	5,237,709	-	-	-	5,539,944
Community development	-	-	246	-	-	246
Education	-	-	-	-	-	-
Transportation	-	-	-	14,217	-	14,217
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>302,235</u>	<u>5,237,709</u>	<u>246</u>	<u>14,217</u>	<u>-</u>	<u>5,554,407</u>
Excess (deficiency) of revenues over expenditures	<u>317,724</u>	<u>(2,149)</u>	<u>6,754</u>	<u>3,067</u>	<u>70,316</u>	<u>395,712</u>
Other Financing Sources (Uses)						
Other use						
Transfers from other funds	139,225	-	-	-	-	139,225
Transfers to other funds	-	-	-	-	(220,760)	(220,760)
Total other financing sources and uses	<u>139,225</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(220,760)</u>	<u>(81,535)</u>
Net change in fund balances	<u>456,949</u>	<u>(2,149)</u>	<u>6,754</u>	<u>3,067</u>	<u>(150,444)</u>	<u>314,177</u>
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 2,079,628</u>	<u>\$ 272,886</u>	<u>\$ 143,184</u>	<u>\$ 30,005</u>	<u>\$ 1,453,009</u>	<u>\$ 3,978,712</u>

Exhibit C

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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,622,863
-	-	-	-	-	-	-	1,627,259
-	-	-	-	-	-	-	601,535
-	-	-	-	300,000	300,000	-	307,000
5,385	57,913	48,257	29,358	47,336	188,249	91	279,802
-	15,000	-	-	-	15,000	-	15,000
5,385	72,913	48,257	29,358	347,336	468,506	91	6,453,459
-	-	-	-	-	-	-	5,539,944
-	-	-	-	-	-	-	246
-	-	4,725,621	-	-	4,725,621	-	4,725,621
-	-	-	-	-	-	-	14,217
614,250	5,978,349	-	-	2,725,665	9,318,264	-	9,318,264
614,250	5,978,349	4,725,621	-	2,725,665	14,043,885	-	19,598,292
(608,865)	(5,905,436)	(4,677,364)	29,358	(2,378,329)	(13,540,636)	91	(13,144,833)
-	5,576,204	3,573,818	2,170,277	503,026	11,823,325	-	11,962,550
-	-	-	(1,624,284)	-	(1,624,284)	-	(1,845,044)
-	5,576,204	3,573,818	545,993	503,026	10,199,041	-	10,117,506
(608,865)	(329,232)	(1,103,546)	575,351	(1,875,303)	(3,341,595)	91	(3,027,327)
1,299,787	4,558,303	3,143,513	2,361,857	3,758,311	15,121,771	7,289	18,793,595
\$ 690,922	\$ 4,229,071	\$ 2,039,967	\$ 2,937,208	\$ 1,883,008	\$ 11,780,176	\$ 7,380	\$15,766,268

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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 602,596	\$ 601,535	\$ (1,061)
Investment earnings	-	18,424	18,424
Total revenues	<u>602,596</u>	<u>619,959</u>	<u>17,363</u>
Expenditures			
Current:			
Public safety	748,034	302,235	445,799
Capital outlay	<u>1,162,632</u>	-	<u>1,162,632</u>
Total expenditures	<u>1,910,666</u>	<u>302,235</u>	<u>1,608,431</u>
Revenues over (under) expenditures	(1,308,070)	317,724	1,625,794
Other Financing Sources			
Transfers in	-	139,225	139,225
Transfers out	-	-	-
Total other financing sources	<u>-</u>	<u>139,225</u>	<u>139,225</u>
Revenues and other financing sources over (under) expenditures	(1,308,070)	456,949	1,765,019
Appropriated fund balance	<u>1,308,070</u>	<u>-</u>	<u>(1,308,070)</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	456,949	<u>\$ 456,949</u>
Fund balance - July 1		1,622,679	
Fund balance - June 30		<u>\$ 2,079,628</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Ad valorem taxes			
Current year	\$ 3,561,825	3,572,375	\$ 10,550
Vehicle tax	-	-	0
Prior year tax	67,370	50,488	(16,882)
Investment earnings	-	2,397	2,397
Miscellaneous	-	-	-
Total revenues	<u>5,237,708</u>	<u>5,235,560</u>	<u>(2,148)</u>
Expenditures			
Current:			
Public safety	<u>5,237,708</u>	<u>5,237,709</u>	<u>(1)</u>
Total expenditures	<u>5,237,708</u>	<u>5,237,709</u>	<u>(1)</u>
Revenues over (under) expenditures	-	(2,149)	(2,149)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(2,149)	<u>\$ (2,149)</u>
Fund balance - July 1		275,034	
Fund balance - June 30		<u>\$ 272,886</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, 2020

	Project Author- ization	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
Disaster Recovery (17-R-3003)	\$ 16,940,000	\$ 619,269	\$ -	\$ 619,269	\$ (16,320,731)
Mortgage payments	-	68,346	3,393	71,739	71,739
Interest payments	-	54,716	3,607	58,323	58,323
Total revenues	<u>16,940,000</u>	<u>742,331</u>	<u>7,000</u>	<u>749,331</u>	<u>(16,190,669)</u>
Expenditures					
Economic development:					
Disaster Recovery (17-R-3003)	<u>16,940,000</u>	<u>587,773</u>	<u>246</u>	<u>588,019</u>	<u>16,351,981</u>
Total expenditures	<u>16,940,000</u>	<u>587,773</u>	<u>246</u>	<u>588,019</u>	<u>16,351,981</u>
Revenues over (under) expenditures	-	154,558	6,754	161,312	161,312
Other financing sources					
Operating transfers in:					
General Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>\$ 154,558</u>	6,754	<u>\$ 161,312</u>	<u>\$ 161,312</u>
Fund balance - July 1			136,430		
Fund balance - June 30			<u>\$ 143,184</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Fees and fines	\$ 16,414	\$ 16,959	\$ 545
Investment earnings	-	324	324
Total revenues	<u>16,414</u>	<u>17,283</u>	<u>869</u>
Expenditures			
Current:			
Transportation	<u>16,414</u>	<u>14,217</u>	<u>2,197</u>
Total expenditures	<u>16,414</u>	<u>14,217</u>	<u>2,197</u>
Revenues over (under) expenditures	-	3,066	3,066
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	3,066	<u>\$ 3,066</u>
Fund balance - July 1		26,939	
Fund balance - June 30		<u>\$ 30,005</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Miscellaneous taxes	\$ 220,760	\$ -	\$ (220,760)
Investment earnings	-	70,316	70,316
Total revenues	<u>220,760</u>	<u>70,316</u>	<u>(150,444)</u>
Expenditures			
Current:			
Transportation	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over expenditures	220,760	70,316	(150,444)
Other Financing Sources			
Transfers in	-	-	-
Transfers out	(220,760)	(220,760)	-
Total other financing sources	<u>(220,760)</u>	<u>(220,760)</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	-	(150,444)	(150,444)
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>(150,444)</u>	<u>\$ (150,444)</u>
Fund balance - July 1		1,603,453	
Fund balance - June 30		<u><u>\$ 1,453,009</u></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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 5,385	\$ 5,385
Total revenues	-	5,385	5,385
Expenditures			
Current:			
Capital outlay	1,142,999	614,250	528,749
Total expenditures	1,142,999	614,250	528,749
Revenues under expenditures	(1,142,999)	(608,865)	534,134
Other Financing Sources			
Transfers in			
General Fund	-	-	-
Transfers out			
General Fund	-	-	-
Total other financing sources	-	-	-
Revenues and other financing sources under expenditures	(1,142,999)	(608,865)	534,134
Appropriated fund balance	1,142,999	-	(1,142,999)
Revenues and other sources over (under) expenditures	\$ -	(608,865)	\$ (608,865)
Fund balance - July 1		1,299,787	
Fund balance - June 30		\$ 690,922	

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, 2020

	Project Author- ization	Prior Years	Actual	Total to Date	Variance Positive (Negative)
Revenues					
Private grant	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
Investment earnings	-	123,097	57,913	181,010	181,010
Miscellaneous	-	308,637	-	308,637	308,637
Total revenues	-	431,734	72,913	504,647	504,647
Expenditures					
Current:					
Transportation - Street Assessment	1,773,505	1,912,251	-	1,912,251	(138,746)
Capital Outlay					
General Government Projects	-	-	2,634,919	2,634,919	(2,634,919)
Fiber Optic Loop Project	670,007	513,152	52,303	565,455	104,552
Spillman/Superion Project	1,260,564	3,493,953	170,259	3,664,212	(2,403,648)
Advanced Manufacturing Project	-	222,163	3,120,868	3,343,031	(3,343,031)
Total expenditures	3,704,076	6,141,519	5,978,349	12,119,868	(8,415,792)
Revenues under expenditures	(3,704,076)	(5,709,785)	(5,905,436)	(11,615,221)	(7,911,145)
Other Financing Sources (Uses)					
Proceeds-bond issuance, par amount	3,260,000	3,260,000	-	3,260,000	-
Proceeds-bond issuance, premium	444,076	444,076	-	444,076	-
Transfers in:					
General Fund					
General Fund	-	24,098	5,376,204	5,400,302	5,400,302
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
Proprietary Funds	-	-	200,000	200,000	200,000
Transfers out					
General Fund	-	-	-	-	-
Total financing sources	3,704,076	7,515,756	5,576,204	13,091,960	9,387,884
Appropriated fund balance	-	-	-	-	-
Revenues other sources, and appropriated fund balance over (under) expenditures	\$ -	\$ 1,805,971	(329,232)	\$ 1,476,739	\$ 1,476,739
Fund balance - July 1			4,558,303		
Fund balance - June 30			<u>\$ 4,229,071</u>		

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Public School Capital Project Fund-School Buildings
For the Fiscal Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 48,257	\$ 48,257
Total revenues	-	48,257	48,257
Expenditures			
Current:			
Capital outlay	6,394,900	4,725,621	1,669,279
Total expenditures	6,394,900	4,725,621	1,669,279
Revenues under expenditures	(6,394,900)	(4,677,364)	1,717,536
Other Financing Sources			
Transfers in			
General Fund	3,165,132	3,165,132	-
Transfers out			
General Fund	-	-	-
Total other financing sources	3,573,818	3,573,818	-
Revenues and other financing sources under expenditures	(2,821,082)	(1,103,546)	1,717,536
Appropriated fund balance	2,821,082	-	(2,821,082)
Revenues and other sources over (under) expenditures	\$ -	(1,103,546)	\$ (1,103,546)
Fund balance - July 1		3,143,514	
Fund balance - June 30		<u>\$ 2,039,967</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Investment earnings	\$ -	\$ 29,358	\$ 29,358
Total revenues	-	29,358	29,358
Expenditures			
Current:			
General government	545,993	-	545,993
Total expenditures	545,993	-	545,993
Revenues over (under) expenditures	(545,993)	29,358	575,351
Other Financing Sources			
Transfers in			
General Fund	2,170,277	2,170,277	-
Transfers out			
General Fund	(1,370,348)	(1,370,348)	-
Proprietary Funds	(253,936)	(253,936)	-
Total other financing sources	545,993	545,993	-
Appropriated fund balance	-	-	-
Revenues and other sources over (under) expenditures	\$ -	575,351	\$ 575,351
Fund balance - July 1		2,361,857	
Fund balance - June 30		<u>\$ 2,937,208</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Restricted intergovernmental	\$ 1,530,693	\$ 300,000	\$ (1,230,693)
Investment earnings	-	47,336	47,336
Total revenues	<u>1,530,693</u>	<u>347,336</u>	<u>(1,183,357)</u>
Expenditures			
Current:			
Capital Outlay	<u>5,787,752</u>	<u>2,725,665</u>	<u>3,062,087</u>
Total expenditures	<u>5,787,752</u>	<u>2,725,665</u>	<u>3,062,087</u>
Revenues under expenditures	(4,257,059)	(2,378,329)	1,878,730
Other Financing Sources			
Transfers in			
General Fund	503,026	503,026	-
Transfers out			
General Fund	-	-	-
Total other financing sources	<u>503,026</u>	<u>503,026</u>	<u>-</u>
Appropriated fund balance	<u>3,754,033</u>	<u>-</u>	<u>(3,754,033)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(1,875,303)</u>	<u>\$ (1,875,303)</u>
Fund balance - July 1		3,758,311	
Fund balance - June 30		<u>\$ 1,883,008</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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Investment earnings	\$ -	\$ 91	\$ 91
Total revenues	<u>-</u>	<u>91</u>	<u>91</u>
Expenditures			
Senior Center	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	-	91	91
Other Financing Sources			
Permanent fund donation	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other financing sources over (under) expenditures	-	91	91
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	<u>91</u>	<u>\$ 91</u>
Fund balance - July 1		7,289	
Fund balance - June 30		<u>\$ 7,380</u>	

Enterprise Funds

Major Funds

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

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

EMS – 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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues			
User fees - solid waste	\$ 3,443,313	\$ 3,806,902	\$ 363,589
User fees - household	1,265,000	1,277,233	12,233
Recycling fees	66,000	11,375	(54,625)
Total operating revenues	4,774,313	5,095,510	321,197
Non-operating revenues			
Restricted intergovernmental revenues	293,000	306,137	13,137
Interest and investment revenue	-	135,612	135,612
Miscellaneous revenue	48,010	35,288	(12,722)
Operating grants and contributions	10,000	18,957	8,957
Total non-operating revenues	351,010	495,994	144,984
Appropriated retained earnings	287,390	-	(287,390)
Total revenues	5,412,713	5,591,504	178,791
Expenditures			
Operating expenditures			
Salaries and employee benefits	1,942,354	1,848,344	94,010
Contractual services	89,700	53,162	36,538
Repairs and maintenance	402,125	336,826	65,299
Other departmental expenses	817,472	797,302	20,170
Other supplies and expenses	401,244	297,969	103,275
Indirect costs	357,178	357,178	-
Total	4,010,073	3,690,781	319,292
Budgetary appropriations			
Capital outlay	1,402,640	1,300,787	101,853
Total	1,402,640	1,300,787	101,853
Total expenditures	5,412,713	4,991,568	421,145
Revenues over (under) expenditures	-	599,936	599,936
Other financing sources (uses):			
Sale of capital assets	-	9,210	9,210
Total other financing sources (uses)	-	9,210	9,210
Revenues over (under) expenditures and other sources	\$ -	\$ 609,146	\$ 609,146

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Solid Waste Disposal
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

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

	<u>2020</u>
Total revenues	\$ 5,591,504
Total expenditures	(4,991,568)
Other financing	<u>9,211</u>
Revenues and expenditures	609,147
Reconciling items:	
Capital outlay	1,300,787
Depreciation	(795,336)
Bad debt allowance	(39,292)
Increase in Landfill closure & postclosure costs	(350,882)
(Increase) decrease in OPEB liability	(99,764)
Increase (decrease) in deferred outflows of resources - OPEB	65,763
(Increase) decrease in deferred inflows of resources - OPEB	34,022
(Increase) decrease in net pension liability	(129,164)
Increase (decrease) in deferred outflows of resources - pensions	(56,435)
(Increase) decrease in deferred inflows of resources - pensions	(5,222)
(Increase) decrease in accrued vacation pay	<u>(13,433)</u>
Change in net position	<u><u>\$ 520,191</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, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues			
Operating revenues			
User fees	\$ 5,506,626	\$ 6,978,153	\$ 1,471,527
Total operating revenues	5,506,626	6,978,153	1,471,527
Non-operating revenues			
Interest and investment revenue	-	49,133	49,133
Miscellaneous revenue	4,917	16,225	11,308
Operating grants and contributions	1,202,750	1,667,046	464,296
Total non-operating revenues	1,207,667	1,732,404	524,737
Appropriated retained earnings	(165,916)	-	165,916
Total revenues	6,548,377	8,710,557	2,162,180
Expenditures			
Operating expenditures			
Salaries and employee benefits	7,485,678	6,153,596	1,332,082
Contractual services	360,236	293,078	67,158
Repairs and maintenance	172,860	144,488	28,372
Other departmental expenses	203,294	128,974	74,320
Other supplies and expenses	719,409	655,988	63,421
Indirect costs	1,171,880	1,171,880	-
Total	10,113,357	8,548,004	1,565,353
Debt service			
Interest and other charges	2,562	2,472	90
Debt principal	178,518	178,518	-
Total	181,080	180,990	90
Budgetary appropriations			
Capital outlay	565,494	224,906	340,588
Total	565,494	224,906	340,588
Total expenditures	10,859,931	8,953,900	1,906,031
Revenues over (under) expenditures	(4,311,554)	(243,343)	4,068,211
Other financing sources (uses):			
Transfers in (out)	4,311,554	4,311,554	-
Sale of capital assets	-	139,369	139,369
Total other financing sources	4,311,554	4,450,923	139,369
Revenues over (under) expenditures and other sources	\$ -	\$ 4,207,580	\$ 4,207,580

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, 2020

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

	<u>2020</u>
Total revenues	\$ 8,710,557
Total expenditures	(8,953,900)
Other financing	<u>4,450,923</u>
Revenues and expenditures	4,207,580
Reconciling items:	
Capital outlay	224,906
Depreciation	(468,216)
Debt principal	178,518
Bad debt allowance	(2,781,891)
(Increase) decrease in OPEB liability	(359,249)
Increase (decrease) in deferred outflows of resources - OPEB	236,814
(Increase) decrease in deferred inflows of resources - OPEB	122,514
(Increase) decrease in net pension liability	(21,563)
Increase (decrease) in deferred outflows of resources - pensions	(428,282)
(Increase) decrease in deferred inflows of resources - pensions	(11,921)
(Increase) decrease in accrued vacation pay	<u>(24,908)</u>
Change in net position	<u><u>\$ 874,302</u></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, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues			
User fees	\$ 794,389	\$ 730,284	\$ (64,105)
Total operating revenues	<u>794,389</u>	<u>730,284</u>	<u>(64,105)</u>
Non-operating revenues			
Restricted intergovernmental	352,671	393,399	40,728
Interest and investment revenue	-	7,582	7,582
Donations	<u>219,843</u>	<u>-</u>	<u>(219,843)</u>
Total non-operating revenues	<u>572,514</u>	<u>400,981</u>	<u>(171,533)</u>
Appropriated retained earnings	<u>65,319</u>	<u>-</u>	<u>(65,319)</u>
Total revenues	<u>1,432,222</u>	<u>1,131,265</u>	<u>(300,957)</u>
Expenditures			
Operating expenditures			
Salaries and employee benefits	449,404	411,680	37,724
Contractual services	19,750	11,574	8,176
Utilities	76,506	62,980	13,526
Repairs and maintenance	55,000	19,504	35,496
Other departmental expenses	68,300	27,596	40,704
Other supplies and expenses	126,250	80,717	45,533
Indirect costs	200,000	200,000	-
Interest expense	417,160	417,159	1
Debt principal	<u>661,877</u>	<u>661,877</u>	<u>-</u>
Total	<u>2,074,247</u>	<u>1,893,087</u>	<u>181,160</u>
Budgetary appropriations			
Capital outlay	<u>65,319</u>	<u>-</u>	<u>(65,319)</u>
Total	<u>65,319</u>	<u>-</u>	<u>(65,319)</u>
Total expenditures	<u>2,139,566</u>	<u>1,893,087</u>	<u>(246,479)</u>
Other financing sources			
Transfers in (out)	<u>707,344</u>	<u>707,344</u>	<u>-</u>
Total	<u>707,344</u>	<u>707,344</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (54,478)</u>	<u>\$ (54,478)</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, 2020

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

	<u>2020</u>
Total revenues	\$ 1,131,265
Total expenditures	(1,893,087)
Other financing	<u>707,344</u>
Revenues, other financing sources, and expenditures	(54,478)
Reconciling items:	
Capital outlay	-
Depreciation	(625,456)
(Increase) decrease in accrued vacation	(5,570)
(Increase) decrease in net pension liability	(29,030)
Increase (decrease) in deferred outflows of resources - pensions	758
(Increase) decrease in deferred inflows of resources - pensions	859
Debt principal	661,877
(Increase) decrease in accrued interest payable	<u>1,289</u>
Change in net position	<u><u>\$ (49,751)</u></u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Jetport Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues			
User fees	\$ 717,200	\$ 638,418	\$ (78,782)
Total operating revenues	<u>717,200</u>	<u>638,418</u>	<u>(78,782)</u>
Non-operating revenues			
Interest and investment revenue	-	5,990	5,990
Miscellaneous revenue	5,309	5,308	(1)
Operating grants and contributions	<u>4,808,740</u>	<u>3,822,905</u>	<u>(985,835)</u>
Total non-operating revenues	<u>4,814,049</u>	<u>3,834,203</u>	<u>(979,846)</u>
Appropriated retained earnings	163,514	-	(163,514)
Total revenues	<u>5,694,763</u>	<u>4,472,621</u>	<u>(1,222,142)</u>
Expenditures			
Operating expenditures			
Salaries and employee benefits	106,522	89,292	17,230
Contractual services	68,023	68,023	-
Repairs and maintenance	78,341	48,608	29,733
Other departmental expenses	92,340	77,755	14,585
Other supplies and expenses	465,625	323,761	141,864
Indirect costs	<u>119,638</u>	<u>119,638</u>	<u>-</u>
Total	<u>930,489</u>	<u>727,077</u>	<u>203,412</u>
Budgetary appropriations			
Capital outlay	<u>5,128,473</u>	<u>3,867,786</u>	<u>1,260,687</u>
Total	<u>5,128,473</u>	<u>3,867,786</u>	<u>1,260,687</u>
Total expenditures	<u>6,058,962</u>	<u>4,594,863</u>	<u>1,464,099</u>
Other financing sources			
Transfers in (out)	<u>364,199</u>	<u>364,199</u>	<u>-</u>
Total	<u>364,199</u>	<u>364,199</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ 241,957</u>	<u>\$ 241,957</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Jetport Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

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

	<u>2020</u>
Total revenues	\$ 4,472,621
Total expenditures	(4,594,863)
Other financing	<u>364,199</u>
Revenues and expenditures	241,957
Reconciling items:	
Capital outlay	3,867,786
Depreciation	(503,722)
Disposal of capital assets	(2,373)
(Increase) decrease in accrued vacation pay	(1,501)
(Increase) decrease in OPEB liability	(8,869)
Increase (decrease) in deferred outflows of resources - OPEB	5,847
(Increase) decrease in deferred inflows of resources - OPEB	3,025
(Increase) decrease in net pension liability	(4,309)
Increase (decrease) in deferred outflows of resources - pensions	(3,328)
(Increase) decrease in deferred inflows of resources - pensions	<u>(212)</u>
Change in net position	<u><u>\$ 3,594,301</u></u>

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Enterprise Funds

Nonmajor Funds

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

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

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Wayne County, North Carolina
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2020

	<u>Business-type Activities</u>	
	<u>Sewer Fund</u>	<u>Total</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 261,387	\$ 261,387
Accounts receivable, net	566,261	566,261
Receivables from other governments	8,534	8,534
Total current assets	<u>836,182</u>	<u>836,182</u>
Capital assets:		
Land	23,628	23,628
Other capital assets, net of depreciation	3,945,355	3,945,355
Total capital assets	<u>3,968,983</u>	<u>3,968,983</u>
Total non-current assets	<u>3,968,983</u>	<u>3,968,983</u>
Total assets	<u>4,805,165</u>	<u>4,805,165</u>
Deferred Outflows of Resources	1,708	1,708
Liabilities		
Current liabilities:		
Accounts payable	57,227	57,227
Accrued interest payable	4,864	4,864
Due to other funds	467,298	467,298
Bonds, notes and loans payable	90,000	90,000
Total current liabilities	<u>619,389</u>	<u>619,389</u>
Non-current liabilities:		
OPEB liability	41,803	41,803
Bonds, notes and loans payable	1,400,000	1,400,000
Total non-current liabilities	<u>1,441,803</u>	<u>1,441,803</u>
Total liabilities	<u>2,061,192</u>	<u>2,061,192</u>
Deferred Inflows of Resources	5,496	5,496
Net Position		
Net investment in capital assets	2,486,923	2,486,923
Unrestricted	253,262	253,262
Total net position	<u>\$ 2,740,185</u>	<u>\$ 2,740,185</u>

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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, 2020

	Business-type Activities	
	Sewer Fund	Total
Operating revenues:		
User fees	\$ 558,672	\$ 558,672
Total operating revenues	558,672	558,672
Operating expenses:		
Salaries and employee benefits	18,095	18,095
Repairs and maintenance	32,969	32,969
Other departmental expenses	413,852	413,852
Indirect costs	40,590	40,590
Depreciation	146,109	146,109
Total Operating Expenses	651,615	651,615
Operating income (loss)	(92,943)	(92,943)
Non-operating revenues (expenses)		
Interest and investment revenue	9,935	9,935
Operating grants and contributions	467,298	467,298
Interest expense	(68,680)	(68,680)
Total non-operating revenues	408,553	408,553
Income (loss) before contributions and transfers	315,610	315,610
Transfers in	281,366	281,366
Transfers out	(608,686)	(608,686)
Change in net position	(11,710)	(11,710)
Total net position - beginning	2,201,895	2,201,895
Restatement	550,000	550,000
Net position, beginning, restated	2,751,895	2,751,895
Total net position - ending	\$ 2,740,185	\$ 2,740,185

Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2020

	<u>Business-type</u> <u>Nonmajor</u>	
	<u>Sewer Fund</u>	<u>Totals</u>
Cash flows from operating activities:		
Receipts from customers	\$ 75,443	\$ 75,443
Payments to employees for services	(21,265)	(21,265)
Payments to suppliers of goods & services	6,313	6,313
Net cash provided (used) by operating activities	60,491	60,491
Cash flows from noncapital financing activities:		
Grant proceeds	467,298	467,298
Cash received from other funds	(316,189)	(316,189)
Net cash provided (used) by noncapital financing activities	151,109	151,109
Cash flows from capital & related financing activities:		
Principal payments related to capital debt	(90,000)	(90,000)
Interest payments related to capital debt	(68,680)	(68,680)
Transfer of debt from other fund	(300)	(300)
(Costs) of capital assets	(516,763)	(516,763)
Net cash provided (used) by capital and related financing activities	(675,743)	(675,743)
Cash flows from investing activities		
Interest payments received	9,934	9,934
Net cash provided (used) by investing activities	9,934	9,934
Net increase (decrease) in cash and cash equivalents	(454,209)	(454,209)
Cash and cash equivalents, July 1	715,596	715,596
Cash and cash equivalents, June 30	<u>261,387</u>	<u>261,387</u>

Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2020

Operating income	(92,943)	(92,943)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation	146,109	146,109
Changes in assets and liabilities		
(Increase) decrease		
Accounts receivable	(483,229)	(483,229)
Increase (decrease)		
Accounts payable	493,724	493,724
Postemployment liability	49	49
Pensions	(3,219)	(3,219)
	<u>153,434</u>	<u>153,434</u>
Total adjustments	<u>153,434</u>	<u>153,434</u>
Net cash provided (used) by operating activities	<u>\$ 60,491</u>	<u>\$ 60,491</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues			
User fees	\$ 619,164	\$ 558,672	\$ (60,492)
Total operating revenues	<u>619,164</u>	<u>558,672</u>	<u>(60,492)</u>
Non-operating revenues			
Interest and investment revenue	-	9,935	9,935
Operating grants and contributions	<u>478,382</u>	<u>467,298</u>	<u>(11,084)</u>
Total non-operating revenues	<u>478,382</u>	<u>477,233</u>	<u>(1,149)</u>
Appropriated retained earnings	<u>594,105</u>	<u>-</u>	<u>(594,105)</u>
Total revenues	<u>1,691,651</u>	<u>1,035,905</u>	<u>(655,746)</u>
Expenditures			
Operating expenditures			
Salaries and employee benefits	21,985	21,267	718
Utilities	16,796	-	16,796
Repairs and maintenance	30,000	32,969	(2,969)
Other departmental expenses	498,149	413,852	84,297
Indirect costs	40,590	40,590	-
Interest expense	68,980	68,980	-
Debt principal	90,000	90,000	-
Total	<u>766,500</u>	<u>667,658</u>	<u>98,842</u>
Budgetary appropriations			
Capital outlay	<u>597,831</u>	<u>516,763</u>	<u>81,068</u>
Total	<u>597,831</u>	<u>516,763</u>	<u>81,068</u>
Total expenditures	<u>1,364,331</u>	<u>1,184,421</u>	<u>179,910</u>
Other financing sources			
Transfers in (out)	<u>(327,320)</u>	<u>(327,320)</u>	<u>-</u>
Total	<u>(327,320)</u>	<u>(327,320)</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (475,836)</u>	<u>\$ (475,836)</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

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

	<u>2020</u>
Total revenues	\$ 1,035,905
Total expenditures	(1,184,421)
Other financing	<u>(327,320)</u>
Revenues and expenditures	(475,836)
Reconciling items:	
Capital outlay	516,763
Depreciation	(146,109)
Debt payments	90,000
(Increase) decrease in accrued interest	300
(Increase) decrease in OPEB liability	(878)
Increase (decrease) in deferred outflows of resources - OPEB	579
(Increase) decrease in deferred inflows of resources - OPEB	299
(Increase) decrease in net pension liability	13,948
Increase (decrease) in deferred outflows of resources - pensions	(10,892)
(Increase) decrease in deferred inflows of resources - pensions	<u>116</u>
Change in net position	<u><u>\$ (11,710)</u></u>

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Internal Service Funds

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

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

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

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

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Wayne County, North Carolina
Combining Balance Sheet
Internal Service Funds
June 30, 2020

	WC Self Insurance Fund	Hospital Self Insurance Fund	Fleet Management Fund	Total
Assets				
Current assets:				
Cash and cash equivalents	\$ 1,287,721	\$ 1,643,504	\$ 241,333	\$ 3,172,558
Accounts receivables, net	5,719	-	11,222	16,941
Inventories	-	-	23,134	23,134
Total current assets	<u>1,293,440</u>	<u>1,643,504</u>	<u>275,689</u>	<u>3,212,633</u>
Non-current assets:				
Capital Assets:				
Other capital assets, net of depreciation	-	-	15,844	15,844
Total capital assets	<u>-</u>	<u>-</u>	<u>15,844</u>	<u>15,844</u>
Total assets	<u>1,293,440</u>	<u>1,643,504</u>	<u>291,533</u>	<u>3,228,477</u>
Liabilities				
Accounts payable	91	714,144	27,948	742,183
Due to other funds	-	-	-	-
Total current liabilities	<u>91</u>	<u>714,144</u>	<u>27,948</u>	<u>742,183</u>
Total liabilities	<u>91</u>	<u>714,144</u>	<u>27,948</u>	<u>742,183</u>
Net Position				
Invested in capital assets, net of related debt	-	-	15,844	15,844
Unrestricted	1,293,349	929,359	259,013	2,481,721
Total net position	<u>\$ 1,293,349</u>	<u>\$ 929,359</u>	<u>\$ 274,857</u>	<u>\$ 2,497,565</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, 2020

Exhibit J-2

	WC Self Insurance Fund	Hospital Self Insurance Fund	Fleet Management Fund	Total
Operating revenues:				
Insurance premiums	\$ 473,431	\$ 8,382,389	\$ -	\$ 8,855,820
Fleet services	-	-	475,852	475,852
Total operating revenues	<u>473,431</u>	<u>8,382,389</u>	<u>475,852</u>	<u>9,331,672</u>
Operating expenses:				
Salaries and employee benefits	-	-	172,882	172,882
Repairs and maintenance	-	-	(2,025)	(2,025)
Other departmental expenses	-	79,476	9,373	88,849
Other supplies and expenses	-	-	261,764	261,764
Utilities	-	-	917	917
Insurance claims and expenses	604,762	8,727,558	-	9,332,320
Total operating expenses	<u>604,762</u>	<u>8,807,034</u>	<u>442,911</u>	<u>9,854,707</u>
Operating income (loss)	(131,331)	(424,645)	32,941	(523,035)
Non-operating revenues (expenses):				
Investment earnings	17,628	15,177	-	32,805
Miscellaneous revenue	-	38,757	-	38,757
Gain (loss)-disposal of asset	-	-	-	-
Total non-operating revenues (expenses)	<u>17,628</u>	<u>53,934</u>	<u>-</u>	<u>71,562</u>
Transfers in	<u>-</u>	<u>-</u>	<u>170,533</u>	<u>170,533</u>
Change in net position	(113,703)	(370,711)	203,474	(280,940)
Total net position - beginning	1,407,052	1,300,070	71,383	2,778,505
Total net position - ending	<u>\$ 1,293,349</u>	<u>\$ 929,359</u>	<u>\$ 274,857</u>	<u>\$ 2,497,565</u>

Wayne County, North Carolina
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Business-type Activities			
	Major			
	WC Self- Insurance Fund	Hospital Self- Insurance Fund	Fleet Management Fund	Totals
Cash flows from operating activities:				
Receipts from customers	\$ 473,334	\$ 8,382,389	\$ 468,220	\$ 9,323,943
Payments to suppliers of goods & services	(623,260)	(8,784,218)	(424,701)	(9,832,179)
Proceeds from unrestricted revenues	-	38,757	-	38,757
Net cash provided (used) by operating activities	(149,926)	(363,072)	43,519	(469,479)
Cash flows from noncapital financing activities:				
Loan from other fund	-	-	(20,000)	(20,000)
Transfers (to) from other funds	-	-	170,534	170,534
Net cash provided (used) by noncapital financing activities	-	-	150,534	150,534
Cash flows from capital and related financing activities:				
Proceeds from sale of capital assets	-	-	-	-
Net cash provided (used) by capital and related financing activities	-	-	-	-
Cash flows from investing activities				
Interest payments received	17,627	15,177	-	32,804
Net cash provided (used) by investing activities	17,627	15,177	-	32,804
Net increase (decrease) in cash and cash equivalents	(132,299)	(347,895)	194,053	(286,141)
Cash and cash equivalents, July 1	1,420,020	1,991,399	47,280	3,458,699
Cash and cash equivalents, June 30	<u>1,287,721</u>	<u>1,643,504</u>	<u>241,333</u>	<u>3,172,558</u>
Operating income	(131,331)	(424,645)	32,941	(523,035)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Non operating income	-	38,757	-	38,757
Changes in assets and liabilities				
(Increase) decrease				
Accounts receivable	(97)	-	(7,632)	(7,729)
Inventory	-	-	(4,033)	(4,033)
Increase (decrease)				
Accounts payable	(18,498)	22,816	22,243	26,561
Other liabilities	-	-	-	-
Total adjustments	(18,595)	61,573	10,578	53,556
Net cash provided (used) by operating activities	\$ (149,926)	\$ (363,072)	\$ 43,519	\$ (469,479)

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Wayne County, North Carolina
Schedule of Revenues and Expenditures
WC - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit K-1

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Insurance premiums	\$ 503,046	\$ 473,431	\$ (29,615)
Total operating revenues	503,046	473,431	(29,615)
Non-operating revenues:			
Investment earnings	-	17,627	17,627
Total non-operating revenues	-	17,627	17,627
Total revenues	503,046	491,058	(11,988)
Expenditures			
Insurance claims and expenses	596,424	604,762	(8,338)
Total expenditures	596,424	604,762	(8,338)
Other financing sources			
Appropriated fund balance	93,378	-	(93,378)
Revenues over (under) expenditures	\$ -	\$ (113,704)	\$ (113,704)

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

	<u>2020</u>
Total revenues	\$ 491,058
Total expenditures	(604,762)
Revenues over expenditures	(113,704)
Reconciling items:	
No reconciling items	-
Change in net position	\$ (113,704)

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Hospital - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit K-2

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Operating revenues:			
Insurance premiums	\$ 8,601,240	\$ 8,382,389	\$ (218,851)
Total operating revenues	<u>8,601,240</u>	<u>8,382,389</u>	<u>(218,851)</u>
Non-operating revenues:			
Investment earnings	-	15,178	15,178
Miscellaneous revenue	<u>39,373</u>	<u>38,757</u>	<u>(616)</u>
Total non-operating revenues	<u>39,373</u>	<u>53,935</u>	<u>14,562</u>
Total revenues	8,640,613	8,436,324	(204,289)
Expenditures			
Operating expenditures			
Other departmental expenses	15,627	11,824	3,803
Insurance claims and expenses	<u>8,954,656</u>	<u>8,727,558</u>	<u>227,098</u>
Total expenditures	<u>9,037,983</u>	<u>8,807,034</u>	<u>230,949</u>
Revenues under expenditures	(397,370)	(370,710)	26,660
Other financing sources			
Appropriated fund balance	<u>397,370</u>	-	<u>(397,370)</u>
Total other financing sources	<u>397,370</u>	-	<u>(397,370)</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ (370,710)</u>	<u>\$ (370,710)</u>

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

	<u>2020</u>
Total revenues	\$ 8,436,324
Total expenditures	(8,807,034)
Other financing	<u>-</u>
Revenues over expenditures	(370,710)
Reconciling items:	
No reconciling items	<u>-</u>
Change in net position	<u>\$ (370,710)</u>

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Fleet Management
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit K-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues			
Charges for services			
Operating revenues:			
Fleet services	\$ 302,200	\$ 475,852	\$ 173,652
Total operating revenues	<u>302,200</u>	<u>475,852</u>	<u>173,652</u>
Non-operating revenues:			
Investment earnings	-	-	-
Total non-operating revenues	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	302,200	475,852	173,652
Expenditures			
Operating expenditures			
Salaries and wages	219,916	172,882	47,034
Repairs and maintenance	500	(2,025)	2,525
Other departmental expenses	9,400	9,373	27
Other supplies and expenses	241,917	261,764	(19,847)
Utilities	1,000	917	83
Total expenditures	<u>472,733</u>	<u>442,911</u>	<u>29,822</u>
Revenues over (under) expenditures	(170,533)	32,941	203,474
Other financing sources			
Transfers in	170,533	170,533	-
Appropriated fund balance	-	-	-
Total other financing sources	<u>170,533</u>	<u>170,533</u>	<u>-</u>
Revenues over (under) expenditures and other sources	<u>\$ -</u>	<u>\$ 203,474</u>	<u>\$ 203,474</u>

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

	<u>2020</u>
Total revenues	\$ 475,852
Total expenditures	(442,911)
Other financing	<u>170,533</u>
Revenues over expenditures	203,474
Reconciling items:	
No reconciling items	<u>-</u>
Change in net position	<u>\$ 203,474</u>

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Agency Funds

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

Agency Funds

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

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

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

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

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

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

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Wayne County, North Carolina
Agency Funds
Combining Statement of Changes in Assets and Liabilities
For the Fiscal Year Ended June 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
Court Costs				
Assets:				
Cash and cash equivalents	\$ 19,298	\$ 72,188	\$ 72,790	\$ 18,696
Liabilities:				
Miscellaneous liabilities	\$ 19,299	\$ 72,188	\$ 72,790	\$ 18,697
Social Services				
Assets:				
Cash and cash equivalents	\$ 68,084	\$ 341,780	\$ 350,137	\$ 59,727
Liabilities:				
Miscellaneous liabilities	\$ 68,084	\$ 341,780	\$ 350,137	\$ 59,727
Fines and Forfeitures				
Assets:				
Cash and cash equivalents	\$ -	\$ 425,486	\$ 425,486	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 425,486	\$ 425,486	\$ -
Sheriff Account				
Assets:				
Cash and cash equivalents	\$ 81,564	\$ 804,050	\$ 831,287	\$ 54,327
Liabilities:				
Miscellaneous liabilities	\$ 81,564	\$ 804,050	\$ 831,287	\$ 54,327
Municipal Tax				
Assets:				
Cash and cash equivalents	\$ -	\$ 20,586,322	\$ 20,586,322	\$ -
Liabilities:				
Miscellaneous liabilities	\$ -	\$ 20,586,322	\$ 20,586,322	\$ -
Miscellaneous				
Assets:				
Cash and cash equivalents	\$ 23,236	\$ 21,294	\$ 10,205	\$ 34,325
Liabilities:				
Miscellaneous liabilities	\$ 23,236	\$ 21,294	\$ 10,205	\$ 34,325
Total - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 192,182	\$ 22,251,120	\$ 22,276,227	\$ 167,075
Liabilities:				
Miscellaneous liabilities	\$ 192,183	\$ 22,251,120	\$ 22,276,227	\$ 167,076

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Other Schedules

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

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

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Wayne County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivables
June 30, 2020

<u>Fiscal Year</u>	Uncollected Balance June 30, 2019	Additions	Collections and Credits	Uncollected Balance June 30, 2020
2019-2020	\$ -	\$ 51,667,666 (a)	50,665,007 (b)	\$ 1,002,659 (c)
2018-2019	939,165	1,245	514,704	425,706
2017-2018	406,613	1,093	158,985	248,721
2016-2017	242,503	333	76,548	166,288
2015-2016	180,645	-	43,300	137,345
2014-2015	150,613	-	38,315	112,298
2013-2014	182,332	-	26,636	155,696
2012-2013	186,496	-	24,790	161,706
2011-2012	163,681	-	16,240	147,441
2011 and before	177,107	-	40,674	136,433
	<u>\$ 2,629,155</u>	<u>\$ 51,670,337</u>	<u>\$ 51,605,199 (d)</u>	<u>2,694,293</u>

Less: allowance for uncollectible accounts:

General Fund

(840,440)

Ad valorem taxes receivable - net:

General Fund

\$ 1,853,853

Reconcilement with revenues:

Ad valorem taxes - General Fund

\$ 51,461,573

Interest collected on ad valorem taxes-General Fund

312,115

Reconciling items:

Interest collected

(312,115)

Rebates & releases

101,660

Late listing

41,966

Total reconciling items

(168,489)

Total collections and credits

\$ 51,605,199 (d)

Wayne County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2020

	<u>County - wide</u>			<u>Total Levy Property excluding Registered Motor Vehicles</u>	<u>Registered Motor Vehicles</u>
	<u>Property Valuation</u>	<u>Rate</u>	<u>Amount of Levy</u>		
Original levy:					
Property taxes					
at current year's rate	\$ 8,773,991,111	0.6635	\$ 58,215,431	\$ 51,645,374	\$ 6,570,057
Penalties	-		38,493	38,493	-
Total	<u>8,773,991,111</u>		<u>58,253,924</u>	<u>51,683,867</u>	<u>6,570,057</u>
Discoveries:					
Current year taxes	42,943,482	0.6635	284,930	284,930	-
Penalties			3,473	3,473	-
Total	<u>42,943,482</u>		<u>288,403</u>	<u>288,403</u>	<u>-</u>
Abatements:					
Current year taxes	45,908,578	0.6635	304,604	304,604	-
Total property valuation	<u>\$ 8,771,026,015</u>				
Net levy			58,237,723	51,667,666 (a)	6,570,057
Uncollected taxes at June 30, 2020			<u>1,002,659</u> (c)	<u>1,002,659</u>	<u>-</u>
Current year's taxes collected			<u>\$ 57,235,064</u>	<u>\$ 50,665,007</u> (b)	<u>\$ 6,570,057</u>
Current levy collection percentage			<u>98.28%</u>	<u>98.06%</u>	<u>100.00%</u>

Wayne County , North Carolina
Secondary Market Disclosures
County-wide Levy
For the Fiscal Year Ended June 30, 2020

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100%
Real Property	\$ 6,343,100,365
Personal Property	1,708,416,179
Public Service Companies ²	719,509,471
Assessed Valuation at Current Year Rates	<u>8,771,026,015</u>
Tax Rate per \$100	<u>0.6635</u>
	58,195,758
Penalties	<u>41,966</u>
Levy (includes discoveries, releases and abatements) ³	<u>58,237,724</u>
Total Assessed Valuation	\$ <u>8,771,026,015</u>
Levy (includes discoveries, releases and abatements)-all rates	\$ <u>58,237,724</u>

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

School Districts	\$ -
Fire Protection Districts	<u>3,180,491</u>
Total	\$ <u>3,180,491</u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

Wayne County , North Carolina
Emergency Telephone System Unspent Balance
PSAP Reconciliation
For the Fiscal Year Ended June 30, 2020

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	\$ 456,949
Transfer from General Fund for disallowed expenditures	(139,225)
Eligible 911 expenditures from the change in accrued payables	-
Eligible 911 revenues from the change in accounts receivables	4,880
	<u>322,604</u>
Beginning Balance, PSAP Revenue-Expenditure Report**	<u>1,756,713</u>
Ending Balance, PSAP Revenue-Expenditure Report	<u><u>\$ 2,079,317</u></u>

** June 30, 2020 North Carolina 911 Board PSAP Report has not been approved by the State 911 Board; however, the figures above have been reconciled to the June 30, 2020 PSAP Report as submitted.

Statistical Section

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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.

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:			
Net investment in capital assets	\$ 45,059,412	\$ 32,189,480	\$ 43,911,545
Restricted for:			
General government	464,687	473,862	443,048
Future debt obligations	-	-	1,071,859
Capital improvements	-	-	-
Public safety	3,766,579	3,036,088	2,875,580
Education	9,942,419	17,767,074	17,042,786
Stabilization by State Statute	6,350,099	5,984,117	5,940,064
Register of Deeds pension plan	-	-	-
Senior Center-earnings	-	-	-
Restricted for (nonexpendable):			
Senior Center-principal	-	-	-
Unrestricted	<u>39,902,413</u>	<u>47,623,691</u>	<u>43,891,572</u>
Total governmental activities net position	105,485,609	107,074,312	115,176,454
Business-type activities:			
Net investment in capital assets	24,531,072	28,970,463	28,903,951
Unrestricted	<u>9,357,399</u>	<u>5,111,858</u>	<u>4,151,565</u>
Total business-type activities net position	33,888,471	34,082,321	33,055,516
Primary government:			
Net investment in capital assets	69,590,484	61,159,943	72,815,496
Restricted for (expendable):			
General government	464,687	473,862	443,048
Future debt obligations	-	-	1,071,859
Capital improvements	-	-	-
Public safety	3,766,579	3,036,088	2,875,580
Education	9,942,419	17,767,074	17,042,786
Stabilization by State Statute	6,350,099	5,984,117	5,940,064
Register of Deeds pension plan	-	-	-
Senior Center-earnings	-	-	-
Restricted for (nonexpendable):			
Senior Center-principal	-	-	-
Unrestricted	<u>49,259,812</u>	<u>52,735,549</u>	<u>48,043,137</u>
Total primary government net position	<u>\$ 139,374,080</u>	<u>\$ 141,156,633</u>	<u>\$ 148,231,970</u>

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.

Table 1-A

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	49,308,882	\$ 48,979,040	\$ 74,488,975	\$ 84,009,596	\$ 83,342,500	\$ 86,075,786	\$ 93,027,599
	3,774,081	2,568,863	1,260,698	1,183,193	928,043	1,118,262	1,464,076
	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	7,503,421	8,575,674
	-	-	-	2,626,905	-	-	-
	2,088,112	1,886,348	1,696,044	485,593	1,505,969	1,701,848	2,198,358
	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	9,785,394	4,761,419
	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	9,141,828	11,730,429
	-	-	-	183,300	166,701	157,946	157,946
	-	-	6	26	170	189	280
	-	2,100	7,100	7,100	7,100	7,100	7,100
	<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>(17,506,924)</u>
	123,763,262	128,094,665	133,086,334	135,912,916	107,632,295	109,178,301	104,415,957
	28,324,030	28,469,555	30,696,293	33,151,761	42,870,075	45,685,683	50,048,457
	<u>4,397,099</u>	<u>4,550,695</u>	<u>8,658,123</u>	<u>8,600,185</u>	<u>1,718,563</u>	<u>3,183,440</u>	<u>4,291,835</u>
	32,721,129	33,020,250	39,354,416	41,751,946	44,588,638	48,869,123	54,340,292
	77,632,912	77,448,595	105,185,268	117,161,357	126,212,575	131,761,469	143,076,056
	3,774,081	2,568,863	1,260,698	1,183,193	928,043	1,118,262	1,464,076
	2,143,772	3,215,487	4,287,311	5,359,241	6,431,278	7,503,421	8,575,674
	-	-	-	2,626,905	-	-	-
	2,088,112	1,886,348	1,696,044	485,593	1,505,969	1,701,848	2,198,358
	12,510,649	11,267,722	7,850,060	26,350,512	7,822,971	9,785,394	4,761,419
	5,399,018	6,717,578	7,110,594	9,693,425	6,864,086	9,141,828	11,730,429
	-	-	-	183,300	166,701	157,946	157,946
	-	-	6	26	170	189	280
	-	2,100	7,100	7,100	7,100	7,100	7,100
	<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>(13,215,089)</u>
\$	<u><u>156,484,391</u></u>	\$ <u><u>161,114,915</u></u>	\$ <u><u>172,440,750</u></u>	\$ <u><u>177,664,862</u></u>	\$ <u><u>152,220,933</u></u>	\$ <u><u>158,047,424</u></u>	\$ <u><u>158,756,249</u></u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>Expenses</u>			
Governmental Activities:			
General government	\$ 12,773,531	\$ 11,799,821	\$ 12,343,016
Public safety	18,487,470	19,034,770	22,037,055
Transportation	542,461	497,354	490,796
Human services	30,389,790	31,212,335	32,077,683
Cultural and recreation	1,939,735	1,689,613	1,942,729
Education	24,617,866	30,885,950	25,592,686
Interest on long-term debt	342,169	412,106	778,716
Environmental protection	895,768	749,108	843,822
Economic and physical development	1,452,148	1,101,149	753,397
Total government activities expenses	<u>91,440,938</u>	<u>97,382,206</u>	<u>96,859,900</u>
Business-type activities:			
Solid waste disposal	3,835,603	4,384,080	4,158,736
EMS - EMS Net	5,738,875	5,998,722	6,919,508
Sewer	278,262	412,951	481,878
EMS nonemergency transportation	1,069,165	1,287,788	1,373,590
Jetport	930,215	991,804	1,118,540
Maxwell Center	-	-	-
Total business-type activities expenses	<u>11,852,120</u>	<u>13,075,345</u>	<u>14,052,252</u>
Total primary government expenses	<u>103,293,058</u>	<u>110,457,551</u>	<u>110,912,152</u>
<u>Program Revenues</u>			
Governmental Activities:			
Charges for services:			
General government	2,566,342	3,206,793	3,504,880
Public safety	2,450,248	1,565,457	1,734,612
Human services	3,249,232	3,492,224	3,024,589
Culture and recreation	82,507	75,842	64,879
Environmental protection	3,185	5,917	4,598
Economic and physical development	-	-	-
Operating and capital grants, and contributions	19,381,503	18,392,666	20,275,546
Total governmental activities program revenues	<u>27,733,017</u>	<u>26,738,899</u>	<u>28,609,104</u>
Business-type activities:			
Charges for services:			
Solid waste disposal	3,800,021	4,338,788	3,841,329
EMS - EMS Net	4,064,060	4,231,765	4,292,843
Sewer	210,431	233,440	282,539
EMS Nonemergency transportation	1,116,250	1,391,602	1,501,554
Jetport	601,391	610,446	659,051
Maxwell Center	-	-	-
Operating grants and contributions	3,596,917	1,712,263	1,006,570
Total business-type activities program revenues	<u>13,389,070</u>	<u>12,518,304</u>	<u>11,583,886</u>
Total primary government program revenues	<u>41,122,087</u>	<u>39,257,203</u>	<u>40,192,990</u>
<u>Net (Expense)/Revenue</u>			
Governmental activities	(63,707,921)	(70,643,307)	(68,250,796)
Business-type activities	1,536,950	(557,041)	(2,468,366)
Total primary government net expense	<u>\$ (62,170,971)</u>	<u>\$ (71,200,348)</u>	<u>\$ (70,719,162)</u>

Table 1-B

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 12,490,505	\$ 12,368,863	\$ 12,325,585	\$ 12,413,717	\$ 15,851,523	\$ 14,113,920	\$ 14,957,710
21,625,673	21,654,541	24,195,295	27,757,877	28,265,627	29,747,584	30,771,396
1,020,522	381,974	255,919	288,553	342,179	401,409	444,493
30,053,084	29,901,977	29,695,951	29,748,429	27,676,367	26,284,213	26,408,593
1,933,460	2,334,770	2,151,928	2,398,219	2,458,207	2,559,040	2,528,812
24,879,620	24,559,080	26,186,821	28,927,009	29,700,156	29,245,606	35,940,325
319,874	2,271,474	2,174,838	1,312,337	1,604,188	1,554,463	1,484,537
835,274	775,891	852,483	883,895	915,707	1,126,413	1,276,287
804,303	2,216,080	1,696,922	1,201,470	1,330,486	1,991,925	5,852,543
<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>	<u>119,664,696</u>
4,294,326	4,304,345	4,422,152	4,503,860	4,552,742	4,564,560	5,081,978
7,015,107	7,138,260	11,233,893	12,766,445	12,510,315	12,563,366	12,269,924
579,083	629,487	654,838	470,379	760,054	852,243	719,211
1,386,321	1,223,057	-	-	-	-	-
1,062,101	962,283	1,050,842	1,117,726	1,249,400	1,338,975	1,240,259
-	-	-	37,073	1,181,564	1,727,393	1,888,906
<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>21,200,278</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>	<u>140,864,974</u>
3,779,248	2,913,747	3,605,184	4,284,428	4,215,884	2,682,513	3,913,478
1,679,764	1,654,030	1,800,539	2,182,244	3,410,822	5,629,317	2,829,288
2,220,629	2,264,735	2,128,060	2,058,240	2,179,407	2,171,524	2,063,064
56,360	62,162	68,559	67,090	65,323	59,062	41,912
5,887	6,352	6,335	7,194	5,275	9,311	5,360
(912.00)	-	-	-	-	-	-
<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>23,377,353</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>	<u>32,230,455</u>
4,005,749	4,307,139	3,969,204	4,505,640	4,577,771	5,074,382	5,140,008
4,164,330	4,983,531	6,660,861	7,668,760	7,470,911	7,934,981	7,096,141
338,057	373,186	460,580	390,201	450,242	599,450	558,672
1,325,703	1,149,005	-	-	-	-	-
636,232	525,894	495,218	603,961	723,674	738,578	638,418
-	-	-	1,537,039	795,521	1,243,600	1,123,683
<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>6,300,496</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>20,857,418</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>	<u>53,087,873</u>
(64,207,861)	(65,459,370)	(66,785,201)	(70,780,280)	(79,541,129)	(76,981,422)	(87,434,241)
(2,871,338)	(1,524,432)	(1,508,797)	(1,698,537)	(4,422,086)	(2,778,565)	(342,860)
<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>	<u>\$ (87,777,101)</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

	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental activities:			
Taxes:			
Property taxes	\$ 51,693,856	\$ 54,901,333	\$ 57,083,125
Local option sales tax	15,799,436	17,627,241	17,389,549
Other taxes and licenses	198,820	196,555	206,338
Investment earnings, unrestricted	319,220	187,099	115,525
Miscellaneous, unrestricted	194,912	170,500	443,751
Transfers	<u>(1,666,737)</u>	<u>(714,896)</u>	<u>(1,426,009)</u>
Total governmental activities	66,539,507	72,367,832	73,812,279
Business-type activities:			
Investment earnings, unrestricted	65,128	35,992	15,552
Miscellaneous, unrestricted	-	-	-
Transfers	<u>1,666,737</u>	<u>714,896</u>	<u>1,426,009</u>
Total business-type activities	<u>1,731,865</u>	<u>750,888</u>	<u>1,441,561</u>
Total primary government	<u><u>68,271,372</u></u>	<u><u>73,118,720</u></u>	<u><u>75,253,840</u></u>

Change in Net Position

Governmental activities	2,831,586	1,724,525	5,561,483
Business activities	3,268,815	193,847	(1,026,805)
Total primary government	<u><u>\$ 6,100,401</u></u>	<u><u>\$ 1,918,372</u></u>	<u><u>\$ 4,534,678</u></u>

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.

Table 1-B

<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 57,746,209	\$ 56,375,308	\$ 58,672,780	\$ 57,741,770	\$ 58,872,411	\$ 59,799,476	\$ 62,052,615
17,485,548	18,683,423	19,379,479	21,073,395	20,952,048	23,254,541	25,091,605
416,469	357,554	306,924	311,970	283,924	314,324	318,340
59,314	85,950	80,801	164,342	622,168	989,403	586,143
279,589	115,847	421,945	190,526	242,115	122,409	229,261
(2,529,152)	(2,482,848)	(4,037,905)	(4,051,886)	(12,387,837)	(6,832,220)	(5,055,778)
<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>	<u>83,222,186</u>
7,800	9,278	28,741	44,183	112,228	286,829	208,251
-	-	(461)	-	-	-	-
<u>2,529,152</u>	<u>2,482,848</u>	<u>4,037,905</u>	<u>4,051,886</u>	<u>12,387,837</u>	<u>6,832,220</u>	<u>5,055,778</u>
<u>2,536,952</u>	<u>2,492,126</u>	<u>4,066,185</u>	<u>4,096,069</u>	<u>12,500,065</u>	<u>7,119,049</u>	<u>5,264,029</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>	<u>88,486,215</u>
9,250,116	7,675,864	8,038,823	4,649,837	(10,956,300)	666,511	(4,212,055)
(334,386)	967,694	2,557,388	2,397,532	8,077,979	4,340,484	4,921,169
<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>	<u>\$ 709,114</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Reserved	\$ -	\$ -	\$ -	\$ -
Unreserved	-	-	-	-
Restricted for:				
Stabilization by State Statute	8,839,995	5,657,578	5,734,752	5,160,470
Future debt payments, QSCB	-	-	1,071,859	2,143,772
Public schools	8,358,110	10,317,695	10,304,722	12,510,648
Law enforcement	148,632	218,160	401,893	286,214
Tax revaluation	880,187	706,813	649,500	729,968
Court facilities	393,135	392,894	362,079	425,935
Economic development	-	-	-	3,069,192
Grants	-	-	200,000	187,866
Committed for:				
LEO Pension	-	-	-	-
Future capital projects	3,965,000	3,165,000	-	7,000,000
Community College	750,805	758,600	483,881	483,881
Public schools	1,797,436	1,878,145	3,170,566	3,068,199
Assigned for:				
Subsequent year's expenditures	3,666,668	4,981,469	10,453,723	5,512,988
Donations	107,383	127,380	141,399	15,713
Unassigned	20,426,629	28,134,917	28,794,879	29,757,299
Total general fund	<u>49,333,980</u>	<u>56,338,651</u>	<u>61,769,253</u>	<u>70,352,145</u>
All Other Governmental Funds				
Non-spendable:				
Senior Center-principal	-	-	-	-
Restricted for:				
Stabilization by State Statute	944,765	326,540	205,312	238,548
Fire protection	847,591	481,178	10,336	2,850
Public schools	1,584,309	7,449,379	1,386,912	-
Capital improvements	-	-	-	-
Public safety	3,489,514	2,417,718	2,277,481	1,801,898
Community development	-	-	88,071	88,238
Transportation	-	-	-	-
Senior Center-earnings	-	-	-	-
Committed for:				
Future capital projects	6,033,839	10,930,795	9,732,563	6,776,076
Public Schools	-	-	-	-
Assigned for:				
Subsequent year's expenditures	-	-	-	-
Donations	-	-	-	-
Unassigned	-	-	-	-
Total all other governmental funds	<u>\$ 12,900,018</u>	<u>\$ 21,605,610</u>	<u>\$ 13,700,675</u>	<u>\$ 8,907,610</u>

Source: Annual audited financial statements of this entity.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ -	\$ -	\$ -	\$ -	\$ -	-
-	-	-	-	-	-
6,309,654	6,564,718	9,428,553	6,465,996	7,432,110	10,190,047
3,215,487	4,287,311	5,359,241	6,431,278	7,503,421	8,575,674
5,579,616	5,767,329	7,268,541	6,158,969	5,342,094	2,030,530
234,161	82,237	69,309	156,159	124,896	168,267
818,003	899,701	904,008	758,020	533,621	565,677
-	-	-	16,900	-	-
1,554,352	35,459	-	-	-	-
121,554	235,736	119,007	67,205	37,392	318,881
-	947,742	-	-	-	-
-	32,000	1,258,000	1,294,968	1,097,207	-
764,812	704,925	445,566	169,497	989,782	20,915
1,270,720	2,536,751	2,178,268	1,585,298	1,516,675	1,177,099
5,876,487	1,549,268	766,743	310,198	719,611	241,806
34,811	1,200	31,244	-	40,262	47,157
26,346,813	34,806,329	29,456,661	22,023,497	18,689,670	13,345,076
<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>	<u>36,681,130</u>
2,100	7,100	7,100	7,100	7,100	7,100
404,723	442,256	264,872	398,090	1,709,716	1,540,382
6,360	4,651	7,249	285	3,159	2,398
5,688,105	2,082,730	23,234,194	14,763,436	4,443,300	2,730,889
-	-	2,626,905	57,396	169,385	372,158
1,645,827	1,616,170	478,344	1,349,810	1,576,952	2,030,092
74,954	82,789	90,869	-	-	7,557
-	-	-	28,240	374,708	398,283
-	6	26	170	189	280
15,526,441	4,705,007	7,701,140	10,396,237	10,509,086	8,677,129
6,447,561	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 29,796,071</u>	<u>\$ 8,940,709</u>	<u>\$ 34,410,699</u>	<u>\$ 27,000,764</u>	<u>\$ 18,793,595</u>	<u>\$ 15,766,268</u>

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Ad valorem taxes	\$ 51,640,299	\$ 54,901,333	\$ 57,083,132	\$ 57,928,863
Local option sales taxes	15,799,436	17,627,241	17,389,550	17,485,548
Other taxes and licenses	558,693	592,946	584,906	586,728
Unrestricted intergovernmental	666,842	547,823	794,455	795,501
Restricted intergovernmental	19,133,967	18,376,782	20,238,732	21,966,970
Permits and fees	2,717,584	1,667,041	1,709,077	1,813,760
Sales and services	4,362,725	4,986,208	4,511,955	4,055,767
Investment earnings	307,344	184,467	113,640	57,787
Miscellaneous	535,172	1,118,814	1,489,452	1,192,089
Payments from other municipalities	-	-	-	-
Total revenues	<u>95,722,062</u>	<u>100,002,655</u>	<u>103,914,899</u>	<u>105,883,013</u>
Expenditures				
General government	12,658,058	10,746,721	11,378,957	11,858,726
Public safety	16,830,357	18,129,010	22,556,043	20,936,011
Transportation	429,657	393,420	382,381	455,646
Economic and physical development	2,002,172	1,430,211	1,794,229	3,180,155
Human services	28,852,669	30,162,548	31,194,221	29,772,137
Cultural and recreational	1,801,549	1,733,815	1,887,005	1,854,046
Intergovernmental: education	24,371,452	33,492,505	31,780,339	25,138,251
Capital outlay	1,616,808	509,419	1,730,005	7,227,501
Debt service:				
Principal	1,545,087	1,218,511	1,512,000	1,470,000
Interest and other charges	419,333	843,860	776,010	823,724
Total expenditures	<u>90,527,142</u>	<u>98,660,020</u>	<u>104,991,190</u>	<u>102,716,197</u>
Excess of revenues over (under) expenditures	5,194,920	1,342,635	(1,076,291)	3,166,816
Other Financing Sources (Uses)				
Transfers from other funds	2,512,862	5,157,105	109,545	4,798,797
Transfers to other funds	(4,179,599)	(5,872,001)	(1,535,554)	(7,327,949)
Permanent fund donation	-	-	-	-
Issuance of debt	-	15,055,730	-	3,069,192
Sale of capital assets	47,081	26,830	27,934	82,917
Total other financing sources (uses)	<u>(1,619,656)</u>	<u>14,367,664</u>	<u>(1,398,075)</u>	<u>622,957</u>
Net change in fund balances	<u>\$ 3,575,264</u>	<u>\$ 15,710,299</u>	<u>\$ (2,474,366)</u>	<u>\$ 3,789,773</u>
Debt service as a percentage of noncapital expenditures	2.2%	2.1%	2.2%	2.4%

Source: Annual audited financial statements of this entity.

Table 1-D

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	57,149,804	\$ 58,611,538	\$ 57,873,488	\$ 58,783,137	\$ 59,700,310	\$ 59,700,310
	18,775,454	19,486,558	20,985,491	21,107,894	25,299,702	25,299,702
	601,781	586,345	582,477	552,138	541,101	541,101
	3,675,237	799,519	642,827	595,438	461,815	461,815
	21,896,044	25,570,656	23,439,360	19,419,311	20,714,942	20,714,942
	1,982,384	2,115,803	2,260,700	2,241,981	2,305,821	2,305,821
	3,741,525	3,882,954	3,456,995	5,305,173	5,345,270	5,345,270
	70,645	76,805	157,371	650,832	1,014,569	1,014,569
	951,631	1,941,563	1,340,810	1,129,108	1,578,945	1,578,945
	195,988	190,955	210,656	210,366	210,077	210,077
	<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>	<u>117,172,552</u>
	11,414,481	12,029,395	12,140,294	12,696,719	12,061,266	12,061,266
	21,965,497	23,514,436	26,539,211	26,649,302	28,220,163	28,220,163
	294,890	223,495	343,488	2,204,696	386,776	386,776
	3,915,820	1,772,339	1,510,719	1,947,853	4,369,580	4,369,580
	30,983,424	30,398,607	29,390,247	27,986,240	27,388,883	27,388,883
	2,305,648	2,181,044	2,388,494	2,427,910	2,537,030	2,537,030
	24,546,990	24,538,805	26,835,179	27,299,175	26,920,372	26,920,372
	44,065,315	20,461,562	5,558,304	8,419,620	10,551,952	10,551,952
	2,058,838	4,308,703	4,279,692	5,019,267	5,049,747	5,049,747
	1,488,737	2,073,005	1,734,533	2,483,574	2,447,434	2,447,434
	<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>	<u>119,933,203</u>
	(33,999,147)	(8,238,695)	230,014	(7,138,978)	(2,760,651)	(2,760,651)
	38,452,000	590,001	7,001,682	6,568,119	641,673	641,673
	28,260,732	(5,229,354)	(11,057,292)	(18,963,786)	(7,551,133)	(7,551,133)
	-	5,000	-	-	-	-
	(30,743,580)	971,527	28,005,133	-	-	-
	690,687	414,351	124,892	277,443	51,796	51,796
	<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>(6,857,664)</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>	\$ <u>(9,618,315)</u>
	3.6%	6.3%	5.7%	6.9%	7.1%	6.6%

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

Fiscal Year Ended June 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Subtotal Property	Public Service Property	Total Taxable Assessed Value	Total Direct Tax Rate
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
2020	6,951,909	1,708,416	608,808	8,051,517	719,509	8,771,026	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,	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Wayne County (Note 2)	0.664	0.664	0.664	0.664	0.664	0.664	0.664	0.664	0.703	0.764
Municipality Rates:										
City of Goldsboro	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650	0.650
Town of Mount Olive	0.640	0.640	0.640	0.640	0.640	0.640	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	0.670	0.660	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	0.690	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	0.750	0.700	0.700	0.700	0.700
Village of Walnut Creek	0.420	0.420	0.420	0.420	0.380	0.380	0.380	0.380	0.380	0.380
Fire Districts:										
Antioch Fire District	N/A	N/A	N/A	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Arrington Fire District	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076	0.076
Belfast Fire District	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057	0.057
Boon Hill Fire District	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050	0.050
Dudley Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063
East Wayne Fire District	N/A	N/A	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080
Elroy Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.065	0.065	0.065	0.065
Eureka Fire District	N/A	N/A	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080
Faro Fire District	N/A	N/A	N/A	N/A	N/A	N/A	0.080	0.080	0.080	0.080
Grantham Fire District	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069	0.069
Indian Springs Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Jordan Chapel Fire District	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061	0.061
Little River Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080	0.080
Mar Mac Fire District	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Moseley Hall Fire District	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Nahunta Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
New Hope Fire District	0.075	0.075	0.075	0.075	0.063	0.063	0.063	0.060	0.055	0.055
Northeast Wayne Fire District	0.080	0.080	0.080	0.080	0.080	0.080	0.080	N/A	N/A	N/A
Northern Wayne Fire District	0.070	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053
Oakland Fire District	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063	0.063
Patetown Fire District	0.063	0.063	0.063	0.063	0.070	0.063	0.050	0.050	0.050	0.050
Pinewood Fire District	N/A	N/A	N/A	N/A	N/A	N/A	0.070	0.070	0.070	0.057
Pleasant Grove Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Polly Watson Fire District	0.080	0.080	0.060	0.060	0.060	0.060	0.060	0.060	0.060	0.060
Pricetown Fire District	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053	0.053
Rosewood Fire District	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.055	0.045	0.045
Saulston Fire District	0.075	0.075	0.075	0.060	0.060	0.055	0.055	0.055	0.055	0.055
Seven Springs Fire District	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040	0.040
Smith Chapel Fire District	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070	0.070
Thoroughfare Fire District	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075	0.075
Waylin Fire District	0.070	0.070	0.070	0.045	0.045	0.045	0.045	0.045	0.045	0.045
Downtown Special Service District	0.235	0.235	0.235	0.235	0.235	0.235	0.235	0.235	0.235	0.235

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	2020			2011		
		Assessed Value	Rank	Percentage of Total Assessed Value	Assessed Value	Rank	Percentage of Total Assessed Value
Duke Progress Energy	Electric/Utility	\$ 570,152,834	1	7.33%	\$ 251,267,517	1	3.90%
Mount Olive Pickle, Inc.	Pickle Processing	63,950,017	2	0.82%	29,625,262	2	0.46%
Georgia Pacific Corporation	Wood Processing	59,050,055	3	0.76%			
Piedmont Natural Gas	Gas/Utility	54,914,059	4	0.71%	19,882,555	10	0.31%
Walmart Stores East LP	Retail Stores	34,792,459	5	0.45%	27,321,073	5	0.42%
Case Farms Processing, Inc.	Poultry Prod/Processing	33,840,729	6	0.44%	29,518,586	3	0.46%
Tri-County EMC	Electric/Utility	29,834,588	7	0.38%	21,110,322	8	0.33%
Butterball, LLC	Poultry Prod/Processing	26,339,796	8	0.34%			
Time Warner Cable	Electric/Utility	25,929,090	9	0.33%			
Bobby Denning Properties, LLC	Real Estate	24,975,120	10	0.32%			
BellSouth Telephone Company	Telephone/Utility				29,048,748	4	0.45%
Cooper-Standard Automotive, Inc.	Auto Parts Manufacturer				22,800,625	6	0.35%
Berkeley Mall, LLC	Shopping Mall				22,597,120	7	0.35%
Uchiyama America	Auto Parts Manufacturer				20,919,364	9	0.32%
Total		\$ <u>923,778,747</u>		<u>11.88%</u>	\$ <u>474,091,172</u>		<u>7.35%</u>

Source: Tax Assessor of Wayne County.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
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%
2020	51,668	50,665	98.06%	940	51,605	99.88%

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Apparel stores	\$ 32,011	\$ 35,685	\$ 37,609	\$ 37,391	\$ 41,369	\$ 45,938	\$ 47,334	\$ 47,569	\$ 51,624	\$ 49,391
Automotive	69,750	72,719	74,036	75,410	82,502	91,737	98,760	95,839	100,684	106,059
Food	166,084	175,000	183,609	187,338	199,681	215,165	214,756	219,211	234,088	232,880
Furniture	32,455	35,684	29,855	34,727	38,087	38,649	40,616	43,656	54,660	52,541
General merchandise	297,079	322,110	312,264	312,997	334,453	352,116	380,903	362,419	388,098	414,840
Lumber and building material	93,725	112,112	100,931	92,697	106,667	103,803	114,143	120,676	134,567	148,613
Unclassified	205,888	261,188	234,012	231,063	241,149	244,945	265,501	275,256	298,311	325,442
Total	896,992	1,014,498	972,316	971,623	1,043,908	1,092,353	1,162,013	1,164,626	1,262,032	1,329,766
1% Tax	193	-	-	-	-	-	-	-	-	-
2%, 2.5%, 3%, 4.75% Tax	5,233	6,088	4,558	5,564	5,538	7,035	6,975	9,148	10,176	13,759
Total Taxable Sales	\$ 902,418	\$ 1,020,586	\$ 976,874	\$ 977,187	\$ 1,049,446	\$ 1,099,388	\$ 1,168,988	\$ 1,173,774	\$ 1,272,208	\$ 1,343,525
County direct sales tax rate	2.00%	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)

Fiscal Year	Governmental Activities				
	General Obligation Bonds	Limited Obligation Bonds	Certificates of Participation	Installment Purchase Contracts	Promissory Notes Payable
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	-
2020	-	19,720	-	43,837	-

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

Table 3-A

Business-Type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
Limited Obligation Bonds	Installment Purchase Contracts	Promissory Notes Payable			
-	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
11,200	1,662	-	76,419	1.67%	620

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

	2011	2012	2013	2014
General bonded debt outstanding				
General obligation bonds	\$ -	\$ -	\$ -	\$ -
Total	-	-	-	-
Assessed value	6,436,959	7,446,912	7,709,519	7,823,933
Percentage of estimated actual property value	0.000%	0.000%	0.000%	0.000%
Per capita	0.00	0.00	0.00	0.00
Less: Amounts set aside to repay general debt	-	-	-	-
Total net debt applicable to debt limit	-	-	-	-
Legal debt limit - eight percent (8%) of assessed valuation	514,957	595,753	616,762	625,915
Legal debt margin	\$ 514,957	\$ 595,753	\$ 616,762	\$ 625,915
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.

Table 3-B

2015	2016	2017	2018	2019	2020
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
-	-	-	-	-	-
7,071,385	8,128,442	8,232,459	8,304,811	8,424,537	8,771,026
0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
0.00	0.00	0.00	0.00	0.00	0.00
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-
<u>565,711</u>	<u>650,275</u>	<u>658,597</u>	<u>664,385</u>	<u>673,963</u>	<u>701,682</u>
\$ <u><u>565,711</u></u>	\$ <u><u>650,275</u></u>	\$ <u><u>658,597</u></u>	\$ <u><u>664,385</u></u>	\$ <u><u>673,963</u></u>	\$ <u><u>701,682</u></u>
100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Wayne County, North Carolina
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
(amounts expressed in thousands)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes			
Direct Bonded Debt			
Wayne County	\$ -	100%	\$ -
Overlapping Bonded Debt			
Goldsboro	58,449	100%	58,449
Eureka	-	100%	-
Fremont	111	100%	111
Town of Mount Olive	4,192	100%	4,192
Pikeville	2,568	100%	<u>2,568</u>
Subtotal, overlapping debt			65,320
Other debt			
Limited Obligation Bonds	30,920	100%	30,920
Installment Purchase Contracts	45,499	100%	45,499
Promissory Notes Payable	-	100%	<u>-</u>
Total direct and overlapping debt			<u><u>\$ 141,739</u></u>

Source: Assessed value data used to estimate applicable percentages provided by Wayne County and Assessment Debt outstanding data provided by each governmental unit.

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

Wayne County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population (1)	Personal Income (thousands)	Per Capita Income (1)	School Enrollment (2)	Unemployment Rate (3)	County Gross Retail Sales (thousands)
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
2020	123,131	N/A	38,472	18,037	8.2%	1,343,525

(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	2020			2011		
		Number of Employees	Rank	% of Total County Employment	Number of Employees	Rank	% of Total County Employment
Seymour Johnson Air Force Base	Military Base	5,979	1	15.00%	6,578	1	12.48%
Wayne County Public Schools	Public Education	2,185	2	4.94%	2,923	2	5.54%
Wayne UNC Healthcare	Health Care	1,583	3	3.58%	1,392	3	2.64%
County of Wayne	Local Government (full & part-time)	1,085	4	2.45%	970	7	1.84%
O'Berry Center	State Center for Handicapped	650	5	1.47%	1,051	4	1.99%
Cherry Hospital	State Psychiatric Hospital	600	6	1.36%	909	9	1.72%
Case Farms Processing, Inc.	Poultry Processing	550	7	1.24%	994	6	1.89%
Wayne Community College	Higher Education	509	8	1.15%			
Mount Olive Pickle Company, Inc.	Pickle Production (seasonal)	500	9	1.13%	924	8	1.75%
City of Goldsboro	Local Government (full & part-time)	475	10	1.07%			
Goldsboro Milling Company	Turkey Feed Products				1,000	5	1.90%
Georgia Pacific	Lumber Manufacturer				546	10	1.04%
Total		<u>14,116</u>		<u>33.38%</u>	<u>17,287</u>		<u>32.79%</u>
Total County Employment		<u>44,271</u>			<u>52,715</u>		

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Board of commissioners	7	7	7	7	7	7	7	7	7	7
County manager	3	3	3	3	4	4	5	4	4	4
Finance	6	6	6	8	8	9	9	9	9	10
Human resources	4	4	4	3	3	4	4	4	4	4
Tax administration	16	19	17	16	15	15	15	16	15	14
GIS	2	2	2	2	2	2	2	2	2	2
County attorney	1	1	1	1	1	1	1	2	2	3
Court facility	-	-	1	-	1	2	2	2	4	4
Public affairs	-	-	-	2	2	2	2	3	3	3
Board of elections	8	20	7	7	5	5	5	4	4	4
Register of deeds	9	9	9	8	8	8	8	8	7	8
Central services	3	5	5	2	2	2	2	2	2	2
IT department	10	10	9	10	9	10	10	11	14	14
Building and grounds	30	30	33	35	35	37	38	39	40	40
Public safety										
Sheriff	116	125	125	106	100	119	127	128	151	120
Detention center	69	76	67	67	64	80	94	103	103	99
Day reporting	2	2	2	6	6	6	6	6	6	6
Electronic monitoring	2	2	-	-	-	-	-	-	-	-
NC school resource officers	7	7	7	9	11	12	12	11	16	17
Emergency management	37	37	30	34	34	38	38	38	32	33
Inspections	7	8	7	7	7	7	7	7	7	7
Animal control	12	12	13	13	13	13	14	15	15	15
EM telephone	1	2	5	1	1	1	1	-	-	-
622 EMS	73	83	76	100	97	107	108	110	110	106
Wayne Net	19	21	26	24	22	26	50	49	40	30
Transportation										
Goldsboro Wayne Airport	3	3	4	3	3	3	3	3	3	2
Goldsboro/Wayne Transp. Authority	2	1	1	1	1	-	-	-	1	1
Economic and physical development										
Economic development	3	4	4	4	4	3	3	4	4	4
Cooperative extension	3	3	3	1	2	2	3	3	2	2
Soil and water conservation	4	4	4	4	4	4	4	4	4	4
Environmental protection										
Planning	5	10	5	4	4	3	4	5	5	5

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Education										
Library	47	45	45	28	33	34	36	36	36	35
Literacy connection	-	2	3	3	3	3	3	3	3	3
Human services										
Coop ext smart start	2	2	-	-	-	-	-	-	-	-
Smart start-PAT	2	2	5	2	2	-	-	-	-	-
4-H	23	22	21	9	7	10	10	5	3	3
Veterans	2	2	2	2	2	3	3	3	3	3
Senior citizens	38	37	38	17	16	15	16	17	16	16
Social services	193	193	193	204	210	201	232	218	194	207
Health	124	136	129	123	121	117	117	114	111	106
Utilities										
Solid waste	57	56	53	46	46	45	45	45	45	47
Genoa sewer	1	1	-	1	1	1	1	1	1	1
Convention Center										
Maxwell	-	-	-	-	-	-	3	3	5	7
Internal Service Fund										
Fleet Management	-	-	-	-	-	2	2	2	2	3

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Inspections department										
Building permits issued	506	441	429	478	443	548	622	543	587	873
Building inspections conducted	3,542	4,010	4,167	3,346	3,101	3,836	7,101	6,721	6,742	9,603
Sheriff										
Arrests	3,491	3,609	1,365	3,641	3,862	4,560	5,041	4,503	4,793	4,335
Citations	1,179	1,092	1,111	3,947	5,020	7,502	5,225	3,420	2,787	2,396
Fire										
Inspections	202	129	154	163	175	174	92	91	104	110
Permits	119	129	120	115	112	110	110	107	124	135
EMS										
Calls	15,791	16,342	16,818	16,613	17,690	18,391	18,725	19,520	20,084	20,074
EMS Non-emergency										
Calls	N/A	N/A	N/A	6,524	5,774	6,514	12,832	11,916	20,262	6,198
Solid waste disposal										
MSW (tons)	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	91,377.35
C&D (tons)	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	35,802.03
Storm debris (tons)	-	21.05	-	-	-	-	12,526.36	2.93	5,770.15	4,426.98
Recycle (tons)	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	2,402.84
Tires (count)	157,387	231,729	1,849	2,211	1,943	1,971	2,145	2,163	2,222	2,403
Oil (gallons)	19,200	17,980	17,495	22,820	14,965	16,750	16,250	24,500	22,500	18,192
Batteries (count)	346	309	287	207	72	0	0	0	2	2
Jail										
Inmates admitted (average)	456	511	507	552	561	579	545	538	4,300	3,643
Inmates (daily average)	231	227	225	223	214	220	395	363	370	363
Department of social services										
Adult medicaid (active cases)	34,747	39,568	39,777	40,111	40,477	100,551	140,143	145,302	138,255	136,059
Family and childrens medicaid (active cases)	164,859	159,271	161,496	122,788	127,779	255,350	331,271	347,251	294,236	313,435
Food stamps (active cases)	23,420	24,430	24,101	11,843	129,560	143,720	163,359	133,931	129,365	121,385
Children in foster care (avg per month)	46	46	61	71	40	38	56	72	64	57
Children in DSS custody (avg per month)	84	94	79	72	72	89	124	118	107	88
Day care (children served)	16,092	14,114	15,479	15,285	14,863	13,532	12,898	12,898	13,125	11,419
Child support (collections)	\$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	\$13,232,881
Work first (active cases)	6,919	7,089	5,533	3,911	4,664	2,858	3,506	3,690	3,278	2,565
Reception services (clients seen)	66,980	70,021	64,366	41,455	41,015	52,173	52,081	54,640	47,140	32,650
Health department										
TB (clients seen)	975	1,182	1,202	576	475	340	385	552	815	927
Communicable disease/STD (client visits)	2,422	2,824	5,139	3,874	3,421	3,508	3,143	2,573	2,721	2,271
Pharmacy (prescriptions filled)	12,941	9,167	9,011	8,030	5,464	4,189	4,448	4,496	3,384	3,678
BCCCP (client visits)	307	292	308	358	351	274	293	182	216	143
Wisewoman (client visits)	206	149	212	55	171	129	134	81	26	36
HIV/AIDS (tests)	2,688	4,840	4,622	4,386	2,425	2,181	3,780	1,723	3,448	2,539
Dental (client visits)	3,760	3,258	2,105	2,583	2,331	1,860	517	801	338	527
Immunizations (administered)	3,621	7,941	3,905	4,694	4,503	4,381	4,672	4,182	5,078	3,688
Lab (tests)	62,599	53,787	51,115	50,708	45,611	39,979	43,008	43,297	40,197	30,648
Environmental health (onsite inspections)	1,221	1,261	1,261	674	890	1,235	1,169	1,289	1,920	2,047
Environmental health (restaurant inspections)	1,442	1,532	1,532	1,615	1,531	1,231	1,081	1,227	1,380	776
WIC (caseloads)	4,534	4,359	4,315	4,373	4,373	4,387	4,152	3,916	3,952	4,207
Total prenatal visits	7,175	6,517	6,288	6,204	6,723	6,634	5,936	6,286	6,810	6,698

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Health department, continued										
Post partum home assessments	485	479	440	476	432	387	280	391	261	171
Family planning visits	6,945	6,761	6,139	11,368	5,345	2,658	5,184	5,083	3,828	4,088
Health Education/H.P. (persons reached)	12,953	6,907	12,974	9,704	17,036	20,992	11,432	2,312	2,990	3,016
4-H										
Elementary afterschool enrollment	367	307	235	235	185	238	60	158	133	191
Middle school afterschool enrollment	63	46	60	53	92	126	50	45	0	0
Elementary afterschool sites	9	6	9	10	9	9	6	8	4	4
Middle school afterschool sites	1	4	1	1	3	2	1	1	0	0
4H volunteer hours	3,668	7,500	8,745	8,354	3,000	4,400	4,819	4,818	1,406	0
Youth workshop attendance	7,412	9,875	8,010	10,196	1,050	1,440	1,052	2,849	1,247	0
Cooperative extension										
Workshop attendance	107,969	26,466	31,682	3,519	27,965	16,738	32,737	13,069	15,312	14,137
Extension training (farmers)	9,486	2,611	1,702	45	3,483	3,550	4,162	2,968	2,591	3,137
Home horticulture class attendance	966	594	1,248	877	2,479	2,071	2,099	1,177	2,466	2,461
Master gardners volunteer hours	3,400	2,433	2,403	2,225	2,009	2,372	2,199	2,401	2,591	2,818
Equine training participants	228	236	65	50	-	-	-	-	-	-
Family and consumer science nutrition and wellness training attendance	10,159	16,329	8,903	7,037	5,644	1,215	2,721	794	2,241	1,936
Extension and community association volunteer hours	11,996	10,911	11,249	9,560	9,378	9,000	9,800	7,856	9,259	4,874
Tax										
% of collections	97.10%	97.03%	97.19%	97.27%	97.93%	97.77%	97.78%	98.10%	98.10%	98.06%
Real estate parcels	59,836	60,037	60,199	60,396	60,649	65,721	61,080	66,308	66,494	66,909
Real property value	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	6,343,100,365
Personal property value	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	718,204,126
Licensed vehicles value (Old DMV System)	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	993,593,045
Airport										
Gallons-Aviation gas sold (yearly)	32,981	38,029	35,723	39,118	39,401	50,782	55,182	64,691	63,577	45,340
Gallons-Jet A fuel sold (yearly)	79,681	66,388	80,320	74,466	51,319	48,825	76,694	90,910	81,685	61,069
Total transient flights (yearly)	641	1,474	1,314	1,236	698	627	482	563	357	1,104
Library										
Number of branches	4	4	4	4	4	4	4	4	4	4
Number of hours open to public	8,298	8,103	8,061	8,063	8,044	8,122	8,122	8,104	8,128	6,185
Total book & serial volumes	150,420	150,757	190,698	201,416	151,321	137,849	133,083	129,310	133,465	142,072
Total circulation	323,346	323,080	314,195	263,761	300,075	288,742	264,274	253,177	242,214	163,011
Number of persons entering library	614,962	670,772	316,379	290,049	295,405	280,344	260,598	235,677	211,057	136,557
Total childrens program attendance	18,546	17,016	17,103	13,693	15,537	16,704	20,521	24,368	20,572	10,133
Total adult program attendance	818	1,927	2,817	1,423	4,414	3,827	4,019	3,632	3,543	1,964

Sources: Various county departments

N/A = Not Available

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

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Buildings and grounds										
Building values	\$ 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	\$ 115,373,265
Contents value	\$ 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	\$ 27,771,313
Sheriff										
Patrol units	104	106	114	114	124	135	138	148	148	150
Canine units	3	3	4	4	4	5	5	6	6	7
Boats	1	1	1	1	2	2	2	2	2	2
Helicopters	1	1	2	2	2	2	2	2	2	2
EMS										
Stations	9	9	9	9	9	9	9	10	10	11
Ambulances	18	18	18	18	18	16	18	16	16	17
Difibrillator	10	18	22	12	12	16	11	9	13	17
WayneNet										
Stations	1	1	1	1	1	3	3	2	2	1
Ambulances	4	6	6	5	4	8	8	11	16	12
Difibrillator	5	6	5	-	1	1	1	2	13	1
Wastewater										
Sanitary sewers (miles)	9.0	9.0	9.0	9.0	9.0	9.0	4.3	4.3	4.3	4.3
Treatment capacity (gal)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Avg daily containment	100,000	160,000	160,000	1,000,000	23,000	23,000	10,000	10,000	10,000	10,000
Pump stations	2	2	2	2	2	2	1	1	1	1
Solid Waste Disposal										
Sanitation trucks	5	5	5	5	5	5	4	4	4	4
Department of Social Services										
Vehicles	9	9	7	7	8	8	11	10	10	10
Info Technology Services										
Servers	36	46	39	39	43	52	66	48	48	48
Computers	723	624	442	477	497	427	401	559	901	1,136
Laptops	234	345	185	258	268	260	131	184	288	354
Thin Clients	N/A	550	650	552	658	470	469	598	542	323
4-H										
Vehicles	3	3	3	3	3	3	3	2	3	3
Airport										
Vehicles	2	3	3	3	3	3	3	3	2	2

Source: Various county departments

N/A = Not Available

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Compliance Section

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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, 2020, 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 December 31, 2020. 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
December 31, 2020

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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, 2020. 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, 2020.

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, Brashear & Uzzell, PA

Goldsboro, North Carolina
December 31, 2020

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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, 2020. 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 statutes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of 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, 2020.

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, Brashear & Uzzell, PA

Goldsboro, North Carolina
December 31, 2020

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified?	_____ Yes	___ <u>X</u> ___ No
Significant Deficiency identified that is not considered to be material weaknesses	_____ Yes	___ <u>X</u> ___ None reported
Noncompliance material to financial statements noted	_____ Yes	___ <u>X</u> ___ No

Federal Awards

Internal control over major federal programs:

Material weakness identified?	_____ Yes	___ <u>X</u> ___ No
Significant Deficiencies identified that are not considered to be material weaknesses	_____ Yes	___ <u>X</u> ___ 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	___ <u>X</u> ___ No
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Identification of major federal programs:

<u>CFDA#</u>	<u>Program Name</u>
20.106	Airport Improvement Program
93.667	Social Services Block Grant
93.778	Medical Assistance Program - Administrative Funds

Dollar threshold used to distinguish between Type A and Type B Programs	\$750,000
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Auditee qualified as low-risk auditee?	_____ Yes	___ <u>X</u> ___ No
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Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

State Awards

Internal control over major State programs:

Material weakness identified? _____ Yes **X** No

Significant Deficiency(s) identified that are not
considered to be material weaknesses _____ Yes **X** None reported

Noncompliance material to State awards _____ Yes **X** No

Type of auditors' report issued on compliance for major State programs: Unmodified

Any audit findings disclosed that are required to be
reported in accordance with the State Single Audit
Implementation Act _____ Yes **X** No

Identification of major State programs:

Program Name

Rural Building Reuse Program

Public School Building Fund

State Aid to Airports Program

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2020

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, 2020

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, 2020

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, 2020

No prior year findings

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed. (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
Federal Awards:						
<u>Food and Nutrition Service</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
<u>Supplemental Nutrition Assistance Program (SNAP) (Note 5):</u>						
SNAP Administrative	10.561		\$ 909,537	\$ -	\$ -	\$ 909,537
SNAP Fraud Administration	10.561		122,107	-	-	122,107
Total SNAP			<u>1,031,644</u>	<u>-</u>	<u>-</u>	<u>1,031,644</u>
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for						
Women, Infants, & Children (Note 5)	10.557		847,123	-	-	40,917
Total U.S. Dept. of Agriculture			<u>1,878,767</u>	<u>-</u>	<u>-</u>	<u>1,072,561</u>
<u>U.S. Environmental Protection Agency</u>						
Passed-through the N.C. Division of Soil and Water						
Soil Conservation		566001520 01	10,213	23,831	-	523,626
Soil Conservation - State Matching Funds		566001520 02	-	26,900	-	-
Total U. S. Election Assistance Commission			<u>10,213</u>	<u>50,731</u>	<u>-</u>	<u>523,626</u>
<u>U.S. Dept. of Justice</u>						
<u>Office of Justice Programs</u>						
State Criminal Alien Assistance Program (SCAAP)	16.606		28,445	-	-	-
Total U. S. Department of Justice			<u>28,445</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management						
Emergency Performance Grants	97.042	EMPG-2019-19095/5A	53,279	-	-	53,279
Hazard Mitigation Grant Program	97.039	536402000	2,654,149	-	-	-
State Acquisition and Relocation (SARF)		5369DR096	-	605,931	-	-
Total U. S. Department of Homeland Security			<u>2,707,428</u>	<u>605,931</u>	<u>-</u>	<u>53,279</u>
<u>U.S. Institute of Museum and Library Services</u>						
Passed-through the N.C. Dept. of Cultural Resources						
Library Services & Technology Act - Various Grants	45.310	5299	26,301	-	-	-
Total U.S. Department of EPA			<u>\$ 26,301</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed. (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
<u>U.S. Department of Transportation</u>						
Passed-through the N.C. Dept. of Transportation						
National Priority Safety Programs	20.600	22019.2.8	\$ 76,596	\$ -	\$ -	\$ -
Airport Improvement Program	20.106	36237.22.15.1	628,412	-	-	69,825
Total U.S. Department of Transportation			<u>705,008</u>	<u>-</u>	<u>-</u>	<u>69,825</u>
<u>U.S. Dept. of Health & Human Services</u>						
<u>Administration on Aging</u>						
<u>Division of Aging and Adult Services</u>						
Passed-through Eastern Carolina Council:						
<u>Aging Cluster:</u>						
Title III Preventive Health - Title III-D	93.043		4,976	293	-	585
Special Programs for the Aging - Title III B:						
Access	93.044		143,606	32,630	-	19,582
In-Home	93.044		117,794	176,977	-	32,752
Special Programs for the Aging - Title III C:						
Congregate Nutrition C-1	93.045		82,466	4,851	97,019	9,702
Home Delivered Meals C-2	93.045		150,587	97,921	276,120	27,612
NSIP - Nutrition	93.053		67,547	-	67,547	-
Total Aging Cluster			<u>566,976</u>	<u>312,672</u>	<u>440,686</u>	<u>90,233</u>
Social Services Block Grant - In-Home Services	93.667					
Family Caregiver Support	93.052		23,580	1,572	-	-
Total Eastern Carolina Council			<u>590,556</u>	<u>314,244</u>	<u>440,686</u>	<u>90,233</u>
Passed-through N.C. Department of Insurance						
Senior Health Insurance Information Program	93.779		13,687	-	-	-
Total N.C. Department of Insurance			<u>13,687</u>	<u>-</u>	<u>-</u>	<u>-</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		118,298	66,844	-	60,848
COVID-19 - Cares Funds for Foster Children	93.658		8,262	12,105	-	-
Title IV-E Foster Care Training	93.658		18,048	-	-	6,016
Title IV-E Foster Care/Off Trn	93.658		197,857	-	-	197,857
Title IV-E Adoption/Off Trn	93.659		24,474	-	-	24,474
Title IV-E Admin County Paid to CCI	93.658		69,074	34,537	-	34,537
Total Foster Care and Adoption			<u>\$ 436,013</u>	<u>\$ 113,486</u>	<u>\$ -</u>	<u>\$ 323,732</u>

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed. (Direct &</u> <u>Pass-through)</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
<u>Temporary Assistance for Needy</u>						
Families (TANF/Work First) - Administration	93.558		\$ 43,234	\$ -	\$ -	\$ 89,660
Division of Public Health: TANF	93.558		22,048	-	-	-
Total Temporary Assistance for Needy			<u>65,282</u>	<u>-</u>	<u>-</u>	<u>89,660</u>
N.C. Child Support Enforcement Section						
Title IV-D Administration	93.563		1,416,902	-	-	729,919
Title IV-D Offset Fees	93.563		19,440	(1,419)	-	11,434
Low-Income Home Energy Assistance Block Grant:						
Administration	93.568		112,261	-	-	-
Energy Assistance Payments	93.568		748,731	-	-	-
Crisis Intervention Program	93.568		797,471	-	-	-
Child Welfare Services - State Grants						
- Permanency Planning - Families for Kids-Special	93.645		24,752	-	-	8,251
AFDC Payments and Penalties	93.560		(652)	(179)	-	(179)
SSBG - TANF to SSBG	93.667		173,139	-	-	-
SSBG - Other Service and Training	93.667		532,897	-	-	177,632
Adult Protective Services	93.674		27,978	-	-	-
Independent Living Grant	93.674		18,009	4,465	-	-
Division of Public Health:						
Maternal and Child Health Services Block Grant	93.994		146,499	26,935	-	2,305,551
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - In Home Service Fund Over 60	93.667		10,271	-	-	1,467
Division of Child Development:						
<u>Child Care Development Fund:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		192,562	-	-	-
Smart Start			-	38,477	-	-
Total Child Care Development			<u>192,562</u>	<u>38,477</u>	<u>-</u>	<u>-</u>
Passed-through Eastpointe						
Division of Public Health						
Child Substance Abuse Prevention	93.959		\$ 76,829	\$ -	\$ -	\$ -

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
<u>Centers for Medicare and Medicaid Services</u>						
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		\$ 653,858	\$ -	\$ -	\$ 472,244
Division of Social Services:						
Medical Assistance Program/Administration:						
Adult Care Home Case Mgmt/Spec	93.778		39,882	15,564	-	24,318
Medical Assistance Administration	93.778		2,568,619	-	-	899,886
Medical Transportation Administration	93.778		126,239	-	-	126,239
State County Special Assistance	93.778		147,144	-	-	49,048
State Children's Ins. Program - N.C. Health Choice (Note 5)	93.767		12,863	(388)	-	-
<u>Office of Population Affairs</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Office of Population Affairs						
Family Planning Services	93.217		88,655	-	-	618,709
<u>Centers for Disease Control</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program and Public Health						
Emergency Preparedness Aligned Coop. Agreements	93.074		37,818	-	-	-
COVID-19 - Hospital Preparedness Program and Public						
Health Emergency Preparedness	93.074		107,202	-	-	223,510
COVID-19 - CARES Act Funding			11,915	-	-	-
Well-Integrated Screening and Evaluation for Women						
Across the Nation (Wisewoman)	93.436		14,483	-	-	-
Project Grants and Cooperative Agreements for						
Tuberculosis Control Program	93.116		36,394	-	-	77,337
Immunization Grants	93.268		37,028	-	-	-
Preventive Health and Health Services Block Grant	93.991		27,666	-	-	-
Cancer Prevention and Control Programs for State	93.898		29,530	-	-	30,752
Preventive Health Services-STD Control Grants	93.977		100	-	-	-
Total U.S. Dept. of Health and Human Services			9,342,023	511,185	440,686	6,259,743
Total federal awards			\$ 14,698,185	\$ 1,167,847	\$ 440,686	\$ 7,979,034

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
State Awards:						
<u>N.C. Dept. of Commerce:</u>						
Industrial Development Utility Fund			\$ -	\$ 105,776	\$ -	\$ -
Building Reuse - Case Farms Project			-	500,000	-	-
Total N. C. Dept. of Commerce			-	605,776	-	-
<u>N.C. Dept. of Military & Veteran Affairs</u>						
Veteran Services			-	2,182	-	154,071
Total N.C. Dept. of Military & Veteran Affairs			-	2,182	-	154,071
<u>N.C. Department of Natural and Cultural Resources:</u>						
State Library of North Carolina						
Library State Aid Grant			-	163,047	-	44,437
Library Smart Start-Every Child Read			-	74,655	-	-
Total N.C. Department of Cultural Resources			-	237,702	-	44,437
<u>N.C. Department of Environmental Quality</u>						
Division of Environmental Health						
Electronics Management			-	7,290	-	64,665
Scrap Tire Disposal Grant			-	806	-	190,534
Community Waste Reduction and Recycling			-	11,667	-	-
Stream Debris Removal		566001520-02	-	178,559	-	349,939
Total N.C. Dept. of Environmental and Natural Resources			-	198,322	-	605,138
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
Passed through Eastern Carolina Council:						
Operation Fan			-	657	-	-
Senior Center General Purpose			-	7,930	-	2,643
Total Eastern Carolina Council			-	8,587	-	2,643
Division of Social Services						
Energy Assist Private Grants			-	15,579	-	-
Non-Allocating County Cost			-	-	-	17,643
County Funded Programs			-	-	-	861,620
SFHF Maximization			-	140,888	-	140,888
Foster Care at Risk Maximization			-	17,065	-	6,152
AFDC Incentive/Prog Integrity			-	261	-	-
State Foster Home			-	107,617	-	107,616
Total Division of Social Service			\$ -	\$ 281,410	\$ -	\$ 1,133,919

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed. (Direct & Pass-through) Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Division of Public Health						
Aid to Counties			\$ -	\$ 118,711	\$ -	\$ 516,411
Food and Lodging Fees			-	34,509	-	602,995
General Communicable Disease Control			-	9,103	-	38,519
Heathly Community Activities			-	2,823	-	-
School Nurse Funding Initiative			-	250,000	-	-
Family Planning - State			-	11,304	-	-
STD Drugs			-	645	-	-
Maternal Health			-	98,904	-	-
High Risk Maternity Clinics			-	-	-	-
Breast and Cervical Cancer Program			-	15,320	-	-
Child Health			-	38,077	-	-
Women's Health Service Fund			-	14,572	-	-
HIV/STD State			-	9,574	-	330,858
Gonorrhea Partner Services			-	326	-	-
TB Control			-	45,827	-	-
Total Division of Public Health			-	649,695	-	1,488,783
Total N. C. Department of Health and Human Services			-	939,692	-	2,625,345
<u>N.C. Dept. of Transportation</u>						
State Aid to Airports Program		DOT-8	-	3,108,549	-	117,421
NC DOT Cluster ROAP/SMAP						
- ROAP Elderly and Disabled Transportation Assistance Program	36220.10.8.1		-	82,743	82,743	-
- ROAP Employment	36236.11.7.1		-	34,108	34,108	-
- ROAP Rural General Public Program	36228.22.8.1		-	135,957	135,957	-
Total ROAP Cluster			-	3,361,357	252,808	117,421
<u>N.C. Dept. of Public Instruction:</u>						
Public School Building Capital Fund		LEA 960/2019-20	-	1,613,770	-	-
N.C. School Resource Officer Grant		488015683	-	709,756	-	439,359
Total N. C. Dept. of Public Instruction			-	2,323,526	-	439,359
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs		536301	-	473,300	473,300	-
Total Dept. of Public Safety			-	473,300	473,300	-
<u>Wayne County Partnership for Children</u>						
Smart Start - Health Service Team			-	50,654	-	4,559
Total Wayne County Partnership for Children			-	50,654	-	4,559
Total State awards			-	8,192,511	726,108	3,990,330
Total federal and State awards			\$ 14,698,185	\$ 9,360,358	\$ 1,166,794	\$ 11,969,364

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2020

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Fed. (Direct & Pass-through) Expenditures	State Expenditures	Provided to Subrecipients	Local Expenditures
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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, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the 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	3,201,820	-
Supplemental Nutrition Assistance Program	10.551	34,408,845	-
Temporary Assistance for Needy Families	93.558	691,253	-
Refugee Assistance	93.566	181	-
Foster Care - Title IV-E/Adoption Subsidy	93.658	1,047,333	261,454
Medical Assistance Program	93.778	132,828,870	61,874,598
Children's Health Insurance Program	93.767	2,986,280	211,139
Child Welfare Services Adoption		-	447,107
State/County Special Assistance Program		-	841,249

6. Coronavirus Relief Funds

Wayne County received \$2,253,382 of funding from the Coronavirus Relief Fund (21.019) and received \$2,389,720 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Wayne County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.

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Communication of No Material Weaknesses in a Separate Report

To Board of Commissioners
and Management of Wayne County, North Carolina

In planning and performing our audit of the 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 as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered Wayne County's internal control over financial reporting (internal control) as a basis for designing 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 Wayne County's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne 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.

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

Other Recommendations:

Future Accounting Changes – GASB Statement No. 87

Observation: During the fiscal year ending June 30, 2022 (implementation extended), the County will be required to implement Government Accounting Standards Board (GASB) Statement Number 87, Leases. The new standard will require the County to recognize a lease liability and an intangible right-to-use lease asset.

Recommendation: We encourage the Finance Office to begin gathering the information required to implement the new standard. Finance personnel should create a system that will track lease terms by department.

Benefit: Since the new standard includes capital and operating leases, the information needed to implement the new standard will be large and intensive. Being proactive in gathering the data needed at an early date will assist the County Finance Department in the implementation of the new standard.

This communication is intended solely for the information and use of management, the board of Commissioners, others within Wayne County, and is not intended to be, and should not be, used by anyone other than these specified parties.

Nunn, Brashear, & Uzzell, P.A.

Goldsboro, North Carolina
December 31, 2020

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Communication with Those Charged with Governance at the Conclusion of the Audit

December 31, 2020

To the Board of Commissioners
Wayne County, North Carolina

We have audited the 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 for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 5, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Wayne County, North Carolina are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by Wayne County, North Carolina during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Wayne County, North Carolina's financial statements were:

Management's estimate of the allowance for doubtful accounts is based on historical revenues, historical loss levels, and an analysis of the collectability of individual accounts. Management's estimate of depreciation and amortization expense is based on estimated useful lives of the assets. The estimate of cumulative leave is based on any unused vacation at the current salary rate. The estimate for other postemployment benefits is calculated on an actuarial study provided by a third party. Accrued closure and post-closure costs are estimated based on estimated capacity used and estimated costs developed by the engineering firm used by the County for the solid waste landfill. We evaluated the key factors and assumptions used to develop these estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

MEMBERS

AMERICAN INSTITUTE OF CPA'S

N.C. ASSOCIATION OF CPA'S

The disclosure for Pension Plans, LGERS, ROD, LEOSSA, and Other Postemployment Obligations (OPEB) starting on page 66 to the financial statements because the County relies on information provided by actuarial studies and is required to allocate the assets of the pensions and OPEB by fund based on an estimate.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually and in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 31, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to Wayne County, North Carolina's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as Wayne County, North Carolina's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis, The Other Postemployment schedules, and the Pension Schedules (LGERS, LEOSSA, ROD) which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining statements, individual fund statements, budgetary schedules, other schedules, statistical schedules, and the Schedule of Expenditures of Federal and State Awards, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of Board of Commissioners and management of Wayne County, North Carolina and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Nunn, Brashear, & Uzzell, P.A.

Goldsboro, North Carolina

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