

**Annual Comprehensive
Financial Report
of the
County of Wayne
Goldsboro, North Carolina
For the Fiscal Year Ended
June 30, 2021**

**Craig Honeycutt
County Manager**

**Allison W. Speight
Finance Director**

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Introductory Section

Letter of Transmittal

County of Wayne

Craig Honeycutt

County Manager / Budget Officer



January 21, 2022

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

The Annual Comprehensive Financial Report for Wayne County, North Carolina, for the fiscal year ended June 30, 2021 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 Annual Comprehensive Financial Report of Wayne County for the fiscal year ended June 30, 2021.

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, 2021 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, 2021 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. SJAAB is Wayne County's largest employer, with 6,456 military members (combined active duty and reservists) and 993 civilians. In addition, they fund local expenditures of approximately \$144,516,931 per year, and creates 10,194 in local jobs and an employment impact of \$369,430,560 per year.

Agriculture and Agribusiness is one of the major industries in the county with over a \$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 county and Hosokawa Custom Processing Services, LLC are currently in negotiations for the sale of the building at a price of \$2 million. Pricing and terms of the sale are subject to change.
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 Department of Commerce to assist with this project. The grant was awarded to the County

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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. 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.
7. 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, and the original project scope is finished. An additional phase of this project will begin once the new Detention facility and the DSS/Health facility are constructed. There is not an estimate at this time of the costs of this phase.
8. As part of the ongoing effort to address the issues and expansion concerns of county and municipality sewer systems, the Board of Commissioners approved a resolution on June 15, 2021, to apply for and participate in the North Carolina Viable Utility Reserve Grant Program. This reserve was established in the Water Infrastructure Fund as part of Session Law 2020-79 to be used for grants to include the study of rates, asset inventory and assessment and/or merger and regionalization options. Municipalities within the County’s area are being encouraged to apply as well.
9. 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. Some costs have been incurred by the County; however the State is handling the majority of the administration of this grant.

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10. 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.
11. 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.
12. 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.
13. The Apron Pavement Rehabilitation (Construction) 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. Construction will begin in early 2022 and is being funded 90% by state funds, with a 10% local match supplied by the County.
14. 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.

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15. 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.
16. The Corporate Area Expansion – Phase 2 (Design) project is for an expansion of the existing Corporate Area to provide two (2) additional sites for future corporate hangars. The project will be “shovel ready” upon completion of design and ready to be bid and constructed when funding becomes available. The project has been funded completely by the County, with possible reimbursement from FAA NPE funds in 2022.
17. 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, it was determined that the Dixie Trail building would be marketed for sale in commercial real estate.
18. During the June 1, 2021, Board of Commissioners’ meeting, a motion was made and approved to issue a request for qualifications (RFQ) for architectural and construction manager at risk services (CMAR) to design and oversee construction of a combined Department of Social Services and Health Department facility. This project will be financed in a future debt financing package and supported through a \$0.044 tax rate increase approved as part of the 2021-2022 Budget Ordinance. After considering a number of potential architects for the project, the Board approved a contract with Moseley Architects at their July 20, 2021, meeting. TA Loving Company was approved as the CMAR for the project during the Board’s October 19, 2021, meeting.
19. 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 evaluated the current needs, projected future inmate population and space needs and provided recommendations to renovate or construct facilities for long-term solutions. After consideration of the study’s findings, the Board approved a motion on October 5, 2021, to authorize Moseley Architects to proceed with full design services for a new Detention Center on the property adjoining the Carey A. Winders Detention Facility.
20. 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. Wayne NET department was closed, and the Board of Commissioners

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approved, on July 21, 2020 a franchise agreement with both North State Medical Transport Service, Inc. and MedEx Medical Transport Service, Inc.

21. 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 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 in the fall of 2021. The total project is estimated to cost around \$1,400,000.
22. 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

Letter of Transmittal

Board of Education for the Tier 1 Lottery Funds Grant in their recessed meeting on April 28, 2020. On October 14, 2020, the Board was notified that the application was approved for grant funding in the amount of \$15,000,000. The County is required to provide a match of a minimum of \$5,000,000 which will most likely be borrowed in an upcoming debt financing arrangement. A funding agreement between the Board of Commissioners and Board of Education was approved by the Board during the September 21, 2021, meeting establishing the total budget for the Fremont Elementary School project at not more than \$23 million. As mentioned in the Subsequent Events note disclosure, changes were made to the lottery fund grant process modifying this existing grant application.

23. On March 11, 2021, a \$1.9 trillion stimulus package was signed into law. The federal American Rescue Plan Act (ARP) of 2021 was the third major relief act since the onset of the COVID-19 pandemic. This bill included significant aid to state and local governments. The County applied for and received the first tranche of funds in the amount of \$11,958,376.50 in May of 2021. The remainder will be distributed to the County within 12 months with a total allocation of \$23,916,753.00 to Wayne County. The Treasury issued an interim ruling regarding spending guidelines in May of 2021; and the final ruling was just released in January. The Board and management will be reviewing the guidance available in the coming months to determine spending plans for these funds.
24. Since the opening of the Maxwell Center in 2018, the County worked to find an anchor hotel that would complement the vision of the Maxwell Center, provide additional meeting room space, a small restaurant and additional parking. As part of that goal, the Board of Commissioners approved an agreement on April 6, 2021, between the County and the City of Goldsboro regarding the site for a potential hotel. In exchange for up to four acres of City-owned land near the Maxwell Center, the County would forgive one-half of the City's debt on the retention pond at the Maxwell Center, or approximately \$69,000.00. As stated in the Subsequent Events note disclosure, a contract has been secured with a hotel following the fiscal year-end.
25. During the July 20, 2021, Board of Commissioners' meeting, the DSS Director presented a Child Support Services Privatization Study. The DSS Board and county staff previously researched the benefits of privatizing this function and made a recommendation to the Commissioners to begin the RFQ process. After some discussion, the Board approved the request to begin the RFQ process for Child Support Services Privatization.

Long Term Financial Plan

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

Letter of Transmittal

In 2021 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, 2020. The 2020 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 (25) years. We believe the Report for fiscal year 2021 continues to substantially conform to those standards and this Report is being submitted to GFOA for the certificate program.

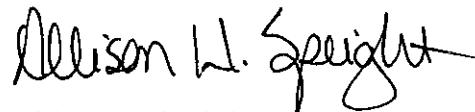
We appreciate the assistance and dedication of the Finance Department staff throughout the year, especially during the preparation of the CAFR. We would like to thank all members of the Department who contributed to its preparation and the County's independent certified public accountants, Nunn, Brashear,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



County Commissioners



George Wayne Aycock
Chairman
At Large District
Phone: (919) 222-4646



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Joe Daugherty
District 6
Phone: (919) 273-6065



Government Finance Officers Association

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Presented to

**County of Wayne
North Carolina**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2020

Christopher P. Monell

Executive Director/CEO

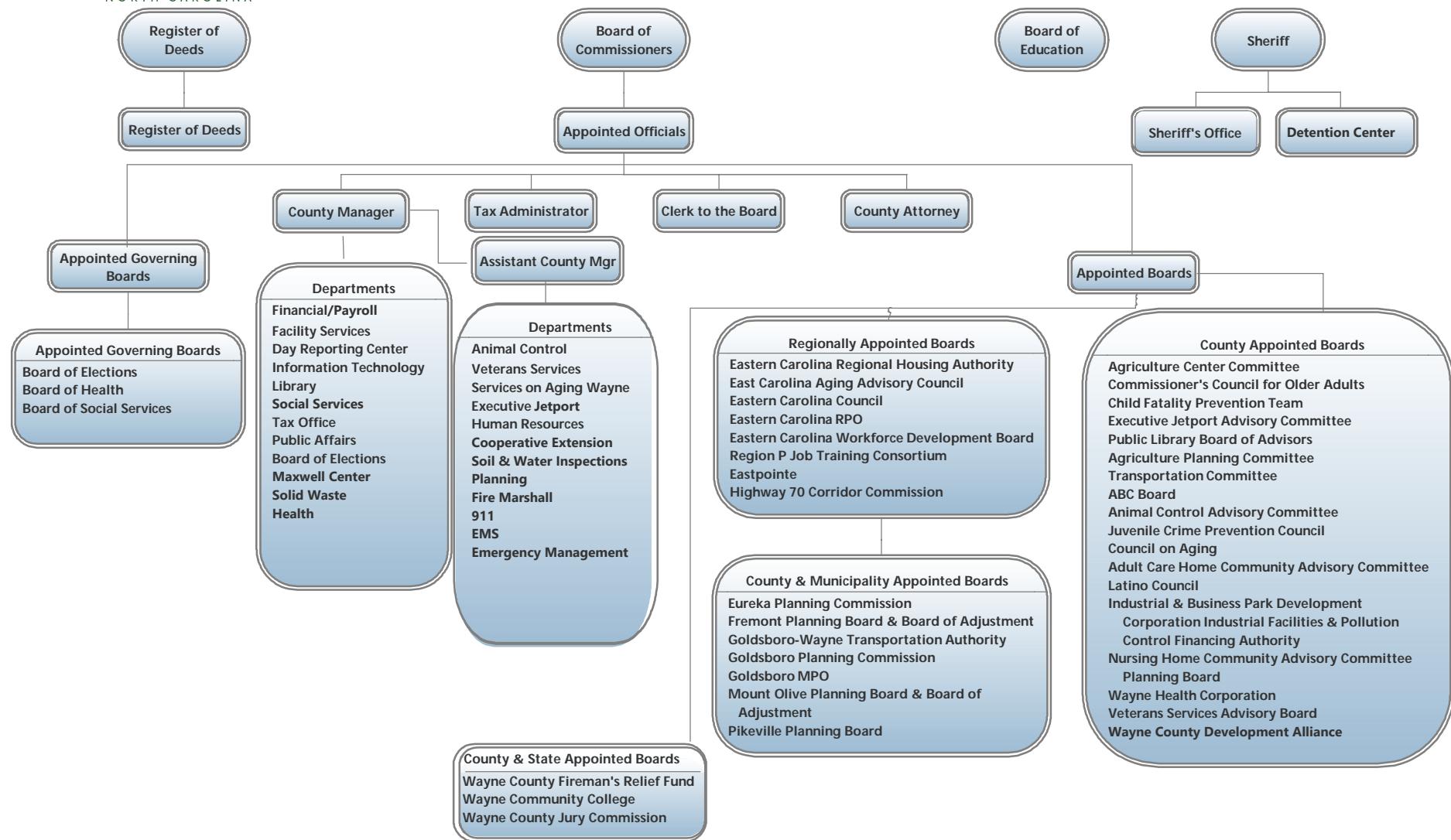


WAYNE COUNTY

NORTH CAROLINA

Citizens of Wayne County

Wayne County Government Organizational Chart 2021-2022



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, 2021, 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 98.5 percent, 98.2 percent, and 98.2 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. 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 1.5 percent, 1.8 percent and 1.8 percent of the assets, net position, and revenues, respectively, of the aggregate discretely presented component units. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Wayne County ABC Board and the Wayne County Tourism Development Authority were not audited in accordance with Governmental Auditing Standards.

MEMBERS

AMERICAN INSTITUTE OF CPA'S

N.C. ASSOCIATION OF CPA'S

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Wayne County, North Carolina as of June 30, 2021, 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 January 21, 2022 on our consideration of Wayne County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County's internal control over financial reporting and compliance.

Nunn, Brashears, & Uzzell, P.A.

Goldsboro, North Carolina

January 21, 2022

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, 2021. 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

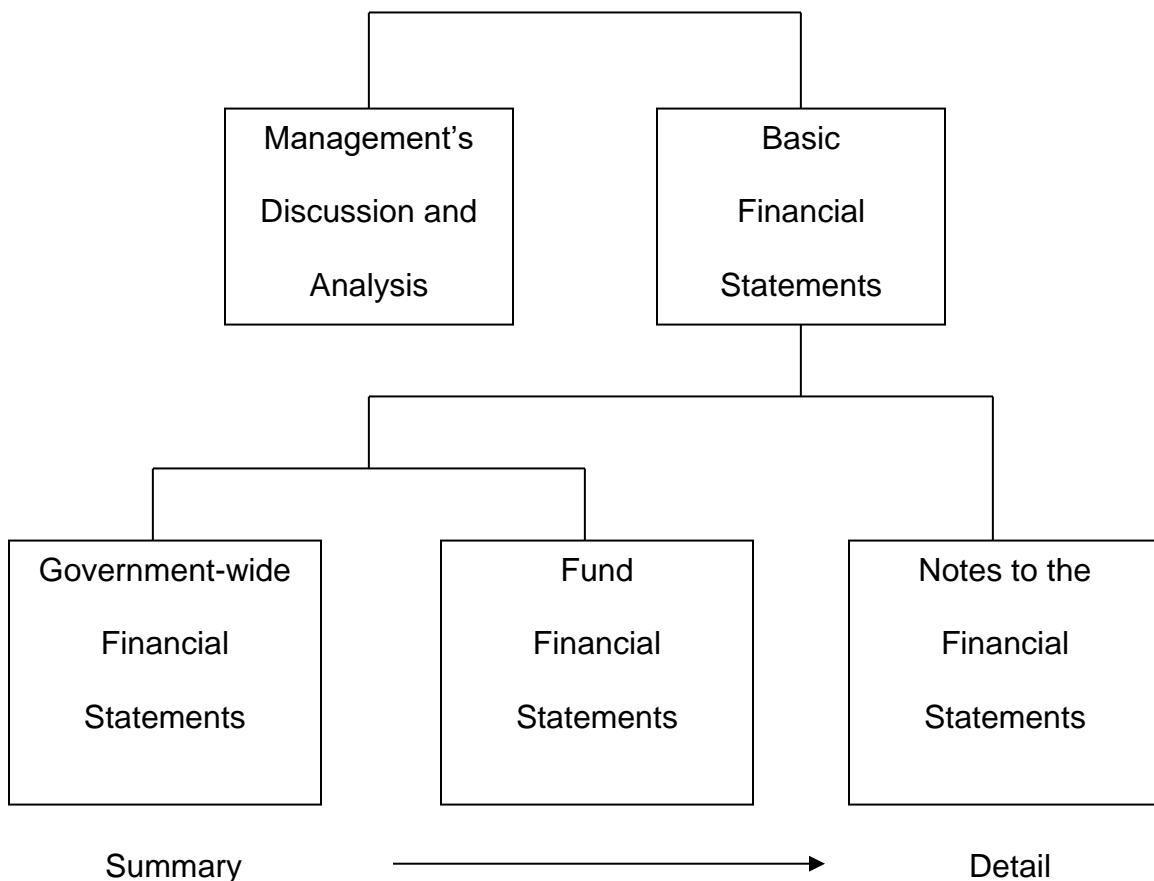
- The assets of Wayne County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$165,855,918 (*net position*).
- Deferred outflows of resources ended at \$18,090,276, an increase of \$4,752,919 over last year. Deferred inflows of resources ended at \$6,898,928, an increase of \$1,736,946 over last year.
- The government's total net position increased by \$6,987,937. This increase is primarily due to increased property and sales tax revenues and grant revenues.
- As of the close of the current fiscal year, Wayne County's governmental funds reported combined ending fund balances of \$76,801,581, an increase of \$24,354,183, in comparison with the prior year. Approximately 37.06 percent of this total amount, or \$28,464,482, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$39,636,183 or 35.36 percent of total general fund expenditures for the fiscal year.
- Wayne County's total debt increased by \$5,945,124 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, 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, airport, agricultural center and its landfill operations. During the fiscal year ending June 30, 2021, emergency management services became a function of the general government. 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 three custodial funds, which are Municipal Tax Fund, Inmate Account Fund, and a Miscellaneous Fund.

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 46 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 107 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 \$165,855,918 as of June 30, 2021. The County's net position increased by \$6,987,937 for the fiscal year ended June 30, 2021. One of the largest

portions \$148,183,947, 89.34%, 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 \$28,945,583, 17.46%, represents resources that are subject to external restrictions on how they may be used. The remaining balance of (\$11,273,612) (6.80%) is unrestricted.

Wayne County's Net Position
Figure 2

| | Governmental | | Business-type | | Totals | |
|--------------------------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | Activities | | Activities | | Totals | |
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Current assets | \$ 86,143,212 | \$ 51,351,270 | \$ 14,825,842 | \$ 20,526,286 | \$ 100,969,054 | \$ 71,877,556 |
| Noncurrent assets | 9,854,803 | 8,739,027 | - | - | 9,854,803 | 8,739,027 |
| Capital assets | 160,764,527 | 155,459,398 | 58,932,914 | 62,881,406 | 219,697,441 | 218,340,804 |
| Total assets | <u>256,762,542</u> | <u>215,549,695</u> | <u>73,758,756</u> | <u>83,407,692</u> | <u>330,521,298</u> | <u>298,957,387</u> |
| Total deferred outflows of resources | 17,384,178 | 11,136,166 | 706,098 | 2,201,191 | 18,090,276 | 13,337,357 |
| Long-term liabilities | 133,104,249 | 109,735,956 | 21,539,377 | 28,030,300 | 154,643,626 | 137,766,256 |
| Other liabilities | 19,555,019 | 8,182,597 | 1,658,081 | 2,427,660 | 21,213,100 | 10,610,257 |
| Total liabilities | <u>152,659,268</u> | <u>117,918,553</u> | <u>23,197,458</u> | <u>30,457,960</u> | <u>175,856,726</u> | <u>148,376,513</u> |
| Total deferred inflows of resources | 6,604,795 | 4,351,351 | 294,133 | 810,631 | 6,898,928 | 5,161,982 |
| Net position: | | | | | | |
| Net investment in capital assets | 101,332,091 | 93,027,599 | 46,851,856 | 50,033,419 | 148,183,947 | 143,061,018 |
| Restricted | 28,945,583 | 28,895,002 | - | - | 28,945,583 | 28,895,002 |
| Unrestricted | (15,395,017) | (17,506,644) | 4,121,405 | 4,306,873 | (11,273,612) | (13,199,771) |
| Total net position | <u>\$ 114,882,657</u> | <u>\$ 104,415,957</u> | <u>\$ 50,973,261</u> | <u>\$ 54,340,292</u> | <u>\$ 165,855,918</u> | <u>\$ 158,756,249</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 the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding and other COVID-related grants
- Continued diligence in the collection of property taxes by maintaining a high collection percentage of 98.58%.
- 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 \$4.1 million due to economic growth in the County. Sales taxes have performed unexpectedly well during the COVID-19 pandemic.

Wayne County's Changes in Net Position Figure 3

| | Governmental Activities | | Business-type Activities | | Total | |
|---|-------------------------|--------------------|--------------------------|-------------------|--------------------|--------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 15,826,316 | \$ 8,853,102 | \$ 7,418,990 | \$ 14,556,922 | \$ 23,245,306 | \$ 23,410,024 |
| Grants/contributions | 27,517,405 | 23,377,353 | 891,650 | 6,300,496 | 28,409,055 | 29,677,849 |
| General revenues: | | | | | | |
| Property taxes | 64,641,923 | 62,052,615 | - | - | 64,641,923 | 62,052,615 |
| Local option sales tax | 29,196,677 | 25,091,605 | - | - | 29,196,677 | 25,091,605 |
| Other taxes | 261,155 | 318,340 | - | - | 261,155 | 318,340 |
| Other | 694,520 | 815,404 | 24,781 | 208,251 | 719,301 | 1,023,655 |
| Total revenue | 138,137,996 | 120,508,419 | 8,335,421 | 21,065,669 | 146,473,417 | 141,574,088 |
| Expenses: | | | | | | |
| General government | 15,003,046 | 14,957,710 | - | - | 15,003,046 | 14,957,710 |
| Public safety | 46,326,721 | 30,771,396 | - | - | 46,326,721 | 30,771,396 |
| Transportation | 216,595 | 444,493 | - | - | 216,595 | 444,493 |
| Environmental protection | 166,547 | 1,276,287 | - | - | 166,547 | 1,276,287 |
| Economic & physical dev. | 3,031,739 | 5,852,543 | - | - | 3,031,739 | 5,852,543 |
| Human services | 29,020,919 | 26,408,593 | - | - | 29,020,919 | 26,408,593 |
| Cultural and recreation | 2,728,431 | 2,528,812 | - | - | 2,728,431 | 2,528,812 |
| Education | 30,777,796 | 35,940,325 | - | - | 30,777,796 | 35,940,325 |
| Interest on long-term debt | 2,302,473 | 1,484,537 | - | - | 2,302,473 | 1,484,537 |
| Solid Waste Disposal | - | - | 5,638,128 | 5,081,978 | 5,638,128 | 5,081,978 |
| EMS - EMS Net | - | - | - | 12,269,924 | - | 12,269,924 |
| Sewer | - | - | 935,340 | 719,211 | 935,340 | 719,211 |
| Airport | - | - | 1,284,183 | 1,240,259 | 1,284,183 | 1,240,259 |
| Maxwell Center | - | - | 2,061,675 | 1,888,906 | 2,061,675 | 1,888,906 |
| Total expenses | 129,574,267 | 119,664,696 | 9,919,326 | 21,200,278 | 139,493,593 | 140,864,974 |
| Increase (decrease) in net position before transfers | | | | | | |
| | 8,563,729 | 843,723 | (1,583,905) | (134,609) | 6,979,824 | 709,114 |
| Transfers | (1,431,259) | (5,055,778) | 1,439,372 | 5,055,778 | - | - |
| Increase (decrease) in net position | | | | | | |
| | 7,132,470 | (4,212,055) | (144,533) | 4,921,169 | 6,987,937 | 709,114 |
| Net position, July 1 | 104,415,957 | 109,178,012 | 54,340,292 | 48,869,123 | 158,756,249 | 158,047,135 |
| Restatement | 3,334,230 | (550,000) | (3,222,498) | 550,000 | 111,732 | - |
| Net position, restated | 107,750,187 | 108,628,012 | 51,117,794 | 49,419,123 | 158,867,981 | 158,047,135 |
| Net position, June 30 | \$ 114,882,657 | \$ 104,415,957 | \$ 50,973,261 | \$ 54,340,292 | \$ 165,855,918 | \$ 158,756,249 |

Governmental activities: Governmental activities increased the County's net position by \$7,132,470 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:

- Property tax collections increased, along with the collection percentage. The county anticipated a more conservative growth during the COVID-19 pandemic.
- Sales tax collections significantly exceeded the county's anticipated collections during the COVID-19 pandemic as well as the prior year collections.
- Received a large allocation from the CARES Act along with several departmental COVID-related grants.
- Decrease in transfers to other funds due to completion of various capital projects.

Business-type activities: Proprietary activities decreased the County's net position by (\$144,533). Key elements of this increase are as follows:

- NCDOT & FAA grants to help fund capital projects and expansion in the Jetport Fund were received in the prior year and continue to be spent down.
- Some operational expenditures increased such as post-closure and OPEB expense
- Convention center fees decreased due to the COVID pandemic.

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 \$39,636,183, while total fund balance was \$66,607,772. Fund balance available in the General Fund increased from the prior year by \$26,291,107. The majority of this increase is due to collections of both property and sales taxes significantly exceeding anticipated amounts, receipt of CARES funding, reimbursement to the general fund of debt-financed activities, underspending of operational expenditures in departmental line items and lapsed salaries due to a large number of vacant positions. Additionally, public school spending did not reach anticipated levels. 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 35.36% of general fund expenditures, while total fund balance represents 59.42% of that same amount.

At June 30, 2021, the governmental funds of Wayne County reported a combined fund balance of \$76,801,581, a 46.44% increase over last year. The largest increases were due to reasons explained in the above paragraph. However, there were also decreases

due to spending down of funds for the A. Joe Gurley, III Emergency Services Building, county capital projects (software and radio projects) and the Southern Wayne High School gym project. An additional increase to fund balance was a result of an accounting restatement as noted in the Notes Disclosures.

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 \$35.2 million or approximately 31.62%. The County amended its anticipated revenues from the NC Department of Revenue for additional sales tax of \$678,000. Transfers of \$3.4 million were moved into the General Fund to account for CARES funding expenditures and reimbursements for \$9.3 million to reimburse the fund for debt-financed capital project activity. Grant revenue of almost \$1 million was anticipated for FEMA reimbursement of COVID-related expenditures, \$8.7 million for HMGP and SARF and of \$16.7 million related to CDBG funding for hurricane cleanup. The remainder of the budget amendments were to anticipate various grants awarded during the year.

Changes in the amount of fund balance appropriated of \$11.9 million also occurred. The bulk of the change occurred with the reimbursement to the General Fund of \$9.3 million for funding in advance of a debt financing that occurred during this fiscal year. These projects are described in Item #'s 2 and 21 in the Transmittal Letter under Major Initiatives. Additionally, the General Fund was reimbursed for eligible expenses with CARES funds in the amount of \$3.4 million. 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 grants, 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 \$21.5 million, a 14.7% variance from final budget, reflecting grant revenue budgeted but not received which included restricted intergovernmental revenues of state administrative funds for Social Services, economic development grant incentives, CDBG funding, FEMA reimbursement for COVID, 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. This budget shortfall was offset by an unanticipated over collection of property and sales taxes.

General Fund expenditures were under budget \$38.3 million, a variance of 25.47% from the final budget, (\$25.1 million) in economic development of which represented CDBG, HMGP and other grant funds that were not spent in their entirety at year-end, (\$7.9 million) of which health and human services where vacancies or employee turnover created lapsed salaries in both Social Services and Health and grant expenditures were not spent in their entirety, (\$2.1 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, (\$1.3 million) of which was in education where spending did not reach the expected levels, (\$1.4 million) of which was in general government where vacancies and employee turnover created lapsed salaries. 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 \$4,268,221. The total decrease in net position for the Solid Waste Disposal Fund was (\$185,064). The Maxwell Center decreased net position by (\$89,449). Increase in net position of the Jetport Fund was \$87,383. The Sewer Fund, non-major fund, decreased net position by (\$9,550). The Emergency Management System was moved to the general government operations. 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, 2021, totals \$219,697,440 (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 | |
|----------------------------|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Land | \$ 21,568,151 | \$ 18,416,213 | \$ 14,329,506 | \$ 14,454,322 | \$ 35,897,657 | \$ 32,870,535 |
| Buildings and improvements | 123,302,413 | 122,684,085 | 36,123,764 | 38,951,933 | 159,426,177 | 161,636,018 |
| Infrastructure | 2,819,190 | 1,714,255 | 3,442,368 | 3,583,979 | 6,261,558 | 5,298,234 |
| Contractor equipment | - | - | 3,250,763 | 3,361,150 | 3,250,763 | 3,361,150 |
| Furniture & equipment | 9,544,985 | 10,098,166 | 1,664,033 | 1,066,218 | 11,209,018 | 11,164,384 |
| Intangibles | 858,415 | 886,840 | 92,648 | 122,831 | 951,063 | 1,009,671 |
| Vehicles | 2,671,373 | 1,659,839 | 29,831 | 1,340,973 | 2,701,204 | 3,000,812 |
| Total | \$ 160,764,527 | \$ 155,459,398 | \$ 58,932,913 | \$ 62,881,406 | \$ 219,697,440 | \$ 218,340,804 |

Major capital asset transactions during the fiscal year include:

- Completed construction of the A. Joe Gurley, III Emergency Services Building
- Purchase of additional vehicles for the Sheriff's Office and Emergency Medical Services
- Completed construction of new radio towers and radio system upgrade
- Major information technology upgrades of network and firewall
- Second major module of software replacement started and completed with Human Capital Management and Payroll

- Purchase of major contractor equipment for Solid Waste
- Purchase of land and additional hangars for Jetport projects
- Progress on the Jetport's Corporate Area Expansion Project
- Completed purchases of several HMGP properties
- Implementation of Emergency Medical Dispatch software in 911 Center

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

Long-term Debt: As of June 30, 2021, Wayne County had limited obligation bonds, promissory notes, and installment purchase contracts of \$82,363,904 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 | |
|--------------------------------|----------------------------|------------------|-----------------------------|------------------|------------------|------------------|
| | 2021 | 2020 | 2021 | 2020 | 2021 | 2020 |
| Limited obligation bonds | \$ 18.340 | \$ 19.720 | \$ 10.680 | \$ 11.200 | \$ 29.020 | \$ 30.920 |
| Installment purchase contr. | <u>51.914</u> | <u>43.837</u> | <u>1.430</u> | <u>1.662</u> | <u>53.344</u> | <u>45.500</u> |
| Totals | <u>\$ 70.254</u> | <u>\$ 63.557</u> | <u>\$ 12.110</u> | <u>\$ 12.862</u> | <u>\$ 82.364</u> | <u>\$ 76.420</u> |

Wayne County's total debt increased by \$5,945,124, 7.78% 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, 2021.

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.

- With the exception of a small amount of time during 2021, the County has remained in a State of Emergency due to the COVID-19 global pandemic. Businesses have remained open, and the County was able to evaluate some historical data to more accurately estimate next year revenues and expenditures. The County continues to respond to the pandemic through education, advertising, vaccinations and

testing. In addition to CARES and ARP funding, many departmental grants have been secured to help offset the costs of dealing with COVID-19. The County also continues to track and request reimbursement for eligible expenditures with FEMA.

- The June 2021, not seasonally adjusted, unemployment rate for Wayne County was 5.2%, which was lower than the June 2020 rate of 7.6%. The State's not seasonally adjusted unemployment rate as of June 2021 was 4.9% which is up from the June 2020 rate of 8.9%.
- As of 2019, the per capita income for Wayne County was \$25,277, which is lower than the State average of \$30,783. Wayne County's median household income is \$44,416, which is lower than the State's median household income of \$54,602.
- The property tax base was projected to grow by 2%. Management continued to maintain a conservative estimate in growth projections while the County continues to navigate the global pandemic.
- Sales taxes continued to maintain a healthy increase throughout the pandemic, despite predictions to the contrary. Because the County has seen a steady increase in sales taxes, and since no growth was budgeted in the prior fiscal year, management budgeted a 15% increase in these revenues.

All of these factors were considered in preparing Wayne County's budget for Fiscal Year 2021-2022.

Budget Highlights for the Fiscal Year Ending June 30, 2022

Governmental Activities:

- The property tax rate increased by \$.044 from \$.6635 to \$.7075 per \$100 of assessed valuation. This increased revenue will be used to support a debt financing transaction for various county and school projects, including a new DSS/Health building and a new Detention Center.
- The County approved an original budget of \$185,293,478 for fiscal year 2021, including a property tax increase and 15% growth of sales tax as explained above.
- A 3% cost of living adjustment (COLA) was approved for all employees. Additional, targeted increases were given to certain departments to align with the market and promote a more consistent pay plan.
- The budget included a 6% increase in the County's portions of medical insurance premiums for the PPO and the HSA Plan. The employees also saw an 6% 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 \$414,000.
- Anticipated use of General Fund Balance was budgeted for approximately \$3.6 million. This represents a \$1 million increase from the original budget last year.

This increase is mostly due to costly repairs that must be completed on the existing jail at the courthouse location. 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 four business type activity funds. Solid Waste has a small decrease in revenues based on historical collections in user fees. The Jetport had a significant increase from the prior year due to timing of grants budgeted. The Board of Commissioners approved a 15% 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 Maxwell Center was heavily impacted by COVID-19. However, as events have begun to take place once again, it has experienced an increase in revenues. Transfers to the fund increased to cover the annual debt service payment, capital outlay and indirect costs. This was the first full year of depreciation reflected in the indirect cost plan, resulting in a higher expenditure this year for the Maxwell Center indirect costs.

Requests for Information

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

Financial Statements

Wayne County, North Carolina
Statement of Net Position
June 30, 2021

| | Primary Government | | | Component Unit | | |
|--|--------------------------------|---------------|---------------------------------|-----------------------|---|-------------------------------|
| | Governmental Activities | | Business-type Activities | Total | WC Tourism Development Authority | Wayne County ABC Board |
| | | | | | | |
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and cash equivalents | \$ 44,768,785 | \$ 13,884,994 | \$ 58,653,779 | \$ 88,911 | \$ 3,906,019 | |
| Restricted cash and cash equivalents | 25,525,001 | 28,846 | 25,553,847 | - | - | |
| Receivables, net | 5,931,933 | 752,588 | 6,684,521 | 18,230 | - | |
| Due from other governments | 9,889,160 | 114,787 | 10,003,947 | - | - | |
| Inventories | 28,333 | 44,627 | 72,960 | - | 731,997 | |
| Total current assets | 86,143,212 | 14,825,842 | 100,969,054 | 107,141 | 4,638,016 | |
| Noncurrent Assets: | | | | | | |
| Investments, long-term restricted cash | 9,648,030 | - | 9,648,030 | - | - | |
| Net pension asset - ROD | 206,773 | - | 206,773 | - | - | |
| Land, improvements | 21,568,151 | 14,329,506 | 35,897,657 | - | 708,108 | |
| Other Capital Assets, net depreciation | 139,196,376 | 44,603,408 | 183,799,784 | - | 1,578,308 | |
| Total noncurrent assets | 170,619,330 | 58,932,914 | 229,552,244 | - | 2,286,416 | |
| Total Assets | 256,762,542 | 73,758,756 | 330,521,298 | 107,141 | 6,924,432 | |
| Deferred Outflows of Resources | 17,384,178 | 706,098 | 18,090,276 | - | 363,804 | |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 1,178,450 | 702,837 | 1,881,287 | - | 1,402,429 | |
| Due to other governments | 12,058,612 | - | 12,058,612 | - | - | |
| Accrued wages and benefits | 334,659 | 49,532 | 384,191 | - | - | |
| Other accrued expenses | 520,536 | 25,732 | 546,268 | - | 926,000 | |
| Due within one year | 5,462,762 | 879,981 | 6,342,743 | - | - | |
| Total current liabilities | 19,555,019 | 1,658,082 | 21,213,101 | - | 2,328,429 | |
| Long Term liabilities: | | | | | | |
| Due in more than one year | 67,169,123 | 19,063,387 | 86,232,510 | - | - | |
| Net other post employment liability | 43,484,062 | 1,372,878 | 44,856,940 | - | - | |
| Net pension liability - LGERS | 17,943,963 | 1,103,112 | 19,047,075 | - | - | |
| Net pension liability - LEOSSA | 4,507,101 | - | 4,507,101 | - | - | |
| Total noncurrent liabilities | 133,104,249 | 21,539,377 | 154,643,626 | - | - | |
| Total liabilities | 152,659,268 | 23,197,459 | 175,856,727 | - | 2,328,429 | |
| Deferred Inflows of Resources | 6,604,795 | 294,133 | 6,898,928 | - | 120,654 | |
| Net Position | | | | | | |
| Net investment in capital assets | 101,332,091 | 46,851,856 | 148,183,947 | - | 2,286,416 | |
| Restricted for (expendable): | | | | | | |
| General government | 1,395,982 | - | 1,395,982 | - | - | |
| Future debt obligations | 9,648,030 | - | 9,648,030 | - | - | |
| Public safety | 1,519,014 | - | 1,519,014 | - | - | |
| Education | 2,661,483 | - | 2,661,483 | - | - | |
| Stabilization by State Statute | 13,506,416 | - | 13,506,416 | 18,230 | - | |
| Register of Deeds pension plan | 206,773 | - | 206,773 | - | - | |
| Senior Center-earnings | 285 | - | 285 | - | - | |
| Working capital | - | - | - | - | 428,328 | |
| Restricted for (nonexpendable): | | | | | | |
| Senior Center-principal | 7,600 | - | 7,600 | - | - | |
| Unrestricted | (15,395,017) | 4,121,405 | (11,273,612) | 88,911 | 2,124,409 | |
| Total net position | \$ 114,882,657 | \$ 50,973,261 | \$ 165,855,918 | \$ 107,141 | \$ 4,839,153 | |

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, 2021

| Functions/Programs | Program Revenue | | |
|-----------------------------------|------------------------|-----------------------------|---|
| | Expenses | Charges for Services | Operating Grants and Contributions |
| Primary government | | | |
| Governmental Activities | | | |
| General government | \$ 15,003,046 | \$ 2,126,043 | \$ 5,145,477 |
| Public safety | 46,326,721 | 10,805,523 | 1,566,250 |
| Transportation | 216,595 | 105,674 | - |
| Human services | 29,020,919 | 2,509,947 | 15,776,095 |
| Culture and recreation | 2,728,431 | 206,488 | 347,623 |
| Education | 30,777,796 | - | 1,233,200 |
| Interest on long-term debt | 2,302,473 | - | - |
| Environmental protection | 166,547 | - | 166,290 |
| Economic and physical development | 3,031,739 | 72,641 | 621,470 |
| Total governmental activities | <u>129,574,267</u> | <u>15,826,316</u> | <u>24,856,405</u> |
| Business-type activities | | | |
| Solid Waste Disposal Fund | 5,638,128 | 5,133,692 | 338,386 |
| Sewer Fund | 935,340 | 712,703 | - |
| Airport Fund | 1,284,183 | 727,367 | 553,264 |
| Maxwell Fund | 2,061,675 | 845,228 | - |
| Total business-type activities | <u>9,919,326</u> | <u>7,418,990</u> | <u>891,650</u> |
| Total primary government | <u>139,493,593</u> | <u>23,245,306</u> | <u>25,748,055</u> |
| Component Unit | | | |
| WC Tourism Development Authority | 179,544 | 195,900 | - |
| ABC Board | 10,249,856 | 11,136,538 | - |
| Total component units | <u>\$ 10,429,400</u> | <u>\$ 11,332,438</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</u> | | | <u>Component Unit</u> | |
|---|--|-------------------------------------|---------------------|---|----------------|
| | <u>Primary Government</u> | | | <u>WC Tourism Development Authority</u> | |
| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> | <u>ABC Board</u> | |
| \$ 2,661,000 | \$ (5,070,526) | \$ - | \$ (5,070,526) | | |
| - | (33,954,948) | - | (33,954,948) | | |
| - | (110,921) | - | (110,921) | | |
| - | (10,734,877) | - | (10,734,877) | | |
| - | (2,174,320) | - | (2,174,320) | | |
| - | (29,544,596) | - | (29,544,596) | | |
| - | (2,302,473) | - | (2,302,473) | | |
| - | (257) | - | (257) | | |
| - | (2,337,628) | - | (2,337,628) | | |
| <u>2,661,000</u> | <u>(86,230,546)</u> | <u>-</u> | <u>(86,230,546)</u> | | |
| | | | | | |
| - | - | (166,050) | (166,050) | | |
| - | - | (222,637) | (222,637) | | |
| - | - | (3,552) | (3,552) | | |
| - | - | (1,216,447) | (1,216,447) | | |
| <u>2,661,000</u> | <u>(86,230,546)</u> | <u>(1,608,686)</u> | <u>(87,839,232)</u> | | |
| | | | | | |
| - | | | \$ 16,356 | \$ - | |
| - | | | | | 886,682 |
| <u>-</u> | <u></u> | <u></u> | <u>16,356</u> | <u></u> | <u>886,682</u> |
| | | | | | |
| 64,641,923 | - | 64,641,923 | - | - | - |
| 29,196,677 | - | 29,196,677 | - | - | - |
| 261,155 | - | 261,155 | - | - | - |
| 136,110 | 24,781 | 160,891 | - | 1,846 | |
| 558,410 | - | 558,410 | - | - | - |
| (1,431,259) | 1,439,372 | 8,113 | - | - | - |
| 93,363,016 | 1,464,153 | 94,827,169 | - | 1,846 | |
| 7,132,470 | (144,533) | 6,987,937 | 16,356 | 888,528 | |
| 104,415,957 | 54,340,292 | 158,756,249 | 90,785 | 3,950,625 | |
| 3,334,230 | (3,222,498) | 111,732 | - | - | - |
| 107,750,187 | 51,117,794 | 158,867,981 | 90,785 | 3,950,625 | |
| <u>\$ 114,882,657</u> | <u>\$ 50,973,261</u> | <u>\$ 165,855,918</u> | <u>\$ 107,141</u> | <u>\$ 4,839,153</u> | |

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

| | Major | | Non-Major | |
|---|----------------------|--------------------------------------|---|-------------------------------------|
| | | | Other Governmental Funds | Total Governmental Funds |
| | General Fund | American Rescue Plan Fund | | |
| Assets | | | | |
| Cash and cash equivalents | \$ 45,524,501 | \$ - | \$ (4,327,142) | \$ 41,197,359 |
| Restricted cash | 10,194,303 | 11,959,135 | 13,019,595 | 35,173,033 |
| Taxes receivable, net | 1,654,254 | - | 1,159,561 | 2,813,815 |
| Due from other funds | 467,298 | - | 375,186 | 842,484 |
| Receivable from other governments | 11,692,474 | - | 135,284 | 11,827,758 |
| Total assets | <u>69,532,830</u> | <u>11,959,135</u> | <u>10,362,484</u> | <u>91,854,449</u> |
| Liabilities and Fund Balances | | | | |
| Liabilities: | | | | |
| Accounts payable | 753,126 | - | 500 | 753,626 |
| Due to other funds | 100,236 | 11,958,377 | - | 12,058,613 |
| Other payables | 334,736 | - | - | 334,736 |
| Total liabilities | <u>1,188,098</u> | <u>11,958,377</u> | <u>500</u> | <u>13,146,975</u> |
| Deferred Inflows of Resources | <u>1,736,960</u> | <u>-</u> | <u>168,934</u> | <u>1,905,894</u> |
| Fund balances: | | | | |
| Non-spendable: | | | | |
| Senior Center-principal | - | - | 7,600 | 7,600 |
| Restricted for: | | | | |
| Stabilization by State Statute | 12,220,676 | - | 1,285,740 | 13,506,416 |
| Future debt payments, QSCB | 9,648,030 | - | - | 9,648,030 |
| Fire protection | - | - | 39,340 | 39,340 |
| Public Schools | 1,505,735 | - | 1,154,542 | 2,660,277 |
| Law enforcement | 175,352 | - | - | 175,352 |
| Tax revaluation | 546,273 | - | - | 546,273 |
| Public safety | - | - | 1,168,312 | 1,168,312 |
| Transportation | - | - | 464,708 | 464,708 |
| Grants | 172,310 | 758 | 1,238 | 174,306 |
| Social services/senior center | - | - | 73,868 | 73,868 |
| Committed for: | | | | |
| Future capital projects | - | - | 5,997,703 | 5,997,703 |
| Community college | 37,873 | - | - | 37,873 |
| Public schools | 1,506,696 | - | - | 1,506,696 |
| Assigned for: | | | | |
| Subsequent year's expenditures | 1,158,643 | - | - | 1,158,643 |
| Unassigned | 39,636,183 | - | - | 39,636,183 |
| Total fund balances | <u>66,607,772</u> | <u>758</u> | <u>10,193,051</u> | <u>76,801,581</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 69,532,830</u> | <u>\$ 11,959,135</u> | <u>\$ 10,362,485</u> | |

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

Wayne County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2021

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

| | |
|--|-----------------------|
| Total fund balances | \$ 76,801,581 |
| 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. | 160,764,527 |
| 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. | |
| Net deferred inflows of resources for taxes and special assessments receivables | 3,023,358 |
| 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. | 2,172,695 |
| Net pension liability - LGERS | (73,152,421) |
| 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 | (17,943,963) |
| 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 | 7,056,834 |
| Net pension liability - LEOSSA | (874,840) |
| 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 | (4,507,101) |
| 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 | 1,529,355 |
| Net pension asset - ROD | (61,155) |
| 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 | 206,773 |
| 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 | 19,940 |
| Net OPEB liability | (31,376) |
| 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 | (43,484,062) |
| 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 | 8,778,049 |
| Net position of governmental activities | <u>\$ 114,882,657</u> |

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

Wayne County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2021

| | Major | | Non-Major | | Total Governmental Funds | |
|--|--|---------------------|---|----------------------|---|--|
| | American Rescue Plan Fund | | Other Governmental Funds | | | |
| | General Fund | General Fund | General Fund | General Fund | | |
| Revenues | | | | | | |
| Property taxes | \$ 60,960,629 | \$ - | \$ 3,816,714 | \$ 64,777,343 | | |
| Sales and miscellaneous taxes | 26,741,985 | - | 1,921,523 | 28,663,508 | | |
| Other taxes and licenses | 534,310 | - | - | 534,310 | | |
| Licenses and permits | 2,570,544 | - | 458,675 | 3,029,219 | | |
| Intergovernmental | 1,533,607 | - | - | 1,533,607 | | |
| Restricted intergovernmental | 17,104,781 | - | 4,981,709 | 22,086,490 | | |
| Charges for services | 13,080,206 | - | 990,689 | 14,070,895 | | |
| Investment earnings | 67,912 | 758 | 11,422 | 80,092 | | |
| Miscellaneous | 2,219,098 | - | - | 2,219,098 | | |
| Payments from various municipalities | 63,981 | - | - | 63,981 | | |
| Client account income | - | - | 225,411 | 225,411 | | |
| Total revenues | <u>124,877,053</u> | <u>758</u> | <u>12,406,143</u> | <u>137,283,954</u> | | |
| Expenditures | | | | | | |
| Current: | | | | | | |
| General government | 12,465,475 | - | 1,255,701 | 13,721,176 | | |
| Public safety | 35,060,868 | - | 6,161,069 | 41,221,937 | | |
| Transportation | 208,040 | - | 12,745 | 220,785 | | |
| Human services | 26,184,244 | - | 213,955 | 26,398,199 | | |
| Culture and recreation | 2,480,640 | - | - | 2,480,640 | | |
| Education | 27,672,888 | - | 1,540,671 | 29,213,559 | | |
| Economic and physical development | 2,456,432 | - | - | 2,456,432 | | |
| Debt Service: | | | | | | |
| Principal | 3,303,000 | - | - | 3,303,000 | | |
| Interest and other charges | 2,270,536 | - | - | 2,270,536 | | |
| Capital Outlay | - | - | 5,893,797 | 5,893,797 | | |
| Total Expenditures | <u>112,102,123</u> | <u>-</u> | <u>15,077,938</u> | <u>127,180,061</u> | | |
| Excess (deficiency) | 12,774,930 | 758 | (2,671,795) | 10,103,893 | | |
| Revenues over expenditures | | | | | | |
| Other Financing Sources (Uses) | | | | | | |
| Proceeds from debt, net of costs | - | - | 9,930,468 | 9,930,468 | | |
| Permanent fund donation | - | - | 500 | 500 | | |
| Transfers in | 14,263,572 | - | 1,520,472 | 15,784,044 | | |
| Transfers out | (2,944,089) | - | (14,271,803) | (17,215,892) | | |
| Proceeds from sale of assets | 313,552 | - | - | 313,552 | | |
| Total other financing sources and uses | <u>11,633,035</u> | <u>-</u> | <u>(2,820,363)</u> | <u>8,812,672</u> | | |
| Net change in fund balances | 24,407,965 | 758 | (5,492,159) | 18,916,564 | | |
| Fund balances - beginning | 36,681,130 | - | 15,623,083 | 52,304,213 | | |
| Restatement, Note XIII | 5,518,677 | - | 62,126 | 5,580,803 | | |
| Fund balances - beginning, as restated | <u>42,199,807</u> | <u>-</u> | <u>15,685,209</u> | <u>57,885,016</u> | | |
| Fund balances - ending | <u>\$ 66,607,772</u> | <u>\$ 758</u> | <u>\$ 10,193,050</u> | <u>\$ 76,801,580</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, 2021

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

Net change in fund balances - total governmental funds: \$ 18,916,564

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. 577,065

Cost of capital asset disposed of during the year, not recognized on modified accrual basis. 1,025,330

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. (6,697,000)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. (300,172)

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. 59,127

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. 618,178

Contributions and costs, net, to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities. (5,055,305)

Contributions and costs, net, to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities. (452,228)

Contributions and costs, net, to the ROD pension plan in the current fiscal year are not included on the Statement of Activities. 12,315

Contributions and costs, net, to the OPEB plan in the current fiscal year are not included on the Statement of Activities. (1,571,404)

Total changes in net position of governmental activities \$ 7,132,470

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

Wayne County, North Carolina
Statement of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund
For the Year Ended June 30, 2021

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance with Final Positive (Negative)</u> |
|--|----------------------------|-------------------------|----------------------|--|
| Revenues | | | | |
| Ad valorem taxes | \$ 58,140,200 | \$ 58,140,200 | \$ 60,960,628 | \$ 2,820,428 |
| Local option sales taxes | 20,990,924 | 21,664,314 | 26,741,985 | 5,077,671 |
| Other taxes and licenses | 525,000 | 525,000 | 534,310 | 9,310 |
| Licenses and permits | 1,943,000 | 2,101,349 | 2,570,543 | 469,194 |
| Intergovernmental | 676,052 | 676,031 | 1,533,607 | 857,576 |
| Restricted intergovernmental | 15,953,173 | 47,119,330 | 17,104,781 | (30,014,549) |
| Charges for services | 11,217,697 | 14,026,961 | 13,080,205 | (946,756) |
| Investment earnings | 400,000 | 400,000 | 67,912 | (332,088) |
| Miscellaneous | 1,137,563 | 1,492,010 | 2,219,101 | 727,091 |
| Payments from various municipalities | 247,793 | 260,641 | 63,981 | (196,660) |
| Total revenues | <u>111,231,402</u> | <u>146,405,836</u> | <u>124,877,053</u> | <u>(21,528,783)</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | 12,630,434 | 13,950,460 | 12,465,475 | 1,484,985 |
| Public safety | 33,337,776 | 37,180,125 | 35,060,868 | 2,119,257 |
| Transportation | 258,289 | 258,289 | 208,040 | 50,249 |
| Economic and physical development | 1,630,686 | 27,559,250 | 2,456,432 | 25,102,818 |
| Human services | 29,270,568 | 34,128,786 | 26,184,244 | 7,944,542 |
| Culture and recreation | 2,445,308 | 2,676,773 | 2,480,640 | 196,133 |
| Education | 27,942,236 | 28,955,823 | 27,672,888 | 1,282,935 |
| Debt Service: | | | | |
| Principal | 3,303,000 | 3,384,969 | 3,303,000 | 81,969 |
| Interest and other charges | 2,270,537 | 2,274,733 | 2,270,536 | 4,197 |
| Total expenditures | <u>113,088,834</u> | <u>150,369,208</u> | <u>112,102,123</u> | <u>38,267,085</u> |
| Excess (deficiency) of revenues over expenditures | (1,857,432) | (3,963,372) | 12,774,930 | 16,738,302 |
| Other Financing Sources (Uses) | | | | |
| Transfers in | 4,721,681 | 18,769,140 | 14,263,572 | (4,505,568) |
| Transfers out | (7,436,570) | (7,457,770) | (2,944,089) | (4,513,681) |
| Proceeds from sale of assets | - | 22,347 | 313,552 | (291,205) |
| Total other financing sources and (uses) | <u>(2,714,889)</u> | <u>11,333,717</u> | <u>11,633,035</u> | <u>(9,310,454)</u> |
| Revenues and other financing sources over (under) expenditures | (4,572,321) | 7,370,345 | 24,407,965 | 17,037,620 |
| Appropriated fund balance | <u>4,572,321</u> | <u>(7,370,345)</u> | - | <u>7,370,345</u> |
| Revenues, other sources, and appropriated fund balance over (under) expenditures | <u>\$ -</u> | <u>\$ -</u> | <u>24,407,965</u> | <u>\$ 24,407,965</u> |
| Fund balances - beginning | | | 36,681,130 | |
| Restatement, Note XIII | | | 5,518,677 | |
| Fund balance, as restated | | | 42,199,807 | |
| Fund balances - ending | | | <u>\$ 66,607,772</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, 2021

Exhibit 6

| | Business-type Activities | | |
|--|---------------------------------|--------------------------------|----------------------|
| | Major | | |
| | Solid Waste Disposal | Maxwell Center Fund | Jetport Fund |
| Assets | | | |
| Current assets: | | | |
| Cash and cash equivalents | \$ 11,699,500 | \$ 999,976 | \$ 641,918 |
| Investments | - | - | - |
| Accounts receivable, net | 463,738 | 231,214 | 52,190 |
| Receivables from other governments | 96,322 | 5,862 | 5,458 |
| Inventories | 19,878 | - | 24,744 |
| Total current assets | <u>12,279,438</u> | <u>1,237,052</u> | <u>724,310</u> |
| Capital assets: | | | |
| Land | 11,022,663 | 2,210,000 | 1,073,214 |
| Other capital assets, net of depreciation | 8,367,768 | 22,015,669 | 10,355,518 |
| Total non-current assets | <u>19,390,431</u> | <u>24,225,669</u> | <u>11,428,732</u> |
| Total assets | <u>31,669,869</u> | <u>25,462,721</u> | <u>12,153,042</u> |
| Deferred Outflows of Resources | 617,123 | 43,382 | 42,515 |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 87,893 | 257 | 66,563 |
| Other liabilities | 48,532 | - | 1,000 |
| Accrued interest payable | - | 21,166 | - |
| Payable to other governments | - | 535 | - |
| Customer deposits | - | 76,569 | - |
| Compensated absences | 111,660 | 11,778 | 4,667 |
| Current portion of long term debt | - | <u>661,877</u> | - |
| Total current liabilities | <u>248,085</u> | <u>772,182</u> | <u>72,230</u> |
| Non-current liabilities: | | | |
| Other postemployment benefits | 1,251,807 | - | 110,102 |
| Accrued landfill closure/postclosure costs | 7,705,361 | - | - |
| Net pension liability | 937,646 | 110,311 | 55,156 |
| Bonds, notes and loans payable | - | <u>10,048,027</u> | - |
| Total non-current liabilities | <u>9,894,814</u> | <u>10,158,338</u> | <u>165,258</u> |
| Total liabilities | <u>10,142,899</u> | <u>10,930,520</u> | <u>237,488</u> |
| Deferred Inflows of Resources | 273,083 | 5,378 | 9,843 |
| Net Position | | | |
| Net investment in capital assets | 19,390,431 | 13,536,667 | 11,428,733 |
| Unrestricted | 2,480,579 | 1,033,538 | 519,493 |
| Total net position | <u>\$ 21,871,010</u> | <u>\$ 14,570,205</u> | <u>\$ 11,948,226</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 | |
|--------------------------|----------------------|-------------------------|---|
| Nonmajor | | Internal Service Funds | |
| Other Enterprise Funds | Totals | | |
| \$ 572,445 | \$ 13,913,839 | \$ 3,539,121 | - |
| - | - | - | - |
| 152,202 | 899,344 | 15,645 | - |
| 7,154 | 114,796 | - | - |
| - | 44,622 | 28,216 | - |
| <u>731,801</u> | <u>14,972,601</u> | <u>3,582,982</u> | |
| | | | |
| 23,628 | 14,329,505 | - | - |
| <u>3,864,453</u> | <u>44,603,408</u> | <u>15,844</u> | |
| <u>3,888,081</u> | <u>58,932,913</u> | <u>15,844</u> | |
| <u>4,619,882</u> | <u>73,905,514</u> | <u>3,598,826</u> | |
| 3,077 | 706,097 | - | - |
| | | | |
| 470,962 | 625,675 | 592,127 | - |
| - | 49,532 | - | - |
| 4,565 | 25,731 | - | - |
| - | 535 | - | - |
| - | 76,569 | - | - |
| - | 128,105 | - | - |
| <u>90,000</u> | <u>751,877</u> | <u>-</u> | |
| <u>565,527</u> | <u>1,658,024</u> | <u>592,127</u> | |
| | | | |
| 10,969 | 1,372,878 | - | - |
| - | 7,705,361 | - | - |
| - | 1,103,113 | - | - |
| <u>1,310,000</u> | <u>11,358,027</u> | <u>-</u> | |
| <u>1,320,969</u> | <u>21,539,379</u> | <u>-</u> | |
| <u>1,886,496</u> | <u>23,197,403</u> | <u>592,127</u> | |
| 5,828 | 294,132 | - | - |
| | | | |
| 2,496,025 | 46,851,856 | 15,844 | - |
| 234,610 | 4,268,221 | 3,007,514 | - |
| <u>\$ 2,730,635</u> | <u>51,120,077</u> | <u>\$ 3,023,358</u> | |
| | | | |
| | (146,816) | | |
| | <u>\$ 50,973,261</u> | | |

Wayne County, North Carolina
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities | | |
|--|---------------------------------|--------------------------------|----------------------|
| | Major | | |
| | Solid Waste Disposal | Maxwell Center Fund | Jetport Fund |
| Operating Revenues | | | |
| User fees | \$ 5,098,596 | \$ 844,370 | \$ 723,157 |
| Insurance premiums | - | - | - |
| Fleet services | - | - | - |
| Total operating revenues | <u>5,098,596</u> | <u>844,370</u> | <u>723,157</u> |
| Operating expenses | | | |
| Salaries and employee benefits | 2,360,341 | 382,138 | 188,733 |
| Contractual services | 82,155 | 1,485 | 59,553 |
| Utilities | - | 74,416 | - |
| Repairs and maintenance | 374,625 | 33,835 | 44,574 |
| Other departmental expenses | 876,460 | 31,738 | 112,654 |
| Other supplies and expenses | 295,677 | 78,215 | 337,307 |
| Indirect costs | 387,494 | 407,859 | 125,637 |
| Closure and postclosure costs | 452,813 | - | - |
| Insurance claims and expenses | - | - | - |
| Depreciation | 850,668 | 654,351 | 424,867 |
| Total operating expenses | <u>5,680,233</u> | <u>1,664,037</u> | <u>1,293,325</u> |
| Operating income (loss) | <u>(581,637)</u> | <u>(819,667)</u> | <u>(570,168)</u> |
| Non-operating Revenues (Expenses) | | | |
| Restricted intergovernmental revenues | 328,585 | 858 | - |
| Interest and investment revenue | 23,090 | 839 | 372 |
| Miscellaneous revenue | 35,096 | - | 4,211 |
| Gain (loss) on sale of assets | - | - | - |
| Operating grants and contributions | 9,802 | - | 553,264 |
| Interest expense | - | (402,772) | - |
| Total non-operating revenue (expenses) | <u>396,573</u> | <u>(401,075)</u> | <u>557,847</u> |
| Income (loss) before contributions/transfers | <u>(185,064)</u> | <u>(1,220,742)</u> | <u>(12,321)</u> |
| Transfers in | - | 1,131,293 | 99,704 |
| Change in net position | <u>(185,064)</u> | <u>(89,449)</u> | <u>87,383</u> |
| Total net position - beginning | 22,056,074 | 14,659,654 | 11,860,843 |
| Total net position - ending | <u>\$ 21,871,010</u> | <u>\$ 14,570,205</u> | <u>\$ 11,948,226</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 |
|--------------------------|----------------------|-------------------------|
| Nonmajor | | |
| Other Enterprise Funds | Totals | Internal Service Funds |
| \$ 739,746 | \$ 7,405,869 | \$ - |
| - | - | 9,249,681 |
| - | - | 437,850 |
| <u>739,746</u> | <u>7,405,869</u> | <u>9,687,531</u> |
| | | |
| (9,103) | 2,922,109 | 146,320 |
| - | 143,193 | - |
| 658,551 | 732,967 | 3,441 |
| 21,182 | 474,216 | 100 |
| - | 1,020,852 | 8,167,194 |
| - | 711,199 | 219,345 |
| 49,696 | 970,686 | - |
| - | 452,813 | - |
| - | - | 642,607 |
| <u>144,800</u> | <u>2,074,686</u> | <u>-</u> |
| <u>865,126</u> | <u>9,502,721</u> | <u>9,179,007</u> |
| <u>(125,380)</u> | <u>(2,096,852)</u> | <u>508,524</u> |
| | | |
| - | 329,443 | - |
| 480 | 24,781 | 2,124 |
| - | 39,307 | 14,556 |
| (27,044) | (27,044) | - |
| - | 563,066 | - |
| (65,981) | (468,753) | - |
| (92,545) | 460,800 | 16,680 |
| (217,925) | (1,636,052) | 525,204 |
| 208,375 | 1,439,372 | 589 |
| (9,550) | (196,680) | 525,793 |
| 2,740,185 | 51,316,756 | 2,497,565 |
| <u>\$ 2,730,635</u> | <u>\$ 51,120,076</u> | <u>\$ 3,023,358</u> |
| | | |
| | (196,680) | |
| | | |
| | 52,147 | |
| | <u>\$ (144,533)</u> | |

Wayne County, North Carolina
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2021

| | Business-type Activities | | |
|--|---------------------------------|-----------------------------|--------------------------|
| | Major | Solid Waste Disposal | Maxwell Center |
| | Jetport Fund | | |
| Cash flows from operating activities: | | | |
| Receipts from customers | \$ 5,206,739 | \$ 1,054,170 | \$ 1,085,087 |
| Payments to employees for services | (1,953,598) | (361,661) | (114,762) |
| Payments to suppliers of goods and services | (2,034,353) | (628,091) | (619,044) |
| Proceeds from unrestricted revenues | <u>35,095</u> | <u>-</u> | <u>4,211</u> |
| Net cash provided (used) by operating activities | 1,253,883 | 64,418 | 355,492 |
| Cash flows from noncapital financing activities: | | | |
| Grant proceeds | 338,386 | - | 553,264 |
| Due (to) from other government | 1,507 | (1,422) | 46,138 |
| Transfers (to) from other funds | <u>-</u> | <u>1,131,293</u> | <u>99,704</u> |
| Net cash provided (used) by noncapital financing activities | 339,893 | 1,129,871 | 699,106 |
| Cash flows from capital and related financing activities: | | | |
| Principal payments related to capital debt | - | (661,879) | - |
| Interest payments related to capital debt | - | (404,258) | - |
| Payments for the acquisition of capital assets | <u>(1,069,125)</u> | <u>-</u> | <u>(695,990)</u> |
| Net cash provided (used) by capital and related financing activities | (1,069,123) | (1,066,137) | (695,990) |
| Cash flows from investing activities | | | |
| Loan to City of Goldsboro | - | 69,000 | - |
| Interest payments received | <u>23,090</u> | <u>839</u> | <u>372</u> |
| Net cash provided (used) by investing activities | <u>23,090</u> | <u>69,839</u> | <u>372</u> |
| Net increase (decrease) in cash and cash equivalents | 547,743 | 197,991 | 358,980 |
| Cash and cash equivalents, July 1 | <u>11,151,757</u> | <u>801,985</u> | <u>282,938</u> |
| Cash and cash equivalents, June 30 | <u>11,699,500</u> | <u>999,976</u> | <u>641,918</u> |
| Operating income | (581,637) | (819,667) | (570,168) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | |
| Depreciation | 850,668 | 654,351 | 424,867 |
| Pension expense | - | - | - |
| Non operating income | 35,096 | - | 4,211 |
| Changes in assets and liabilities | | | |
| (Increase) decrease | | | |
| Accounts receivable | 108,142 | 209,800 | 361,930 |
| Inventory | (12,858) | - | 14,473 |
| Increase (decrease) | | | |
| Accounts payable | (5,084) | (541) | 46,208 |
| Postemployment liability | 231,536 | - | 61,248 |
| Pensions | 162,686 | 22,629 | 11,549 |
| Postclosure costs | 452,813 | - | - |
| Other liabilities | <u>12,521</u> | <u>(2,154)</u> | <u>1,174</u> |
| Total adjustments | <u>1,835,520</u> | <u>884,085</u> | <u>925,660</u> |
| Net cash provided (used) by operating activities | <u>\$ 1,253,883</u> | <u>\$ 64,418</u> | <u>\$ 355,492</u> |

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

| <u>Business-type Activities</u> | | <u>Governmental Activities</u> | |
|---------------------------------|---------------------|--------------------------------|--|
| <u>Nonmajor</u> | | <u>Internal Service Funds</u> | |
| <u>Other Enterprise Funds</u> | <u>Totals</u> | | |
| \$ 1,153,805 | \$ 8,499,801 | \$ 9,683,438 | |
| (22,768) | (2,452,789) | - | |
| (782,991) | (4,064,479) | (9,334,144) | |
| <u>-</u> | <u>39,306</u> | <u>14,556</u> | |
| 348,046 | 2,021,839 | 363,850 | |
| - | 891,650 | - | |
| - | 46,223 | - | |
| <u>209,757</u> | <u>1,440,754</u> | <u>590</u> | |
| 209,757 | 1,679,521 | 590 | |
| (90,000) | (751,879) | - | |
| (65,981) | (470,239) | - | |
| <u>(91,243)</u> | <u>(787,233)</u> | <u>-</u> | |
| (247,224) | (3,078,474) | - | |
| - | 69,000 | | |
| <u>479</u> | <u>24,780</u> | <u>2,124</u> | |
| <u>479</u> | <u>93,780</u> | <u>2,124</u> | |
| 311,058 | 1,415,772 | 366,564 | |
| <u>261,387</u> | <u>12,498,067</u> | <u>3,172,557</u> | |
| <u>572,445</u> | <u>13,913,839</u> | <u>3,539,121</u> | |
| (125,380) | (2,096,852) | 508,524 | |
| 144,800 | 2,074,686 | - | |
| - | 39,307 | 14,556 | |
| 414,059 | 1,093,931 | (4,094) | |
| - | 1,615 | (5,081) | |
| (53,562) | (12,979) | (150,055) | |
| (31,871) | 260,913 | - | |
| - | 196,864 | - | |
| - | 452,813 | - | |
| - | 11,541 | - | |
| <u>473,426</u> | <u>4,118,691</u> | <u>(144,674)</u> | |
| <u>\$ 348,046</u> | <u>\$ 2,021,839</u> | <u>\$ 363,850</u> | |

Wayne County, North Carolina
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

| | Custodial Funds |
|---|------------------------|
| Assets | |
| Cash and cash equivalents | \$ 110,148 |
| Taxes receivable for other governments, net | <u>876,246</u> |
| Total assets | <u><u>986,394</u></u> |
| Liabilities | |
| Miscellaneous liabilities | - |
| Total liabilities | <u>-</u> |
| Net Position | |
| Individuals, organizations, and other governments | 986,394 |
| Total fiduciary net position | <u><u>986,394</u></u> |

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

Wayne County, North Carolina
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021

| | <u>Custodial Funds</u> |
|--|-------------------------------|
| Additions | |
| Ad valorem taxes collected for other governments | \$ 20,831,204 |
| Collections on behalf of inmates | 892,569 |
| Miscellaneous custodial funds | <u>26,014</u> |
| Total additions | 21,749,787 |
| Deductions | |
| Tax distributions to other governments | 20,831,204 |
| Payments on behalf of inmates | 862,293 |
| Payments of miscellaneous custodial funds | 32,453 |
| Transfer to general fund | <u>8,113</u> |
| Total deductions | <u>21,734,063</u> |
| Net increase (decrease) in fiduciary net position | 15,724 |
| Net position - beginning of year | - |
| Prior period restatement | <u>970,670</u> |
| Net position - as restated | <u>970,670</u> |
| Net position - end of year | <u>\$ 986,394</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, 2021

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, 2021

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

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

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

The County reports the following major governmental funds:

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

American Rescue Plan (ARP) Fund: This fund accounts for moneys received from the federal government for the ARP Act. These funds are used to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession in the United States.

Non-major Funds: The County maintains thirteen legally budgeted or project length budgeted funds and one permanent fund. The Emergency Telephone System Fund, the Fire District Fund, the Fines and Forfeitures Fund, the Representative Payee Fund, the CARES Act 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 Capital Reserve Projects Fund, and the County Capital Project-911 Call Center Fund, are reported as capital projects funds. The Permanent Fund-Senior Center is reported as a non-major permanent fund. A description of each follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

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

CARES Act Fund: This fund accounts for moneys received from the federal government for The Coronavirus Aid, Relief, and Economic Security Act (CARES). The funds are used to respond to the economic fallout of the COVID-19 pandemic in the United States.

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 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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.

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.

Airport 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.

Custodial Funds: Custodial funds are used to report fiduciary activities that are not required to be reported in pension (and other employee benefit) trust funds, investment trust funds, or private-purpose trust funds. Custodial funds are used to account for assets the County holds on behalf of others that meet certain criteria. The County maintains the following custodial funds: 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 Inmate Accounts Fund for moneys deposited with the Sheriff Department on behalf of inmates; the Miscellaneous Agency Funds which account for moneys collected from various civic organizations and held in a fiduciary capacity to augment the activities financed by public funds.

Measurement Focus, Basis of Accounting

In accordance with North Carolina General Statutes, all funds of the County are maintained during the year using the modified accrual basis of accounting.

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

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

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

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

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the ARP Fund, the Emergency Telephone Fund, the Fire District Fund, the Fines and Forfeitures Fund, the Representative Payee Fund, the CARES Act 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

1. Deposits and Investments

All deposits of the County, the Wayne County Tourism Development Authority, and the ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Wayne County Tourism Development Authority, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Wayne County 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, 2021.

- 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 2a7 fund which invests in treasuries and government agencies and is rated AAA 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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. Money in the School Capital Project Fund is classified as restricted assets because its use is restricted per North Carolina General Statutes 159-18 through 22. 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 and proprietary funds is restricted based on the terms of its related debt covenant or unused debt proceeds.

Wayne County, North Carolina Restricted Cash

Current Assets:

Governmental Activities

| | | |
|---|------------------------------|-------------------|
| General Fund | Tax Revaluation | \$ 546,273 |
| Special Revenue Fund | ARP Fund | 11,959,135 |
| Special Revenue Fund | Emergency Telephone | 1,157,310 |
| Special Revenue Fund | Fire Districts | 39,340 |
| Special Revenue Fund | Representative Payee | 73,582 |
| Special Revenue Fund | CARES Act | 1,184 |
| Special Revenue Fund | Street Light | 31,387 |
| Special Revenue Fund | Neighborhood Roads | 433,320 |
| Capital Projects Fund | 911 Call Center | 4,995,500 |
| Capital Projects Fund | General Government Bond | 5,171,744 |
| Capital Projects Fund | Meadow Lane/School Buildings | 1,108,341 |
| Permanent Fund | Senior Center | 7,885 |
| Restricted Cash, Current Assets - Governmental | | <u>25,525,001</u> |
| Business-type Activities | | |
| Sewer Fund | Debt Proceeds | 7,944 |
| MRACC Fund | Debt Proceeds | 20,902 |
| Restricted Cash, Current Assets - Business-type | | <u>28,846</u> |
| Total Restricted Cash, Current Assts | | <u>25,553,847</u> |

Noncurrent Assets:

Governmental Activities

| | | |
|--|-------------------|----------------------|
| General Fund | QSCB Sinking Fund | <u>9,648,030</u> |
| Total Restricted Cash, Noncurrent Assets | | <u>9,648,030</u> |
| Total Restricted Cash | | <u>\$ 35,201,877</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2021.

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.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 |

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, taxes and 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

10. Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. For the County's government-wide and proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The ABC Board employees may not accumulate vacation days.

The sick leave policies of the County and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County, nor the ABC Board has any obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

11. Net Position/Fund Balances

Net Position

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

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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 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 School – 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

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

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

Restricted for Social Services and Permanent Fund Senior Center – Social Services portion of fund balance is the amount held by the Department for the benefit of certain individuals. The Senior Center 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.

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

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

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

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

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

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

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

12. Defined Benefit Pension Plans

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 \$38,081,076 consists of several elements as follows:

| Description | Amount |
|--|----------------------|
| Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide statement in governmental activities column). | |
| Less accumulated depreciation | \$ 229,637,012 |
| | 68,872,485 |
| | <u>160,764,527</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. | 3,023,358 |
| 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. | 2,172,695 |
| LGERS - pension related deferrals | 6,181,994 |
| LGERS - net pension liability | (17,943,963) |
| LEOSSA - pension related deferrals | 1,468,200 |
| LEOSSA - net pension liability | (4,507,101) |
| ROD - pension related deferrals | (11,436) |
| ROD - net pension asset | 206,773 |
| OPEB - OPEB related deferrals | 3,362,512 |
| OPEB - net pension liability | (43,484,062) |
| 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 | (70,254,000) |
| Compensated absences | (2,377,885) |
| Accrued interest payable | (520,536) |
| | <u>(73,152,421)</u> |
| Total adjustment | <u>\$ 38,081,076</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 (\$11,928,627) as follows:

| Description | Amount |
|---|-------------------------------|
| Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities. | \$ 7,259,857 |
| 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. | (6,682,792) |
| Cost of capital assets disposed of during the year, not recognized on modified accrual basis. | 1,025,330 |
| Contributions and costs to the LGERS pension plan in the current fiscal year are not included on the Statement of Activities. | (5,055,305) |
| Contributions and costs to the LEOSSA pension plan in the current fiscal year are not included on the Statement of Activities. | (452,228) |
| Contributions and costs to the ROD pension plan in the current fiscal year are not included on the Statement of Activities. | 12,315 |
| Contributions and costs to the OPEB plan in the current fiscal year are not included on the Statement of Activities. | (1,571,404) |
| 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. | (6,697,000) |
| 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. | 26,894 |
| Compensated absences | 32,233 |
| Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements: | (300,172) |
| 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. | 473,645 |
| Total adjustment | <u><u>\$ (11,928,627)</u></u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2021, the County's deposits had a carrying amount of \$66,256,862 and a bank balance of \$67,602,704. Of the bank balance, \$750,000 was covered by federal depository insurance, and \$90,391 in non-interest-bearing deposits and \$66,762,313 in interest bearing deposits were covered by collateral held under the Pooling Method.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

At June 30, 2021, Wayne County had \$10,819 cash on hand.

At June 30, 2021, the carrying amount of deposits for the Wayne County ABC Board was \$3,899,419 and the bank balance was \$3,800,240. All of the bank balance was covered by federal depository insurance except for \$3,300,240, which was collateralized by institutions using the Pooling Method. At June 30, 2021, The ABC Board had \$6,600 cash on hand.

At June 30, 2021, the carrying amount of deposits for the Wayne County Tourism Development Authority was \$88,911 and the bank balance was \$104,206. All of the Tourism Authority's deposits were fully covered by federal depository insurance.

2. Investments

As of June 30, 2021 the County had the following investments and maturities.

| Investment Type | Valuation Measurement Method | Less Than 6 Months | | |
|--|---------------------------------|----------------------|----------------------|-------------|
| | | Fair Value | Less Than 6 Months | 6-12 Months |
| NC Capital Management Trust Government Portfolio | Fair Value - Level 1 | 27,343,703 | 27,343,703 | N/A |
| NC Capital Management Trust Term Portfolio* | Fair Value - Level 1 | 255,091 | 255,091 | N/A |
| Total | | \$ 27,598,794 | \$ 27,598,794 | \$ - |

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 AAA rating from S&P and AAA-mf by Moody's Investor Service. The NCCMT Term Portfolio has no rating.

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

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

Interest Rate Risk. The County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years. The State Treasurer's Short Term Investment Fund (STIF) is unrated and had a weighted average maturity of 1.3 years at June 30, 2021.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2021, 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 AAm by Standard & Poor's as of June 30, 2021. 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 5% 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 \$9,648,030.

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

3. Inventories

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

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

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

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 |
|----------------|-----------------------------|----------------------------|-----------------------------|
| 2018 | \$ 3,137,192 | \$ 1,027,430 | \$ 4,164,622 |
| 2019 | 3,137,869 | 745,244 | 3,883,113 |
| 2020 | 4,039,441 | 595,818 | 4,635,259 |
| 2021 | <u>4,038,593</u> | <u>232,219</u> | <u>4,270,812</u> |
| | <u><u>\$ 14,353,095</u></u> | <u><u>\$ 2,600,711</u></u> | <u><u>\$ 16,953,806</u></u> |

5. Receivables

Receivables at the government-wide level at June 30, 2021 were as follows:

| | Accounts | Taxes and Accrued Interest | Due from Other Governments | Total |
|---------------------------------------|--------------------------|-------------------------------|-------------------------------|-----------------------------|
| Governmental Activities: | | | | |
| General | \$ 1,547,509 | \$ 3,941,063 | \$ 2,208,541 | \$ 7,697,113 |
| Other governmental | - | 692,024 | 9,197,136 | 9,889,160 |
| Total receivables | <u>1,547,509</u> | <u>4,633,087</u> | <u>11,405,677</u> | <u>17,586,273</u> |
| Allowance for doubtful accounts | <u>(817,792)</u> | <u>(947,388)</u> | <u>-</u> | <u>(1,765,180)</u> |
| Total-governmental activities | <u>\$ 729,717</u> | <u>\$ 3,685,699</u> | <u>\$ 11,405,677</u> | <u>\$ 15,821,093</u> |
| | Accounts | Taxes and Accrued Interest | Due from Other Governments | Total |
| Business-type Activities: | | | | |
| Solid Waste Disposal | \$ 654,693 | \$ 84,222 | \$ 96,322 | \$ 835,237 |
| Sewer Fund | 152,202 | - | 7,147 | 159,349 |
| Airport | 53,766 | - | 5,457 | 59,223 |
| MRAC | 84,454 | - | 5,861 | 90,315 |
| Total receivables | <u>945,115</u> | <u>84,222</u> | <u>114,787</u> | <u>1,144,124</u> |
| Allowance for doubtful accounts | <u>(276,749)</u> | <u>-</u> | <u>-</u> | <u>(276,749)</u> |
| Total-business-type activities | <u>\$ 668,366</u> | <u>\$ 84,222</u> | <u>\$ 114,787</u> | <u>\$ 867,375</u> |

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

| | |
|-------------------------|-----------------------------|
| Local option sales tax | \$ 4,817,349 |
| Sales tax refund | 823,793 |
| Other taxes | 789,983 |
| Grants receivable | 1,486,004 |
| EMS Medicaid receivable | 646,677 |
| Other | <u>2,956,658</u> |
| Total | <u>\$ 11,520,464</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

The Tourism Development Authority's receivables consist of occupancy taxes from local hotels of \$18,230. Management expects all accounts receivable to be collected; therefore, no allowance for doubtful accounts has been recorded.

6. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2021 was as follows:

| | Balance July 01, 2020 | Increases | Decreases | Balance June 30, 2021 |
|--|--|------------------|------------------|--|
| <u>Governmental activities:</u> | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 18,416,213 | \$ 3,156,430 | \$ 4,492 | \$ 21,568,151 |
| Total capital assets not being depreciated | 18,416,213 | 3,156,430 | 4,492 | 21,568,151 |
| Capital assets being depreciated: | | | | |
| Buildings | 161,380,586 | 6,064,186 | 1,798,839 | 165,645,933 |
| Infrastructure | 2,047,364 | 1,350,616 | - | 3,397,980 |
| Intangibles | 1,802,388 | 93,911 | - | 1,896,299 |
| Furniture and equipment | 26,210,883 | 1,340,019 | 50,915 | 27,499,987 |
| Vehicles and motor equipment | 7,031,460 | 4,183,398 | 586,198 | 10,628,660 |
| Total capital assets being depreciated | 198,472,681 | 13,032,130 | 2,435,952 | 209,068,859 |
| Less accumulated depreciation for: | | | | |
| Buildings | 38,696,505 | 4,010,657 | 363,641 | 42,343,521 |
| Infrastructure | 333,107 | 245,681 | - | 578,788 |
| Intangibles | 915,551 | 122,337 | - | 1,037,888 |
| Furniture and equipment | 16,436,094 | 1,562,962 | 44,057 | 17,954,999 |
| Vehicles and motor equipment | 5,048,239 | 3,476,084 | 567,036 | 7,957,287 |
| Total accumulated depreciation | 61,429,496 | \$ 9,417,721 | \$ 974,734 | 69,872,483 |
| Total capital assets being depreciated, net | 137,043,185 | | | 139,196,376 |
| Governmental activity capital assets, net | \$ 155,459,398 | | | \$ 160,764,527 |

Increases for capital assets also include the transfer of the Emergency Management Services to the general government. For more information, see Note VIII, restatement/change in accounting principle. In addition, the County moved to a new general ledger and fixed asset software. In the conversion, some items were transferred between assets. They are reported as increases and decreases; they net between asset types.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | |
|-----------------------------------|----------------------------|
| General government | \$ 2,283,613 |
| Public safety | 2,084,111 |
| Economic and physical development | 132,847 |
| Human services | 623,442 |
| Cultural and recreational | 4,264 |
| Environmental protection | 3,765 |
| Education | 1,550,751 |
| Total depreciation expense | <u>\$ 6,682,793</u> |
| Transfer of EMS | <u>2,734,928</u> |
| | <u><u>\$ 9,417,721</u></u> |

| | Balance July 01, 2020 | Increases | Decreases | Balance June 30, 2021 |
|---|--------------------------|------------|-----------|--------------------------|
| <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 | 1,317,547 | 7,610 | 12,000 | 1,313,157 |
| Land improvements | 5,624,195 | - | - | 5,624,195 |
| Contractor equipment | 8,147,223 | 168,784 | - | 8,316,007 |
| Furniture and equipment | 1,420,208 | 892,731 | 130,654 | 2,182,285 |
| Vehicles and motor equipment | 888,749 | 125,246 | - | 1,013,995 |
| Total capital assets being depreciated | 17,397,922 | 1,194,371 | 142,654 | 18,449,639 |
| Less accumulated depreciation for: | | | | |
| Buildings | 460,145 | 35,989 | 12,000 | 484,134 |
| Land improvements | 2,468,815 | 168,044 | - | 2,636,859 |
| Contractor equipment | 4,786,073 | 490,185 | - | 5,276,258 |
| Furniture and equipment | 895,159 | 117,134 | 5,408 | 1,006,885 |
| Vehicles and motor equipment | 638,419 | 39,316 | - | 677,735 |
| Total accumulated depreciation | 9,248,611 | \$ 850,668 | \$ 17,408 | 10,081,871 |
| Total capital assets being depreciated, net | 8,149,311 | | | 8,367,768 |
| Solid Waste Disposal capital assets, net | \$ 19,171,974 | | | \$ 19,390,431 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | <u>Balance</u> <u>July 01, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|---|--|------------------|------------------|--|
| <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 | 6,115,503 | - | 43,413 | 6,072,090 |
| Buildings | 150,762 | - | - | 150,762 |
| Furniture and equipment | 425,452 | 90,941 | 19,300 | 497,093 |
| Vehicles and motor equipment | 119,425 | 19,300 | - | 138,725 |
| Total capital assets being depreciated | 6,811,142 | 110,241 | 62,713 | 6,858,670 |
| Less accumulated depreciation for: | | | | |
| Infrastructure | 2,533,938 | 114,469 | 16,370 | 2,632,037 |
| Buildings | 37,823 | 5,296 | - | 43,119 |
| Furniture and equipment | 205,344 | 17,798 | 12,974 | 210,168 |
| Vehicles and motor equipment | 88,682 | 20,211 | - | 108,893 |
| Total accumulated depreciation | 2,865,787 | \$ 157,774 | \$ 29,344 | 2,994,217 |
| Total capital assets being depreciated, net | 3,945,355 | | | 3,864,453 |
| Sewer capital assets, net | <u>\$ 3,968,983</u> | | | <u>\$ 3,888,081</u> |

| | <u>Balance</u> <u>July 01, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|---|--|------------------|------------------|--|
| <u>Business-type activities:</u> | | | | |
| Airport: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 1,073,214 | \$ - | \$ - | \$ 1,073,214 |
| Total capital assets not being depreciated | 1,073,214 | - | - | 1,073,214 |
| Capital assets being depreciated: | | | | |
| Buildings | 13,471,898 | 695,919 | - | 14,167,817 |
| Intangibles | 143,854 | - | - | 143,854 |
| Infrastructure | 2,462 | - | - | 2,462 |
| Furniture and equipment | 230,265 | - | - | 230,265 |
| Vehicles and motor equipment | 21,295 | - | - | 21,295 |
| Total capital assets being depreciated | 13,869,774 | 695,919 | - | 14,565,693 |
| Less accumulated depreciation for: | | | | |
| Buildings | 3,553,730 | 402,363 | - | 3,956,093 |
| Intangibles | 66,417 | 6,662 | - | 73,079 |
| Infrastructure | 49 | 99 | - | 148 |
| Furniture and equipment | 143,818 | 15,744 | - | 159,562 |
| Vehicles and motor equipment | 21,293 | - | - | 21,293 |
| Total accumulated depreciation | 3,785,307 | \$ 424,868 | \$ - | 4,210,175 |
| Total capital assets being depreciated, net | 10,084,467 | | | 10,355,518 |
| Airport capital assets, net | <u>\$ 11,157,681</u> | | | <u>\$ 11,428,732</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | <u>Balance</u> <u>July 01, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|---|--|------------------|------------------|--|
| <u>Business-type activities:</u> | | | | |
| Maxwell Center: | | | | |
| Capital assets not being depreciated: | | | | |
| Land | \$ 2,210,000 | \$ - | \$ - | \$ 2,210,000 |
| Total capital assets not being depreciated | 2,210,000 | - | - | 2,210,000 |
| Capital assets being depreciated: | | | | |
| Buildings | 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 | 1,432,284 | 629,577 | - | 2,061,861 |
| Equipment | 2,715 | 1,253 | - | 3,968 |
| Intangibles | 49,827 | 23,521 | - | 73,348 |
| Total accumulated depreciation | 1,484,826 | \$ 654,351 | \$ - | 2,139,177 |
| Total capital assets being depreciated, net | 22,670,020 | | | 22,015,669 |
| Maxwell Center capital assets, net | 22,670,020 | | | 24,225,669 |
| Business-type activities capital assets, net | \$ 56,968,658 | | | \$ 58,932,913 |

Construction Commitments

The government has no active construction commitments.

Discretely presented component units

Activity for the ABC Board for the year ended June 30, 2021 was as follows:

| | <u>Balance</u> <u>July 01, 2020</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance</u> <u>June 30, 2021</u> |
|---|--|------------------|------------------|--|
| 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 | 2,061,460 | - | - | 2,061,460 |
| Furniture and equipment | 761,124 | 36,257 | - | 797,381 |
| Vehicles and motor equipment | 172,348 | 5,000 | 18,995 | 158,353 |
| Leasehold improvements | 12,544 | - | - | 12,544 |
| Total capital assets being depreciated | 3,007,476 | 41,257 | 18,995 | 3,029,738 |
| Less accumulated depreciation for: | | | | |
| Building | 590,741 | 52,806 | - | 643,547 |
| Furniture and equipment | 580,475 | 69,182 | - | 649,657 |
| Vehicles and motor equipment | 154,870 | 9,807 | 18,995 | 145,682 |
| Leasehold improvements | 12,544 | - | - | 12,544 |
| Total accumulated depreciation | 1,338,630 | \$ 131,795 | \$ 18,995 | 1,451,430 |
| Total capital assets being depreciated, net | 1,668,846 | | | 1,578,308 |
| Wayne County ABC Board, net | \$ 2,376,954 | | | \$ 2,286,416 |

The Wayne County Tourism Development Authority does not have any capital assets as of June 30, 2021.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2021 were as follows:

| | Vendors | Salaries and Benefits | Accrued Interest | Total |
|---------------------------------------|----------------------------|--------------------------|--------------------------|----------------------------|
| | | | | |
| Governmental Activities: | | | | |
| General | \$ 1,146,252 | \$ 334,659 | \$ 520,536 | \$ 2,001,447 |
| Other governmental | 32,198 | - | - | 32,198 |
| Total-governmental activities | <u>\$ 1,178,450</u> | <u>\$ 334,659</u> | <u>\$ 520,536</u> | <u>\$ 2,033,645</u> |
| Business-type Activities: | | | | |
| Solid Waste Disposal | \$ 87,905 | \$ 48,532 | \$ - | \$ 136,437 |
| Sewer Fund | 470,962 | - | 4,565 | 475,527 |
| EMS - EMS Net Fund | - | - | - | - |
| Airport | 66,604 | 1,000 | - | 67,604 |
| MRAC | 77,366 | - | 21,167 | 98,533 |
| Total-business-type activities | <u>\$ 702,837</u> | <u>\$ 49,532</u> | <u>\$ 25,732</u> | <u>\$ 778,101</u> |

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

Plan Description. The County is a participating employer in the statewide Local Governmental Employees' Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local governmental entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 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, 2021, was 10.840%, less 0.200% court costs, of compensation for law enforcement officers and 10.220% 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 0.140% for law enforcement officers and 0.070% for general employees. Contributions to the pension plan from the County were \$3,781,907 for the year ended June 30, 2021.

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, 2021, was \$75,277. The Wayne County Tourism Development Authority does not have any employees and does not participate in LGERS.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

At June 30, 2021, the County reported a liability of \$19,047,075 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the County's proportion was 0.53302%, which was a decrease of 0.05720% from its proportion measured as of June 30, 2021 (measure as of June 30, 2019).

For the year ended June 30, 2021, the County recognized pension expense of \$2,975,837. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 2,405,311 | \$ - |
| Changes of assumptions | 1,417,476 | - |
| Net difference between projected and actual earnings on pension plan | 2,680,366 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 65,247 | 928,621 |
| Employer contributions subsequent to the measurement date* | 922,256 | - |
| Total | \$ 7,490,656 | \$ 928,621 |

\$922,256 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:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| Year ended June 30: | |
|---------------------|---------------------|
| 2021 | \$ 1,589,044 |
| 2022 | 2,133,329 |
| 2023 | 1,124,155 |
| 2024 | 793,251 |
| 2025 | - |
| Thereafter | - |
| | <u>\$ 5,639,779</u> |

At June 30, 2021, the ABC Board reported a liability of \$372,708 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020 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, 2021, the ABC Board's proportion was 0.01043%, which was an increase of 0.00132% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2021, the ABC Board recognized pension expense of \$143,433. At June 30, 2021, the ABC Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 47,067 | \$ - |
| Changes of assumptions | 27,737 | - |
| Net difference between projected and actual earnings on pension plan | 52,448 | - |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 31,003 | - |
| Employer contributions subsequent to the measurement date* | 91,136 | - |
| Total | <u>\$ 249,391</u> | <u>\$ -</u> |

\$91,136 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:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| Year ended June 30: | |
|---------------------|-------------------|
| 2021 | \$ 48,292 |
| 2022 | 58,288 |
| 2023 | 36,154 |
| 2024 | 15,522 |
| 2025 | - |
| Thereafter | - |
| | <u>\$ 158,256</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2019 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.

The actuarial assumptions used in the December 31, 2019 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, 2021 are summarized in the following table:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

| | 1% Decrease (6.00%) | Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|--------------------------|------------------------|
| County's proportionate share of the net pension liability (asset) | \$ 38,644,440 | \$ 19,047,075 | \$ 2,760,287 |
| ABC Board's proportionate share of the net pension liability | 756,185 | 372,708 | 54,013 |

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2019, the Separation Allowance's membership consisted of:

| | |
|---|------------|
| Inactive members currently receiving benefits | 13 |
| Active plan members | 129 |
| Total | <u>142</u> |

2. *Summary of Significant Accounting Policies*

Basis of Accounting. The County has chosen to fund the Separation Allowance on a pay as you go basis. Pension expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. Benefits are recognized when due and payable in accordance with the terms of the plan.

The Separation Allowance has no assets accumulated in a trust that meets the following criteria which are outlined in GASB Statements 73.

3. *Actuarial Assumptions*

The entry age actuarial cost method was used in the December 31, 2019 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

| | |
|------------------|---|
| Inflation | 2.5 percent per annum |
| Salary increases | 3.25 to 7.75 percent, including inflation and productivity factor |
| Discount rate | 1.93 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

The actuarial assumptions used in the December 31, 2019 valuation were based on the results of an experience study completed by the Actuary for the LGERS for the five-year period ending December 31, 2019.

Mortality Rate

Deaths After Retirement (Healthy): Mortality rates are based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table. The RP-2014 annuitant tables have no rates prior to age 50. The RP-2014 Total Data Set Employee Mortality Table is used for ages less than 50.

Deaths After Retirement (Disabled): Mortality rates are based on the RP-2014 Total Data Set for Disabled Annuitants Mortality Table. Rates for male members are multiplied by 103% for all ages. Rates for female members are multiplied by 99% for all ages.

Deaths Before Retirement: Mortality rates are based on the RP-2014 Total Data Set Employee Mortality Table.

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 earnings. The County paid \$131,296 as benefits came due for the measurement period, and paid \$85,506 in benefits and actuarial costs for the period subsequent to December 31, 2020 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, 2021, the County reported a total pension liability of \$4,507,101. The total pension liability was measured as of December 31, 2020 based on a December 31, 2019 actuarial valuation. The total pension liability was rolled forward to December 31, 2020 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2021, the County recognized pension expense of \$609,666.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 350,623 | \$ - |
| Changes of assumptions | 1,093,226 | 61,155 |
| Employer contributions subsequent to the measurement date* | 85,506 | - |
| Total | \$ 1,529,355 | \$ 61,155 |

\$84,448 reported as deferred outflows of resources related to pensions resulting from benefit payments made and \$1,058 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, 2022. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year ended June 30: | |
|---------------------|------------------|
| 2022 | \$ 27,020 |
| 2023 | 21,891 |
| 2024 | 12,244 |
| 2025 | - |
| 2026 | - |
| Thereafter | - |
| | \$ 61,155 |

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 1.93 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 (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

| | 1% Decrease (0.93%) | Discount Rate (1.93%) | 1% Increase (2.93%) |
|-------------------------|------------------------|--------------------------|------------------------|
| Total pension liability | \$ 4,922,360 | \$ 4,507,101 | \$ 4,130,023 |

Schedule of Changes in Total Pension Liability

| | |
|---|---------------------|
| Service cost | \$ 166,663 |
| Interest on TOL and cash flows | 99,555 |
| Changes in benefit terms | - |
| Difference between expected and actual experience | 67,585 |
| Changes in assumptions or other inputs | 1,185,123 |
| Benefit payments | (131,296) |
| Net changes in total LEOSSA liability | 1,387,630 |
| Total LEOSSA liability (TOL) - beginning | 3,119,471 |
| Total LEOSSA liability (TOL) - ending | \$ 4,507,101 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.26 percent at December 31, 2019 (valuation date) to 1.93 percent at December 31, 2020 (measurement date).

Changes in Benefit Terms. There are no changes in benefit terms since the prior measurement 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, 2019 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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410 or by call (919) 981-5454.

Funding Policy. Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2021 were \$1,009,423, which consisted of \$649,771 from the County and \$359,652 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, 2021, 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, 2021 was \$744,836.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 Annual Comprehensive Financial Report (ACFR) for the State of North Carolina. The State's ACFR 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 \$9,821 for the year ended June 30, 2021.

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

At June 30, 2021, the County reported an asset of \$206,773 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2020. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019. The total pension liability was then rolled forward to the measurement date of June 30, 2020, 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, 2020, the County's proportion was 0.90223%, which was an increase of 0.07479% from its proportion measured as of June 30, 2019.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

For the year ended June 30, 2021, the County recognized pension expense of (\$2,494). At June 30, 2021, 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 | \$ - | \$ 4,213 |
| Changes of assumptions | - | - |
| Net difference between projected and actual earnings on pension plan | - | 17,693 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 12,221 | 9,470 |
| Employer contributions subsequent to the measurement date* | 7,719 | - |
| Total | <u>\$ 19,940</u> | <u>\$ 31,376</u> |

\$7,719 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, 2022.

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

| Year ended June 30: | |
|---------------------|---------------------------|
| 2022 | \$ (1,701) |
| 2023 | (5,012) |
| 2024 | (7,985) |
| 2025 | (4,457) |
| 2026 | - |
| Thereafter | - |
| | <u>\$ (19,155)</u> |

Actuarial Assumptions. The total pension liability in the December 31, 2019 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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2019 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 2021 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 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 | \$ 175,628 | \$ 206,773 | \$ 233,127 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

e. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The net pension liability (asset) for LGERS and ROD was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019. The total pension liability for LEOSSA was measured as of June 30, 2020, with an actuarial valuation date of December 31, 2019. 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) | \$ 19,047,075 | \$ (206,773) | \$ - | \$ 18,840,302 |
| Proportion of the Net Pension Liability (Asset) | 0.590% | 0.827% | N/A | 1.417% |
| Total Pension Liability | \$ - | \$ - | \$ 4,507,101 | \$ 4,507,101 |
| Pension Expense | \$ 2,975,837 | \$ (2,494) | \$ 609,666 | \$ 3,583,009 |

At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | LGERS | ROD | LEOSSA | Total |
|---|--------------|----------|------------|--------------|
| Deferred Outflows of Resources | | | | |
| Differences between expected and actual experience | \$ 2,405,311 | \$ - | \$ 350,623 | \$ 2,755,934 |
| Changes of assumptions | 1,417,476 | - | 1,093,226 | 2,510,702 |
| Net difference between projected and actual earnings on pension plan | 2,680,366 | - | - | 2,680,366 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 65,247 | 12,221 | - | 77,468 |
| County contributions (LGERS, ROD)/benefit payments and administrative costs (LEOSSA) subsequent to the measurement date | 922,256 | 7,719 | 85,506 | 1,015,481 |
| Deferred Inflows of Resources | | | | |
| Differences between expected and actual experience | \$ - | \$ 4,213 | \$ - | \$ 4,213 |
| Changes of assumptions | - | 17,693 | 61,155 | 78,848 |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 928,621 | 9,470 | - | 938,091 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 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.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| 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, 2020, the date of the latest actuarial valuation:

| | <u>Employees:</u> |
|--|-------------------|
| Retirees and dependents receiving benefits | 121 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | <u>222</u> |
| Total | <u>343</u> |

Total OPEB Liability

The County's total OPEB liability of \$44,856,940 was measured as of June 30, 2020 and was determined by an actuarial valuation as of June 30, 2019.

Actuarial assumptions and other inputs. The total OPEB liability in the June 30, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|-----------------------------|--|
| Inflation | 2.50 percent |
| Salary increases | 3.50 - 7.75 percent, including inflation |
| Discount rate | 2.21 percent |
| Healthcare cost trend rates | Medical/Prescription - 5.25 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, 2020 | \$ 38,911,884 |
| Changes for the Year | |
| Service cost | 876,755 |
| Interest | 1,373,935 |
| Changes in benefit terms | - |
| Difference between expected and actual experience | (3,334,940) |
| Changes in assumptions or other inputs | 8,105,276 |
| Benefit payments | (1,075,970) |
| Net changes | <u>5,945,056</u> |
| Balance at June 30, 2021 | <u>\$ 44,856,940</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% in 2019 to 2.21% in 2020.

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, 2020 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, 2020 valuation were based on a review of recent plan experience done concurrently with the June 30, 2020 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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

| | 1% Decrease (1.21%) | Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 54,190,062 | \$ 44,856,940 | \$ 37,673,570 |

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 | \$ 37,172,297 | \$ 44,856,940 | \$ 54,964,310 |

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

For the year ended June 30, 2021, the County recognized OPEB expense of \$2,411,871. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience | \$ 38,848 | \$ 3,220,401 |
| Changes of assumptions | 7,915,850 | 2,351,040 |
| Employer contributions subsequent to the measurement date | 1,095,626 | - |
| Total | \$ 9,050,324 | \$ 5,571,441 |

\$1,095,626 reported as deferred outflows of resources related to OPEB employer contributions resulting from benefit payments made, \$1,095,626, and administrative expenses, \$61,874, incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2022. 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: | |
|---------------------|---------------------|
| 2022 | \$ 244,437 |
| 2023 | 244,437 |
| 2024 | 1,049,435 |
| 2025 | 844,948 |
| 2026 | - |
| Thereafter | - |
| | \$ 2,383,257 |

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

ABC Board – Eligibility for Allowance. As of March, 1998, the ABC Board offers continuation of group medical coverage to all employees who retire at the age of 62 and older with at least 25 years of service or at any age after 30 years of continuous service and are qualified to receive benefits from NCLGERS. Dependent coverage is not available.

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 – Other Post-Employment Benefits. Healthcare and prescription drug coverage are provided in the Board's group health plan. With Medicare eligibility, retirees are moved to Blue Cross Blue Shield Plan J Medicare supplement.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

ABC Board - Membership of the HCB Plan consisted of the following at June 30, 2020, the date of the latest actuarial valuation:

| | <u>Employees:</u> |
|--|-------------------|
| Retirees and dependents receiving benefits | 4 |
| Terminated plan members entitled to but not yet receiving benefits | 0 |
| Active plan members | <u>19</u> |
| Total | <u><u>23</u></u> |

ABC Board - Total OPEB Liability

The County's total OPEB liability of \$553,392 was measured as of June 30, 2020 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, 2020 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

| | |
|-----------------------------|------------------------------|
| Inflation | 2.50 percent |
| Salary increases | 3.50 percent to 7.75 percent |
| Discount rate | 2.21 percent |
| Healthcare cost trend rates | Pre-Medicare, 7.00 percent |
| | Medicare, 5.25 percent |

The discount rate used to measure the TOL was based on the June average of the Bond Buyer General Obligation 20-year Municipal Bond Index published weekly by the Bond Buyer.

ABC Board - Changes in the Total Liability

| | |
|---|--------------------------|
| Balance at July 1, 2020 | \$ 509,625 |
| Changes for the Year | |
| Service cost | 15,624 |
| Interest | 18,031 |
| Changes in benefit terms | - |
| Difference between expected and actual experience | (59,702) |
| Changes in assumptions or other inputs | 90,057 |
| Benefit payments | <u>(20,343)</u> |
| Net changes | 43,667 |
| Balance at June 30, 2021 | <u>\$ 553,292</u> |

Changes in assumptions and other inputs reflect a change in the discount rate from 3.50% to 2.21%.

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2020 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 (1.21 percent) or 1-percentage point higher (3.21 percent) than the current discount rate:

| | 1% Decrease (1.21%) | Discount Rate (2.21%) | 1% Increase (3.21%) |
|----------------------|------------------------|--------------------------|------------------------|
| Total OPEB Liability | \$ 658,822 | \$ 553,292 | \$ 471,382 |

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 | \$ 462,757 | \$ 553,292 | \$ 675,688 |

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

For the year ended June 30, 2021, the ABC Board recognized OPEB expense of \$16,960. At June 30, 2021, 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 | \$ 218 | \$ 96,428 |
| Changes of assumptions | 95,697 | 24,226 |
| Employer contributions subsequent to the measurement date | 18,498 | - |
| Total | \$ 114,413 | \$ 120,654 |

\$18,498 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, 2022. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as an expense as follows:

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

Year ended June 30:

| | |
|------------|--------------------|
| 2022 | \$ (16,695) |
| 2023 | (14,476) |
| 2024 | (8,465) |
| 2025 | 3,402 |
| 2026 | 5,008 |
| Thereafter | 6,487 |
| | <u>\$ (24,739)</u> |

3. Deferred Outflows and Inflows of Resources

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Pensions/OPEB - difference between expected and actual experience | | |
| LGERS | \$ 2,405,310 | \$ - |
| LEOSSA | 350,623 | - |
| Register of Deeds | - | 4,213 |
| OPEB | 38,848 | 3,220,401 |
| Pensions/OPEB - changes of assumptions | | |
| LGERS | 1,417,476 | - |
| LEOSSA | 1,093,226 | 61,155 |
| Register of Deeds | - | - |
| OPEB | 7,915,850 | 2,351,040 |
| Pensions - net difference between projected and actual earnings on investments | | |
| LGERS | 2,680,366 | - |
| Register of Deeds | - | 17,693 |
| Pensions - change in proportion and difference between employer contributions and proportionate share of contributions | | |
| LGERS | 65,247 | 928,621 |
| Register of Deeds | 12,221 | 9,470 |
| Employer contributions subsequent to measurement date | | |
| LGERS | 922,256 | - |
| LEOSSA | 85,506 | - |
| Register of Deeds | 7,719 | - |
| OPEB | 1,095,628 | - |
| Prepaid taxes not yet earned (General) | - | 52,954 |
| Prepaid taxes not yet earned (Special Revenue) | - | 158,662 |
| Taxes receivable, net, less penalties (Special Revenue) | - | 10,272 |
| Deferred fee and grant revenue (Business) | - | 84,447 |
| | <u>\$ 18,090,276</u> | <u>\$ 6,898,928</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

4. Closure and Postclosure Care Costs

State and federal laws and regulations require the County to place a final cover on its Wayne County Sanitary Landfill when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. The County was required to stop accepting waste at its pre-subtitle D section of the Southern Landfill on December 31, 1997. In November, 2008, the County was allowed to renew the permit for this section for a period of five years. This permit allowed the landfill to use this section for construction and demolition waste. In January 1998, the County began filling Phase I of its new lined landfill, permitted for twenty-three acres. Phase I was filled during 2004. The County opened Phase II of the new lined landfill, permitted for 20 acres during 2004. Phase II was filled in August, 2013. The County is currently in Phase III, a twenty-two acre cell that should take eight years to fill. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$7,705,361 reported as landfill closure and postclosure care liability at June 30, 2021, 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 \$2,474,564 and \$5,230,797 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 \$8,737,739 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 2021. 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.

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 is insured through a municipal risk pool which provides it property and casualty insurance coverages. The main program provides replacement cost coverage on owned property with total insured values of \$168,000,000 subject to a \$5,000 deductible for all major perils (except 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 for employment

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

practices liability are subject to a \$5,000 deductible. 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 thousand. 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. This accurately reflects the County's current exposure. Settled claims have not exceeded coverage in any of the past three fiscal years. All insurance arrangements 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 \$50,000, 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.

| | 2021 | 2020 |
|---|-------------------|-------------------|
| Liability balance, July 1, | \$ 697,041 | \$ 679,364 |
| Incurred claims & claim adjustment expenses | 8,093,768 | 8,807,034 |
| Claims & claims adjustment expenses | (8,215,061) | (8,789,357) |
| Liability Balance, June 30 | <u>\$ 575,748</u> | <u>\$ 697,041</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 in the prior year and settled claims have not exceeded coverage in any of the past three fiscal years.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

In accordance with G.S. 18B-700(i), each board member and the employees designated as general manager and finance officer are bonded in the amount of \$50,000 secured by a corporate surety.

6. Contingent Liabilities

At June 30, 2021, 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, 2021, the amounts owed to Wayne County from the local municipalities are as follows:

| | Original Loan | Payments Received | Balance |
|-----------------------|----------------------|--------------------------|---------------------|
| Town of Fremont, NC | \$ 255,245 | \$ (255,245) | \$ - |
| City of Goldsboro, NC | 636,876 | (636,876) | - |
| City of Goldsboro, NC | 3,000,000 | (800,000) | 2,200,000 |
| Town of Mt. Olive, NC | 100,000 | (100,000) | - |
| Town of Fremont, NC | 70,000 | (61,213) | 8,787 |
| | \$ 4,062,121 | \$ (1,853,334) | \$ 2,208,787 |

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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

The County of Wayne has determined that it is necessary and expedient to finance 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.

The County of Wayne has determined that it is necessary and expedient to finance the purchase of finance office software, voting equipment, and fire department/emergency services radios. Pursuant to Section 160A-20 of the General Statutes of North Carolina, the County financed the Project through an Installment Financing Agreement, as of August 20, 2020, between the County and Truist Bank, whereby Truist Bank shall advance moneys to the County and the County, subject to its right of non-appropriation,

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

shall repay the advance with interest in installments. The principal component of the installment payments due under the agreement shall be \$10,000,000 due June 30, 2036, with approximately equal annual payments due each August 1st, beginning August, 2020. The County will pay interest at a taxable rate between 1.5% and 2.18%, depending on the portion allocated to the various items purchased.

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%. | 26,914,000 |
| \$10,000 installment financing agreement to be paid annually beginning August, 2020 with interest between 1.5% and 2.18% per annum, secured by real property. Final payment due June, 2036. | 10,000,000 |
| | <u>\$ 51,914,000</u> |

For Governmental activities, the future minimum payments as of June 30, 2021 are:

| Year ending June 30 | Principal | Interest | Total Principal and Interest |
|--------------------------------|----------------------|---------------------|---|
| 2022 | \$ 2,853,000 | \$ 1,556,922 | \$ 4,409,922 |
| 2023 | 2,853,000 | 1,497,246 | 4,350,246 |
| 2024 | 2,853,000 | 1,426,775 | 4,279,775 |
| 2025 | 2,853,000 | 1,356,305 | 4,209,305 |
| 2026 | 17,852,000 | 961,084 | 18,813,084 |
| Thereafter | 22,650,000 | 2,781,218 | 25,431,218 |
| Total | \$ 51,914,000 | \$ 9,579,550 | \$ 61,493,550 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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.

| |
|---------------------|
| \$ 1,429,904 |
| <hr/> |
| <u>\$ 1,429,904</u> |

For business type activities, the future minimum payments as of June 30, 2021 are:

| Year ending June 30 | Principal | Interest | Total Principal and Interest |
|--------------------------------|----------------------------|--------------------|---|
| 2022 | \$ 231,877 | \$ - | \$ 231,877 |
| 2023 | 231,877 | - | 231,877 |
| 2024 | 231,877 | - | 231,877 |
| 2025 | 231,877 | - | 231,877 |
| 2026 | 231,877 | - | 231,877 |
| Thereafter | 270,519 | - | 270,519 |
| Total | <u>\$ 1,429,904</u> | <u>\$ -</u> | <u>\$ 1,429,904</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, 2021 is \$30,920,000. Governmental activities balance is \$18,340,000 as of June 30, 2021 and business-type activities balance is \$1,400,000 and \$9,280,000 as of June 30, 2021, sewer and Maxwell Center, respectively.

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

For governmental activities, the future minimum payments as of June 30, 2021 are:

| Year ending June 30 | Principal | Interest | Total Principal and Interest |
|------------------------|----------------------|---------------------|---------------------------------|
| 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 |
| 2026 | 1,215,000 | 522,060 | 1,737,060 |
| Thereafter | 11,795,000 | 2,512,860 | 14,307,860 |
| Total | <u>\$ 18,340,000</u> | <u>\$ 5,762,760</u> | <u>\$ 24,102,760</u> |

For business-type activities, the future minimum payments as of June 30, 2021 are:

| Year ending June 30 | Principal | Interest | Total Principal and Interest |
|------------------------|----------------------|---------------------|---------------------------------|
| 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 |
| 2026 | 515,000 | 342,440 | 857,440 |
| Thereafter | 8,095,000 | 1,805,540 | 9,900,540 |
| Total | <u>\$ 10,680,000</u> | <u>\$ 3,770,140</u> | <u>\$ 14,450,140</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 \$5,854,910.

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, 2021:

| | Balance July 01, 2020 | Increases | Decreases | Balance June 30, 2021 | Current Portion of Balance |
|----------------------------------|--------------------------|----------------------|---------------------|--------------------------|----------------------------------|
| | | | | | |
| Governmental activities: | | | | | |
| Installment purchase contract | \$ 43,837,000 | \$ 10,000,000 | \$ 1,923,000 | \$ 51,914,000 | \$ 2,853,000 |
| Limited obligation bond | 19,720,000 | - | 1,380,000 | 18,340,000 | 2,564,877 |
| Net OPEB liability | 33,287,380 | 10,196,682 | - | 43,484,062 | - |
| Total pension liability (LEOSSA) | 3,119,471 | 1,387,630 | - | 4,507,101 | - |
| Net pension liability (LGERS) | 13,075,105 | 4,868,858 | - | 17,943,963 | - |
| Compensated absences | 2,213,587 | 2,377,885 | 2,213,587 | 2,377,885 | 2,377,805 |
| Total governmental activities | <u>\$ 115,252,543</u> | <u>\$ 28,831,055</u> | <u>\$ 5,516,587</u> | <u>\$ 138,567,011</u> | <u>\$ 7,795,682</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | Balance | Increases | Decreases | Balance | Current Portion of Balance | | |
|--|----------------------|-------------------|-------------------|----------------------|----------------------------------|--|--|
| | July 01, 2020 | | | June 30, 2021 | | | |
| <u>Business-type activities:</u> | | | | | | | |
| Solid Waste Disposal: | | | | | | | |
| Installment purchase contract | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Limited obligation bond | - | - | - | - | - | | |
| Accrued landfill closure and post-closure care costs | 7,252,548 | 452,813 | - | 7,705,361 | - | | |
| Net OPEB liability | 1,020,271 | 231,534 | - | 1,251,805 | - | | |
| Net pension liability (LGERS) | 756,810 | 180,836 | - | 937,646 | - | | |
| Compensated absences | 109,353 | 111,660 | 109,353 | 111,660 | 111,660 | | |
| Total governmental activities | \$ 9,138,982 | \$ 976,843 | \$ 109,353 | \$ 10,006,472 | \$ 111,660 | | |
| | Balance | Increases | Decreases | Balance | Current Portion of Balance | | |
| | July 01, 2020 | | | June 30, 2021 | | | |
| <u>Business-type activities:</u> | | | | | | | |
| Sewer: | | | | | | | |
| Installment purchase contract | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Limited obligation bond | 1,490,000 | - | 90,000 | 1,400,000 | 90,000 | | |
| Accrued landfill closure and post-closure care costs | - | - | - | - | - | | |
| Net OPEB liability | 41,803 | - | 30,834 | 10,969 | - | | |
| Net pension liability (LGERS) | - | - | - | - | - | | |
| Compensated absences | - | - | - | - | - | | |
| Total governmental activities | \$ 1,531,803 | \$ - | \$ 120,834 | \$ 1,410,969 | \$ 90,000 | | |
| | Balance | Increases | Decreases | Balance | Current Portion of Balance | | |
| | July 01, 2020 | | | June 30, 2021 | | | |
| <u>Business-type activities:</u> | | | | | | | |
| Jetport: | | | | | | | |
| Installment purchase contract | \$ - | \$ - | \$ - | \$ - | \$ - | | |
| Limited obligation bond | - | - | - | - | - | | |
| Accrued landfill closure and post-closure care costs | - | - | - | - | - | | |
| Net OPEB liability | 48,854 | 61,248 | - | 110,102 | - | | |
| Net pension liability (LGERS) | 32,205 | 22,951 | - | 55,156 | - | | |
| Compensated absences | 4,493 | 4,667 | 4,493 | 4,667 | 4,667 | | |
| Total governmental activities | \$ 85,552 | \$ 88,866 | \$ 4,493 | \$ 169,925 | \$ 4,667 | | |
| | Balance | Increases | Decreases | Balance | Current Portion of Balance | | |
| | July 01, 2020 | | | June 30, 2021 | | | |
| <u>Business-type activities:</u> | | | | | | | |
| Maxwell Center: | | | | | | | |
| Installment purchase contract | \$ 1,661,781 | \$ - | \$ 231,877 | \$ 1,429,904 | \$ 231,877 | | |
| Limited obligation bond | 9,710,000 | - | 430,000 | 9,280,000 | 430,000 | | |
| Accrued landfill closure and post-closure care costs | - | - | - | - | - | | |
| Net OPEB liability | - | - | - | - | - | | |
| Net pension liability (LGERS) | 112,716 | - | 2,405 | 110,311 | - | | |
| Compensated absences | 13,932 | 11,777 | 13,932 | 11,777 | 11,777 | | |
| Total governmental activities | \$ 11,498,429 | \$ 11,777 | \$ 678,214 | \$ 10,831,992 | \$ 673,654 | | |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

| | Balance | Increases | Decreases | Balance | Current Portion of Balance | | | |
|--|----------------------|---------------------|-------------------|----------------------|----------------------------------|--|--|--|
| | July 01, 2020 | | | June 30, 2021 | | | | |
| <u>Business-type activities:</u> | | | | | | | | |
| Combined: | | | | | | | | |
| Installment purchase contract | \$ 1,661,781 | \$ - | \$ 231,877 | \$ 1,429,904 | \$ 231,877 | | | |
| Limited obligation bond | 11,200,000 | - | 520,000 | 10,680,000 | 520,000 | | | |
| Accrued landfill closure and post-closure care costs | 7,252,548 | 452,813 | - | 7,705,361 | - | | | |
| Net OPEB liability | 1,110,928 | 292,782 | 30,834 | 1,372,876 | - | | | |
| Net pension liability (LGERS) | 901,731 | 203,787 | 2,405 | 1,103,113 | - | | | |
| Compensated absences | 127,778 | 128,104 | 127,778 | 128,104 | 128,104 | | | |
| Total governmental activities | \$ 22,254,766 | \$ 1,077,486 | \$ 912,894 | \$ 22,419,358 | \$ 879,981 | | | |

At June 30, 2021, Wayne County had no unissued bonds and a legal debt margin of \$728,301,566.

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

8. Debt Used for Capital Purposes

| | Governmental Activities | Business- type Activities | Total Debt |
|--------------------------------|----------------------------|------------------------------|----------------------|
| | | | |
| Installment Purchase Contracts | \$ 51,914,000 | \$ 1,429,904 | \$ 53,343,904 |
| Limited Obligation Bonds | 18,340,000 | 10,680,000 | 29,020,000 |
| | \$ 70,254,000 | \$ 12,109,904 | \$ 82,363,904 |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

Interfund Balances and Activity

Transfers to/from:

Transfers to/from other funds at June 30, 2021 consist of the following:

| Description | Amount |
|---|-----------------------|
| From the General fund to the Sewer fund to assist with debt payment associated with public school sewer facilities. | (208,375) |
| From the General fund to Jetport fund to provide resources for capital assets. | (99,704) |
| From the General fund to Maxwell fund to provide resources for operations. | (1,131,293) |
| Total General Fund Transfers to Business Funds (Exhibit 2) | <u>\$ (1,439,372)</u> |
| From the Fiduciary funds to the General fund due to GASB fiduciary fund changes. | 8,113 |
| Total General Fund Transfers (Exhibit 2) | <u>\$ (1,431,259)</u> |

| Description | Amount |
|---|-----------------------|
| From the General fund to the Sewer fund to assist with debt payment associated with public school sewer facilities. | (208,375) |
| From the General fund to Jetport fund to provide resources for capital assets. | (99,704) |
| From the General fund to Maxwell fund to provide resources for operations. | (1,131,293) |
| From the General fund to County Capital Reserve fund to provide resources for capital projects. | (1,484,717) |
| From the General fund to County Capital Project 911 Call Center fund to provide resources for capital projects. | (20,000) |
| Total General Fund transfers out (Exhibit 4) | <u>\$ (2,944,089)</u> |

| Description | Amount |
|---|------------------------|
| From the CARES Act fund to the General fund to provide resources to the County for COVID-19 related activity. | \$ (3,388,505) |
| From the Street Assessment Fund to the General Fund to cover debt payment. | (208,000) |
| From the County Capital Project fund to reimburse the general fund for debt advancement. | (4,871,959) |
| From the County Capital Reserve Project fund to provide resources for capital outlay. | (1,300,313) |
| From the County Capital Project fund - 911 Call Center to reimburse the general fund for debt advancement. | \$ (4,503,026) |
| Total Other Governmental Fund transfers out (Exhibit 4) | <u>(14,271,803)</u> |
| Total transfers out (Exhibit 4) | <u>\$ (17,215,892)</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

C. Net Investment in Capital Assets

Net investment in Capital Assets as of June 30, 2021 consists of the following:

| | Governmental Activities | Business-type Activities | Total | Wayne County ABC Board |
|----------------------------------|------------------------------------|-------------------------------------|------------------------------|-----------------------------------|
| Capital Assets | \$ 160,764,527 | \$ 58,932,914 | \$ 219,697,441 | \$ 2,286,416 |
| less: long-term debt | 70,254,000 | 12,109,904 | 82,363,904 | - |
| plus: Unspent debt proceeds | <u>10,821,564</u> | <u>28,846</u> | <u>10,850,410</u> | <u>-</u> |
| Net investment in capital assets | <u><u>\$ 101,332,091</u></u> | <u><u>\$ 46,851,856</u></u> | <u><u>\$ 148,183,947</u></u> | <u><u>\$ 2,286,416</u></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) | \$ 66,607,772 |
| Less: | |
| Restricted for: Stabilization by state statute | 12,220,676 |
| Restricted for: Future debt payments, QSCB | 9,648,030 |
| Restricted for: Public Schools | 1,505,735 |
| Restricted for: Tax revaluation | 546,273 |
| Restricted for: Law enforcement | 175,352 |
| Restricted for: Grants | 172,310 |
| Committed for: Community College | 37,873 |
| Committed for: Public Schools | 1,506,696 |
| Assigned for: Subsequent year's expenditures | 1,158,643 |
| Working Fund Balance Policy | <u>8,831,013</u> |
| | <u>(35,802,601)</u> |
| Remaining Fund Balance | <u><u>\$ 30,805,171</u></u> |

Wayne County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 14% of budgeted expenditures, including the amount restricted for state stabilization.

IV. Related Organization

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

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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, 2021. 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, 2021. Complete financial statements for the community college may be obtained from the community college's administrative offices at 3000 Wayne Memorial Drive, Goldsboro, NC 27532.

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

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

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

VI. Benefit Payments Issued by the State

The amounts listed below were paid directly to individual recipients by the State from federal and State moneys. County personnel are involved with certain functions,

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

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 | \$ 159,689,861 | \$ 61,997,279 |
| N.C. Health Choice | 2,513,165 | 464,070 |
| Temporary Assistance for Needy Families | 67,876 | |
| Special Assistance for Adults | - | 1,152,639 |
| Women, Infant, Children Program | 3,168,651 | - |
| Supplemental Nutrition Assistance Program | 58,705,286 | - |
| IV-E Foster Care/Adoption Subsidy | 958,010 | 226,541 |
| CWS Adoption Subsidy and Vendor | - | 363,061 |
| | <hr/> <u>\$ 225,102,849</u> | <hr/> <u>\$ 64,203,590</u> |

VII. Summary Disclosure of Significant Commitments and Contingencies

Federal and State Assisted Programs

The County has received proceeds from several federal and State grants. Periodic audits of these grants are required and certain costs may be questioned as not being appropriate expenditures under the grant agreements. Such audits could result in the refund of grant 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.

In October, 2021, the County received notification from the NC Office of State Budget and Management (OSBM) that \$11,822 of the City of Goldsboro CARES funding provided to a local not-for-profit entity had been disallowed. The inter-local agreement between the City and the County required the City to repay, upon demand, any funds which are found to have been utilized in violation of Coronavirus Relief Fund regulations. The OSBM requires repayment by January 25, 2022. A portion of the funds received by the CARES Act was passed through to the City of Goldsboro, and the County does not believe they are responsible for any payment at this time.

VIII. Change in Accounting Principles/Restatement

The County implemented Governmental Accounting Standards Board (GASB) Statement No. 84, *Fiduciary Activities*, effective July 1, 2020. The statement establishes criteria for identifying fiduciary activities of all state and local governments and provides guidance on how to report fiduciary activities within the financial statements. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The statement also describes four fiduciary funds that should be reported if criteria outlined in the statement are met: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4)

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

custodial funds. The use of agency funds was eliminated. The statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources.

As part of implementing the statement, the County performed a comprehensive review of its fiduciary relationships and applied the criteria within the guidance. In addition, the County implemented new general ledger software and revisited business-type funds. The County made the decision that the Emergency Management Service (EMS) and Emergency Management Service – Non Emergency Transportation (EMS, net) should no longer be considered a business-type fund based on the support the services received from the general fund. Effective July 1, 2020, the services were transferred to the general fund.

As a result, fund balance and net position were restated as follows:

| | Governmental Activities Net Position - Increase (Decrease) | Business-type Activities Net Position - Increase (Decrease) | General Fund Balance - Increase (Decrease) | Nonmajor Special Revenue Fund Balance - Increase (Decrease) | Fiduciary Net Position - Custodial Fund - Increase |
|--|---|--|--|--|---|
| EMS Fund closed into net position or fund balance. | \$ 3,363,958 | \$ (3,363,958) | \$ 4,394,789 | \$ - | \$ - |
| EMS, net closed into net position or fund balance. | (141,460) | 141,460 | 931,154 | - | - |
| Cash related to writs of the Sheriff department. | 11,620 | - | 19,697 | - | - |
| Cash and liabilities related to the NC Court System. | 18,697 | - | 18,697 | - | - |
| Cash and liabilities related to the Services on Aging Department. | 14,146 | - | 14,146 | - | - |
| Cash and liabilities related to miscellaneous small activities. | 5,143 | - | 5,143 | - | - |
| Cash received under the Social Security Administration's Representative Payee Program associated with the Department of Social Services. | 62,126 | - | - | 62,126 | - |
| CDBG net fund balance was moved to the General Fund. | - | - | 135,051 | - | - |
| Cash and taxes receivable related to ad valorem and property taxes collected by the County. | - | - | - | - | 913,873 |
| Cash and liabilities related to the Inmate Account Fund. | - | - | - | - | 42,707 |
| Cash and liabilities from small miscellaneous items that meet the definition of custodial fund. | - | - | - | - | 14,090 |
| | <u>\$ 3,334,230</u> | <u>\$ (3,222,498)</u> | <u>\$ 5,518,677</u> | <u>\$ 62,126</u> | <u>\$ 970,670</u> |

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

IX. Subsequent Events

During the fiscal year 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic has had significant effects on global markets, supply chains, businesses, and communities. Specific to the County, COVID-19 is expected to impact various parts of its fiscal year 2021-22 operations and financial results. Management believes the County is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as events associated with the pandemic continue to develop.

Upon approval of the 2021-2023 fiscal biennium State budget (SL 2021-180) on November 18, 2021, the county was notified that the budget included appropriations to the county of \$20 million for a new Rosewood Middle School and \$500 thousand for a mobile command center. A formal award notification has not been received as of the date of this audit.

On October 25, 2021, the county executed an agreement with BPR Goldsboro, LLC conveying 3.97 acres to BPR for construction of a Homewood Suites by Hilton, including 110 rooms and parking spaces, additional meeting space and a bistro type bar. The agreement also provides \$500 thousand in economic incentives to BPR in construction milestone payments. BPR and the county also executed a promissory note in the amount of \$2 million representing the value of the conveyed land and economic incentive payments. If BPR Goldsboro, LLC fails to operate the facility, they must repay the \$2 million. The hotel will work with the county and Maxwell Center to create a mutually beneficial marketing strategy for both parties.

On June 1, 2021, the Board of Commissioners approved the 2021-2022 Budget Ordinance which included a 4.4 cent property tax increase. The increased rate is expected to generate an additional \$3.9 million to help cover the anticipated debt service on the future construction of a new DSS/Health facility and a new Detention Center facility. The county anticipates borrowing the money for these facilities sometime in the 2021-2022 fiscal year.

On January 19, 2021, Wayne County approved of the application for the Needs Based Public School Capital Fund grant from the North Carolina Education Lottery Commission. The original grant was approved, with a max of \$15 million with a local match of \$5 million. Part of this grant award included that the County would not receive its lottery funding for a period of five years. The grant was awarded in April of 2021. September 21, 2021, we modified our agreement with Wayne County Public Schools to state that the Guaranteed Maximum Price to be at or below \$23 million. This meant that Wayne County has committed for the Fremont Elementary School construction project \$8 million towards construction, plus the loss lottery funds of approximately \$6 million over the next five years. New provisions in the Needs Based Public School Capital Fund grant in the approved State budget now allows a maximum of \$30 million award, with a 5% local match of \$1.5 million as long as construction has not begun on the project. In working with the county's legislative delegation and Wayne County School Board, the county

Wayne County, North Carolina

Notes to the Financial Statements For the Fiscal Year Ended June 30, 2021

decided to reapply for this grant under the new funding guidelines since no construction had begun on the project. This did not change the scope of the original Fremont Elementary School project but allow the county to lower its matching funds for the project and to save its lottery funds over the next five years. By reapplying, the county is in no danger of losing its current grant award, only supplementing what it already received approval on. The Board of Commissioners voted in a special called meeting on January 12, 2022, to approve the new application. The Board of Education approved the application in its meeting on January 10, 2022.

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, 2021*

| | 2021 | 2020 |
|--|----------------------|----------------------|
| Service costs at end of the year** | \$ 876,755 | \$ 779,945 |
| Interest on TOL and cash flows | 1,373,935 | 1,351,482 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | (3,334,940) | 61,302 |
| Changes of assumptions | 8,105,276 | 2,475,570 |
| Benefit payments | (1,075,969) | (988,353) |
| Net change in total OPEB liability | 5,945,057 | 3,679,946 |
| Total OPEB liability (TOL) - beginning | 38,911,883 | 35,231,937 |
| Total OPEB liability (TOL) - ending | \$ 44,856,940 | \$ 38,911,883 |

**The service cost includes interest for the year.

| | | |
|--|-------------------|-------------------|
| Covered-employee payroll | 10,008,411 | 11,972,970 |
| Total OPEB liability as a % of covered-employee payroll | 448.19% | 325.00% |

Notes to Schedule

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

| Year | Rate |
|-------------|-------------|
| 2021 | 2.21% |
| 2020 | 3.50% |
| 2019 | 3.89% |
| 2018 | 3.56% |

No assets of the OPEB plan are accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB Plan.

* 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.

| 2019 | 2018 |
|-----------------------------|-----------------------------|
| \$ 979,860 | \$ 1,129,480 |
| 1,301,395 | 1,179,241 |
| - | - |
| (1,261,468) | (111,921) |
| (1,932,010) | (4,089,514) |
| (816,597) | (643,166) |
| (1,728,820) | (2,535,880) |
| 36,960,757 | 39,496,637 |
| <u>\$ 35,231,937</u> | <u>\$ 36,960,757</u> |
| 11,972,970 | 12,052,425 |
| 294.26% | 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 Eight Fiscal Years *

| | 2021 | 2020 | 2019 |
|--|---------------|---------------|---------------|
| County's Proportion of the net pension liability (asset) | 0.533% | 0.590% | 0.596% |
| County's proportionate share of the net pension liability (asset) \$ | \$ 19,047,075 | \$ 16,118,448 | \$ 14,142,954 |
| County's covered payroll | \$ 36,441,645 | \$ 37,295,354 | \$ 36,327,778 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 52.267% | 43.218% | 38.932% |
| Plan fiduciary net position as a percentage of the total pension liability | 90.860% | 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 Eight Fiscal Years *

| | 2021 | 2020 | 2019 |
|--|------------------|------------------|------------------|
| Contractually required contribution | \$ 3,793,895 | \$ 3,333,247 | \$ 2,762,866 |
| Contribututions in relation to the contractually required contribution | <u>3,793,895</u> | <u>3,333,247</u> | <u>2,762,866</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 36,565,785 | \$ 36,441,645 | \$ 37,295,354 |
| Contributions as a percentage of covered payroll | 10.376% | 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.

| 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------------|--------------------|--------------------|--------------------|--------------------|
| \$ 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> |
| \$ 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 Eight Fiscal Years *

| | 2021 | 2020 | 2019 |
|--|--------------|--------------|--------------|
| County's Proportion of the net pension liability (asset) % | 0.902% | 0.827% | 0.954% |
| County's proportionate share of the net pension liability (asset) \$ | \$ (206,773) | \$ (163,353) | \$ (157,946) |
| County's covered payroll | \$ 65,223 | \$ 64,230 | \$ 62,915 |
| County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | -317.025% | -254.325% | -251.047% |
| Plan fiduciary net position as a percentage of the total pension liability | 173.620% | 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 Eight Fiscal Years *

| | 2021 | 2020 | 2019 |
|--|--------------|--------------|--------------|
| Contractually required contribution | \$ 9,821 | \$ 8,639 | \$ 8,161 |
| Contribututions in relation to the contractually required contribution | <u>9,821</u> | <u>8,639</u> | <u>8,161</u> |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| County's covered payroll | \$ 75,528 | \$ 65,223 | \$ 64,230 |
| Contibutions as a percentage of covered payroll | 13.003% | 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.

| 2018 | 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|--------------|--------------|--------------|
| \$ 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> |
| \$ 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 Five Fiscal Years *

| | 2021 | 2020 |
|--|---------------------|---------------------|
| Service costs at end of the year** | \$ 166,663 | \$ 150,160 |
| Interest on TOL and cash flows | 99,555 | 91,746 |
| Changes of benefit terms | - | - |
| Differences between expected and actual experience | 67,585 | 318,232 |
| Changes of assumptions | 1,185,123 | 99,637 |
| Benefit payments | (131,296) | (121,594) |
| Net change in total LEOSSA liability | 1,387,630 | 538,181 |
| Total LEOSSA liability (TOL) - beginning | 3,119,471 | 2,581,290 |
| Total LEOSSA liability (TOL) - ending | \$ 4,507,101 | \$ 3,119,471 |

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

| | | |
|--|-----------|-----------|
| Covered payroll | 6,210,377 | 6,208,401 |
| Total LEOSSA liability as a percentage of covered payroll | 72.57% | 50.25% |

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, 2020 Measurement Date: The Municipal Bond Index Rate decreased from 3.26% to 1.93%. Based on the results of an experience study completed by the Actuary for the Local Governmental Employees' Retirement System for the five-year period ending December 31, 2019, the following were updated: mortality rates, salary increase rates, service retirement rates, disability rates, termination rates, real wage growth and leave conversion service.

December 31, 2019 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%. The assumed inflation rate was reduced from 3.00% and assumed wage inflation was increased from 0.5% to 1.0%.

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

*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.

| | 2019 | 2018 | 2017 |
|-----------|------------------|---------------------|---------------------|
| \$ | 147,373 | \$ 124,978 | \$ 119,982 |
| | 75,742 | 76,588 | 67,593 |
| | - | - | - |
| | 121,079 | 112,524 | - |
| | (107,909) | 177,740 | (50,080) |
| | (103,778) | (54,409) | (38,993) |
| | <u>132,507</u> | <u>437,421</u> | <u>98,502</u> |
| | 2,448,783 | 2,011,362 | 1,912,860 |
| \$ | 2,581,290 | \$ 2,448,783 | \$ 2,011,362 |
| | | | |
| | 5,925,898 | 5,497,204 | 4,948,972 |
| | 43.56% | 44.55% | 40.64% |

General Fund

Major Fund

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

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2021

| | Budget | Actual | Variance Positive (Negative) |
|---|-------------------|-------------------|---|
| Revenues | | | |
| Ad valorem taxes | | | |
| Taxes | \$ 57,815,200 | \$ 60,614,764 | \$ 2,799,564 |
| Penalties and interest | 325,000 | 345,864 | 20,864 |
| Total | <u>58,140,200</u> | <u>60,960,628</u> | <u>2,820,428</u> |
| Local option sales tax | | | |
| Article 39 one percent | 8,001,993 | 10,745,782 | 2,743,789 |
| Article 40 one/half of one percent | 6,818,332 | 7,752,754 | 934,422 |
| Article 42 one/half of one percent | 5,388,166 | 6,540,208 | 1,152,042 |
| Article 44 one/half of one percent | <u>1,455,822</u> | <u>1,703,241</u> | <u>247,419</u> |
| Total | <u>21,664,313</u> | <u>26,741,985</u> | <u>5,077,672</u> |
| Other taxes and licenses | | | |
| Cable TV franchise tax | 460,000 | 442,691 | (17,309) |
| Sales tax - Medicaid Hold Harmless | - | 603,275 | 603,275 |
| Leased vehicle tax | <u>65,000</u> | <u>91,619</u> | <u>26,619</u> |
| Total | <u>525,000</u> | <u>1,137,585</u> | <u>612,585</u> |
| Unrestricted intergovernmental revenues | | | |
| Beer and wine | 339,000 | 479,536 | 140,536 |
| Incentives | <u>337,031</u> | <u>450,797</u> | <u>113,766</u> |
| Total | <u>676,031</u> | <u>930,333</u> | <u>254,302</u> |
| Restricted intergovernmental | | | |
| City of Goldsboro | - | 22,284 | 22,284 |
| Federal and State grants | 46,959,330 | 16,965,391 | (29,993,939) |
| Court facility fees | <u>160,000</u> | <u>117,106</u> | <u>(42,894)</u> |
| Total | <u>47,119,330</u> | <u>17,104,781</u> | <u>(30,014,549)</u> |
| Permits and fees | | | |
| Building permits and inspection fees | 555,000 | 766,408 | 211,408 |
| Register of Deeds | <u>1,546,349</u> | <u>1,804,135</u> | <u>257,786</u> |
| Total | <u>2,101,349</u> | <u>2,570,543</u> | <u>469,194</u> |
| Charges for services | | | |
| Rents | 8,491,646 | 9,197,578 | 705,932 |
| Jail fees | 2,106,250 | 1,426,884 | (679,366) |
| Service fees | 3,129,065 | 2,133,200 | (995,865) |
| Tax collection fees | <u>300,000</u> | <u>322,542</u> | <u>22,542</u> |
| Total | <u>14,026,961</u> | <u>13,080,204</u> | <u>(946,757)</u> |
| Investment earnings | \$ 400,000 | \$ 67,912 | \$ (332,088) |

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--------------------------------------|--------------------|--------------------|---|
| Revenues (cont'd) | | | |
| Miscellaneous | | | |
| Donations | \$ 23,065 | \$ 34,271 | \$ 11,206 |
| Refunds and reimbursements | 160,700 | 698,351 | 537,651 |
| Other | <u>1,308,239</u> | <u>1,486,477</u> | 178,238 |
| Total | <u>1,492,004</u> | <u>2,219,099</u> | 727,095 |
| Payments from various municipalities | <u>260,646</u> | <u>63,981</u> | (196,665) |
| Other revenue 2 | - | - | - |
| Total revenues | 146,405,834 | 124,877,051 | (21,528,783) |
| Expenditures | | | |
| General government | | | |
| Board of commissioners | | | |
| Board - per diem | 164,294 | 164,263 | 31 |
| Operating expenditures | <u>244,243</u> | <u>205,472</u> | 38,771 |
| Total | <u>408,537</u> | <u>369,735</u> | 38,802 |
| County manager | | | |
| Salaries and employee benefits | 604,701 | 518,723 | 85,978 |
| Operating expenditures | <u>43,070</u> | <u>28,681</u> | 14,389 |
| Total | <u>647,771</u> | <u>547,404</u> | 100,367 |
| Board of elections | | | |
| Salaries and employee benefits | 303,971 | 301,885 | 2,086 |
| Per diem | 15,000 | 15,000 | - |
| Operating expenditures | <u>678,474</u> | <u>531,232</u> | 147,242 |
| Total | <u>997,445</u> | <u>848,117</u> | 149,328 |
| Finance | | | |
| Salaries and employee benefits | 789,827 | 781,674 | 8,153 |
| Operating expenditures | <u>581,632</u> | <u>400,160</u> | 181,472 |
| Total | <u>1,371,459</u> | <u>1,181,834</u> | 189,625 |
| Information and technology | | | |
| Salaries and employee benefits | 1,115,422 | 1,061,714 | 53,708 |
| Operating expenditures | 1,111,238 | 712,167 | 399,071 |
| Capital outlay | <u>71,724</u> | <u>165,635</u> | (93,911) |
| Total | <u>2,298,384</u> | <u>1,939,516</u> | 358,868 |
| Communications | | | |
| Salaries and employee benefits | 184,565 | 181,055 | 3,510 |
| Operating expenditures | <u>106,760</u> | <u>60,913</u> | 45,847 |
| Total | <u>\$ 291,325</u> | <u>\$ 241,968</u> | <u>\$ 49,357</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--------------------------------|-----------------------|---------------------|---|
| Expenditures (cont'd) | | | |
| Tax listing | | | |
| Salaries and employee benefits | \$ 825,986 | \$ 802,878 | \$ 23,108 |
| Operating expenditures | 646,974 | 576,413 | 70,561 |
| Total | <u>1,472,960</u> | <u>1,379,291</u> | <u>93,669</u> |
| Tax revaluation | | | |
| Operating expenditures | 172,638 | 52,638 | 120,000 |
| Total | <u>172,638</u> | <u>52,638</u> | <u>120,000</u> |
| GIS | | | |
| Salaries and employee benefits | 105,739 | 105,158 | 581.00 |
| Operating expenditures | 9,590 | 3,710 | 5,880 |
| Total | <u>115,329</u> | <u>108,868</u> | <u>6,461</u> |
| County-staff attorney | | | |
| Salaries and employee benefits | 192,504 | 187,697 | 4,807 |
| Operating expenditures | 347,842 | 276,870 | 70,972 |
| Total | <u>540,346</u> | <u>464,567</u> | <u>75,779</u> |
| County attorney | | | |
| Salaries and employee benefits | 138,547 | 138,478 | 69 |
| Operating expenditures | 120,553 | 77,429 | 43,124 |
| Total | <u>259,100</u> | <u>215,907</u> | <u>43,193</u> |
| Register of Deeds | | | |
| Salaries and employee benefits | 380,246 | 352,147 | 28,099 |
| Operating expenditures | 712,644 | 705,436 | 7,208 |
| Total | <u>1,092,890</u> | <u>1,057,583</u> | <u>35,307</u> |
| Buildings and grounds | | | |
| Salaries and employee benefits | 1,762,030 | 1,760,603 | 1,427 |
| Operating expenditures | 901,848 | 491,938 | 409,910 |
| Utilities | 1,029,825 | 966,122 | 63,703 |
| Maintenance | 483,077 | 473,159 | 9,918 |
| Capital outlay | 187,249 | 157,002 | 30,247 |
| Total | <u>4,364,029</u> | <u>3,848,824</u> | <u>515,205</u> |
| Central services | | | |
| Salaries and employee benefits | 921,663 | 835,873 | 85,790 |
| Operating expenditures | 452,496 | 417,799 | 34,697 |
| Fixed charges | 711,202 | 595,266 | 115,936 |
| Contra accounts | (3,129,715) | (2,465,796) | (663,919) |
| Total | <u>\$ (1,044,354)</u> | <u>\$ (616,858)</u> | <u>\$ (427,496)</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---------------------------------|-------------------|-------------------|---|
| Expenditures (cont'd) | | | |
| Planning board | | | |
| Salaries and employee benefits | \$ 292,355 | \$ 290,554 | \$ 1,801 |
| Operating expenditures | <u>177,507</u> | <u>128,459</u> | <u>49,048</u> |
| Total | <u>469,862</u> | <u>419,013</u> | <u>50,849</u> |
| Personnel | | | |
| Salaries and employee benefits | 287,814 | 287,166 | 648 |
| Operating expenditures | <u>35,459</u> | <u>26,974</u> | <u>8,485</u> |
| Total | <u>323,273</u> | <u>314,140</u> | <u>9,133</u> |
| Court facilities | | | |
| Superior court | 50,000 | 50,000 | - |
| Law library | <u>119,466</u> | <u>42,926</u> | <u>76,540</u> |
| Total | <u>169,466</u> | <u>92,926</u> | <u>76,540</u> |
| Contingency | - | - | - |
| Total | - | - | - |
| Total general government | 13,950,460 | 12,465,473 | 1,484,987 |
| Public Safety | | | |
| Medical examiner | | | |
| Professional services | <u>123,975</u> | <u>100,750</u> | <u>23,225</u> |
| Total | <u>123,975</u> | <u>100,750</u> | <u>23,225</u> |
| Office of the sheriff | | | |
| Salaries and employee benefits | 8,310,077 | 8,067,188 | 242,889 |
| Operating expenditures | <u>2,050,440</u> | <u>1,739,100</u> | <u>311,340</u> |
| Capital outlay | <u>845,666</u> | <u>715,140</u> | <u>130,526</u> |
| Total | <u>11,206,183</u> | <u>10,521,428</u> | <u>684,755</u> |
| County jail | | | |
| Salaries and employee benefits | 5,825,638 | 5,393,172 | 432,466 |
| Operating expenditures | <u>2,766,364</u> | <u>2,219,122</u> | <u>547,242</u> |
| Capital outlay | <u>39,700</u> | - | 39,700 |
| Total | <u>8,631,702</u> | <u>7,612,294</u> | <u>1,019,408</u> |
| Day reporting center | | | |
| Salaries and employee benefits | 328,156 | 327,082 | 1,074 |
| Operating expenditures | <u>172,214</u> | <u>107,621</u> | <u>64,593</u> |
| Total | <u>\$ 500,370</u> | <u>\$ 434,703</u> | <u>\$ 65,667</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--------------------------------|-------------------|-------------------|---|
| Expenditures (cont'd) | | | |
| Sheriff grant | | | |
| Salaries and employee benefits | \$ 438,686 | \$ 449,935 | \$ (11,249) |
| Operating expenditures | <u>521,882</u> | <u>504,210</u> | <u>17,672</u> |
| Total | <u>960,568</u> | <u>954,145</u> | <u>6,423</u> |
| NC resource officers | | | |
| Salaries and employee benefits | 1,145,253 | 1,010,721 | 134,532 |
| Operating expenditures | <u>173,493</u> | <u>142,886</u> | <u>30,607</u> |
| Total | <u>1,318,746</u> | <u>1,153,607</u> | <u>165,139</u> |
| Emergency services | | | |
| Salaries and employee benefits | 241,355 | 240,488 | 867 |
| Operating expenditures | 968,365 | 829,593 | 138,772 |
| Capital outlay | <u>448,133</u> | <u>343,794</u> | <u>104,339</u> |
| Total | <u>1,657,853</u> | <u>1,413,875</u> | <u>243,978</u> |
| Emergency telephone | | | |
| Salaries and employee benefits | 1,957,233 | 1,608,431 | 348,802 |
| Operating expenditures | <u>133,214</u> | <u>121,091</u> | <u>12,123</u> |
| Total | <u>2,090,447</u> | <u>1,729,522</u> | <u>360,925</u> |
| Inspectors | | | |
| Salaries and employee benefits | 513,775 | 506,155 | 7,620 |
| Operating expenditures | <u>66,462</u> | <u>57,223</u> | <u>9,239</u> |
| Total | <u>580,237</u> | <u>563,378</u> | <u>16,859</u> |
| Emergency medical services | | | |
| Salaries and employee benefits | 6,912,089 | 5,945,957 | 966,132 |
| Operating expenditures | <u>2,353,275</u> | <u>3,939,174</u> | <u>(1,585,899)</u> |
| Total | <u>9,265,364</u> | <u>9,885,131</u> | <u>(619,767)</u> |
| Animal control | | | |
| Salaries and employee benefits | 623,873 | 526,348 | 97,525 |
| Operating expenditures | <u>220,807</u> | <u>165,687</u> | <u>55,120</u> |
| Total | <u>844,680</u> | <u>692,035</u> | <u>152,645</u> |
| Total public safety | 37,180,125 | 35,060,868 | 2,119,257 |
| Transportation | | | |
| Salaries and employee benefits | 105,708 | 105,689 | 19 |
| Mount Olive Airport | 33,281 | 33,281 | - |
| Mass transit | <u>119,300</u> | <u>69,070</u> | <u>50,230</u> |
| Total | <u>258,289</u> | <u>208,040</u> | <u>50,249</u> |
| Total transportation | \$ 258,289 | \$ 208,040 | \$ 50,249 |

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|-------------------|-------------------|---|
| Economic and physical development | | | |
| Agricultural extension service | | | |
| Salaries and employee benefits | \$ 134,383 | \$ 118,670 | \$ 15,713 |
| Operating expenditures | <u>621,263</u> | <u>574,298</u> | <u>46,965</u> |
| Total | <u>755,646</u> | <u>692,968</u> | <u>62,678</u> |
| Soil conservation service | | | |
| Salaries and employee benefits | 190,501 | 181,784 | 8,717 |
| Operating expenditures | 19,224 | 8,673 | 10,551 |
| Capital outlay | <u>3,678,750</u> | <u>301,615</u> | <u>3,377,135</u> |
| Total | <u>3,888,475</u> | <u>492,072</u> | <u>3,396,403</u> |
| Hazardous mitigation | | | |
| Operating expenditures | <u>5,685,577</u> | <u>615,590</u> | <u>5,069,987</u> |
| Total | <u>5,685,577</u> | <u>615,590</u> | <u>5,069,987</u> |
| Economic development | | | |
| Other | <u>637,569</u> | <u>494,138</u> | <u>143,431</u> |
| Total | <u>637,569</u> | <u>494,138</u> | <u>143,431</u> |
| Economic Development Commission | | | |
| Salaries and employee benefits | 265,658 | 155,875 | 109,783 |
| Operating expenditures | <u>16,326,325</u> | <u>5,789</u> | <u>16,320,536</u> |
| Total | <u>16,591,983</u> | <u>161,664</u> | <u>16,430,319</u> |
| Total economic and physical development | 27,559,250 | 2,456,432 | 25,102,818 |
| Human services | | | |
| Veterans service officer | | | |
| Salaries and employee benefits | 157,207 | 148,730 | 8,477 |
| Operating expenditures | <u>15,200</u> | <u>6,428</u> | <u>8,772</u> |
| Total | <u>172,407</u> | <u>155,158</u> | <u>17,249</u> |
| WAGES/Communities in School | | | |
| Transportation | <u>988,440</u> | <u>976,964</u> | <u>11,476</u> |
| Total | <u>988,440</u> | <u>976,964</u> | <u>11,476</u> |
| 4-H Discovery | | | |
| Salaries and employee benefits | 109,678 | 9 | 109,669 |
| Operating expenditures | <u>29,725</u> | <u>1,566</u> | <u>28,159</u> |
| Total | <u>139,403</u> | <u>1,575</u> | <u>137,828</u> |
| 4-H expansion program | | | |
| Salaries and employee benefits | 73,572 | 58,558 | 15,014 |
| Operating expenditures | 106,592 | 9,110 | 97,482 |
| Capital outlay | <u>38,000</u> | <u>36,747</u> | <u>1,253</u> |
| Total | <u>\$ 218,164</u> | <u>\$ 104,415</u> | <u>\$ 113,749</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|------------------|------------------|---|
| Expenditures (cont'd) | | | |
| <i>Children and youth council</i> | | | |
| Youth council | | | |
| Operating expenditures | \$ 544,753 | \$ 544,753 | \$ - |
| Total | <u>544,753</u> | <u>544,753</u> | <u>-</u> |
| <i>Total children and youth council</i> | <i>544,753</i> | <i>544,753</i> | <i>-</i> |
| <i>Senior citizens</i> | | | |
| Chore | | | |
| Salaries and employee benefits | 454,202 | 334,869 | 119,333 |
| Operating expenditures | <u>44,675</u> | <u>31,144</u> | <u>13,531</u> |
| Total | <u>498,877</u> | <u>366,013</u> | <u>132,864</u> |
| Transportation | | | |
| Salaries and employee benefits | 34,389 | 16,445 | 17,944 |
| Transportation | <u>36,341</u> | <u>33,361</u> | <u>2,980</u> |
| Total | <u>70,730</u> | <u>49,806</u> | <u>20,924</u> |
| Senior center health promotion | | | |
| Salaries and employee benefits | 9,750 | 1,335 | 8,415 |
| Operating expenditures | <u>12,798</u> | <u>10,565</u> | <u>2,233</u> |
| Total | <u>22,548</u> | <u>11,900</u> | <u>10,648</u> |
| Transportation general | | | |
| Salaries and employee benefits | 20,431 | 16,444 | 3,987 |
| Operating expenditures | <u>440</u> | <u>438</u> | <u>2</u> |
| Transportation | <u>86,626</u> | <u>20,297</u> | <u>66,329</u> |
| Total | <u>107,497</u> | <u>37,179</u> | <u>70,318</u> |
| Information/care assistance | | | |
| Salaries and employee benefits | 52,605 | 42,133 | 10,472 |
| Operating expenditures | <u>6,554</u> | <u>2,030</u> | <u>4,524</u> |
| Total | <u>59,159</u> | <u>44,163</u> | <u>14,996</u> |
| State chore | | | |
| Salaries and employee benefits | 15,728 | 12,768 | 2,960 |
| Operating expenditures | <u>4,480</u> | <u>90</u> | <u>4,390</u> |
| Total | <u>20,208</u> | <u>12,858</u> | <u>7,350</u> |
| Family care givers | | | |
| Operating expenditures | 35,121 | 20,803 | 14,318 |
| Total | <u>\$ 35,121</u> | <u>\$ 20,803</u> | <u>\$ 14,318</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, 2021

| Expenditures (cont'd) | Budget | Actual | Variance Positive (Negative) |
|--------------------------------------|------------------|------------------|---|
| | | | |
| Senior citizens program | | | |
| Salaries and employee benefits | \$ 182,416 | \$ 157,307 | \$ 25,109 |
| Operating expenditures | 504,716 | 343,573 | 161,143 |
| Total | 687,132 | 500,880 | 186,252 |
| SHIIP | | | |
| Salaries and employee benefits | 13,498 | 8,729 | 4,769 |
| Operating expenditures | 3,673 | 613 | 3,060 |
| Total | 17,171 | 9,342 | 7,829 |
| <i>Total senior citizens program</i> | <i>1,518,443</i> | <i>1,052,944</i> | <i>465,499</i> |
| <i>Social services</i> | | | |
| Administration | | | |
| Salaries and employee benefits | 471,512 | 907,980 | (436,468) |
| Operating expenditures | 63,676 | 1,685 | 61,991 |
| Total | 535,188 | 909,665 | (374,477) |
| Child support - Title IV-D | | | |
| Salaries and employee benefits | 1,268,794 | 965,163 | 303,631 |
| Operating expenditures | 198,130 | 183,679 | 14,451 |
| Professional services | 170,000 | 149,697 | 20,303 |
| Total | 1,636,924 | 1,298,539 | 338,385 |
| Energy assistance | | | |
| Crisis intervention program | 771,553 | 691,944 | 79,609 |
| Progress Energy assistance | 988,370 | 980,566 | 7,804 |
| Total | 1,759,923 | 1,672,510 | 87,413 |
| Other administrative expenditures | | | |
| Operating expenditures | 1,239,766 | 925,014 | 314,752 |
| Capital outlay | 33,793 | 11,196 | 22,597 |
| Total | 1,273,559 | 936,210 | 337,349 |
| Regular service administrative | | | |
| Salaries and employee benefits | 4,954,250 | 4,083,309 | 870,941 |
| Operating expenditures | 54,640 | 22,089 | 32,551 |
| Total | 5,008,890 | 4,105,398 | 903,492 |
| Income maintenance | | | |
| Salaries and employee benefits | 5,334,938 | 4,608,524 | 726,414 |
| Operating expenditures | 72,980 | 59,499 | 13,481 |
| Total | \$ 5,407,918 | \$ 4,668,023 | \$ 739,895 |

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, 2021

| Expenditures (cont'd) | Budget | Actual | Variance Positive (Negative) |
|--------------------------------|-------------------|-------------------|---|
| | | | |
| Public assistance programs | | | |
| Special assistance to adults | \$ 1,429,782 | \$ 1,045,589 | \$ 384,193 |
| Miscellaneous | 50,000 | - | 50,000 |
| Total | <u>1,479,782</u> | <u>1,045,589</u> | <u>434,193</u> |
| Purchased services | | | |
| State in home care | 100 | - | 100 |
| Foster care | 1,185,000 | 749,615 | 435,385 |
| Transportation | 275,000 | 144,469 | 130,531 |
| Professional services | 105,000 | 88,583 | 16,417 |
| Miscellaneous | 110,448 | 7,296 | 103,152 |
| Total | <u>1,675,548</u> | <u>989,963</u> | <u>685,585</u> |
| Work first block grant | | | |
| Education | 5,000 | - | 5,000 |
| Transportation | 76,500 | 12,178 | 64,322 |
| Total | <u>81,500</u> | <u>12,178</u> | <u>69,322</u> |
| County only assistance | | | |
| Miscellaneous services | 29,000 | 3,799 | 25,201 |
| Clothing | 35,000 | 12,797 | 22,203 |
| Total | <u>64,000</u> | <u>16,596</u> | <u>47,404</u> |
| <i>Total social services</i> | <i>18,923,232</i> | <i>15,654,671</i> | <i>3,268,561</i> |
| <i>Public health</i> | | | |
| Health administration | | | |
| Salaries and employee benefits | 1,306,347 | 1,132,080 | 174,267 |
| Operating expenditures | 333,863 | 238,891 | 94,972 |
| Total | <u>1,640,210</u> | <u>1,370,971</u> | <u>269,239</u> |
| Communicable diseases | | | |
| Salaries and employee benefits | 1,353,698 | 68,345 | 1,285,353 |
| Operating expenditures | 686,272 | 281,886 | 404,386 |
| Total | <u>2,039,970</u> | <u>350,231</u> | <u>1,689,739</u> |
| Tuberculosis | | | |
| Salaries and employee benefits | 173,443 | 164,821 | 8,622 |
| Operating expenditures | 22,509 | 13,560 | 8,949 |
| Total | <u>195,952</u> | <u>178,381</u> | <u>17,571</u> |
| Smart Start health services | | | |
| Salaries and employee benefits | 63,087 | 61,586 | 1,501 |
| Operating expenditures | 11,354 | 8,773 | 2,581 |
| Total | <u>\$ 74,441</u> | <u>\$ 70,359</u> | <u>\$ 4,082</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, 2021

| Expenditures (cont'd) | Budget | Actual | Variance Positive (Negative) |
|--------------------------------|---------------|---------------|---|
| | | | |
| Health promotion | | | |
| Salaries and employee benefits | \$ 18,329 | \$ 10,546 | \$ 7,783 |
| Operating expenditures | 34,388 | 18,001 | 16,387 |
| Total | 52,717 | 28,547 | 24,170 |
| Crippled children | | | |
| Salaries and employee benefits | 15,206 | 7,735 | 7,471 |
| Operating expenditures | 700 | 113 | 587 |
| Total | 15,906 | 7,848 | 8,058 |
| Adult health | | | |
| Salaries and employee benefits | 130,463 | 126,795 | 3,668 |
| Operating expenditures | 153,599 | 98,986 | 54,613 |
| Total | 284,062 | 225,781 | 58,281 |
| Maternity care project | | | |
| Salaries and employee benefits | 1,428,211 | 1,276,225 | 151,986 |
| Operating expenditures | 432,126 | 323,755 | 108,371 |
| Total | 1,860,337 | 1,599,980 | 260,357 |
| Child health | | | |
| Salaries and employee benefits | 664,245 | 168,920 | 495,325 |
| Operating expenditures | 84,628 | 53,797 | 30,831 |
| Total | 748,873 | 222,717 | 526,156 |
| Child services coordinator | | | |
| Salaries and employee benefits | 384,679 | 309,543 | 75,136 |
| Operating expenditures | 19,209 | 12,276 | 6,933 |
| Total | 403,888 | 321,819 | 82,069 |
| Dental program | | | |
| Salaries and employee benefits | 52,959 | 50,910 | 2,049 |
| Operating expenditures | 147,417 | 9,188 | 138,229 |
| Total | 200,376 | 60,098 | 140,278 |
| Family planning | | | |
| Salaries and employee benefits | 1,019,042 | 750,295 | 268,747 |
| Operating expenditures | 197,253 | 116,623 | 80,630 |
| Total | 1,216,295 | 866,918 | 349,377 |
| AIDS control | | | |
| Salaries and employee benefits | 267,502 | 173,203 | 94,299 |
| Operating expenditures | 40,280 | 16,396 | 23,884 |
| Total | \$ 307,782 | \$ 189,599 | \$ 118,183 |

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, 2021

| Expenditures (cont'd) | Budget | Actual | Variance Positive (Negative) |
|--------------------------------|---------------|---------------|---|
| | | | |
| Women, infants and children | | | |
| Salaries and employee benefits | \$ 815,444 | \$ 683,568 | \$ 131,876 |
| Operating expenditures | 144,729 | 87,801 | 56,928 |
| Total | 960,173 | 771,369 | 188,804 |
| Environmental health | | | |
| Salaries and employee benefits | 548,444 | 548,438 | 6 |
| Operating expenditures | 61,581 | 52,616 | 8,965 |
| Total | 610,025 | 601,054 | 8,971 |
| Bioterrorism program | | | |
| Salaries and employee benefits | 27,401 | 22,442 | 4,959 |
| Operating expenditures | 12,584 | 11,147 | 1,437 |
| Total | 39,985 | 33,589 | 6,396 |
| Opiod Action Plan | | | |
| Salaries and employee benefits | 33,424 | 20,771 | 12,653 |
| Operating expenditures | 78,157 | 62,369 | 15,788 |
| Total | 111,581 | 83,140 | 28,441 |
| Project Connect | | | |
| Salaries and employee benefits | 13,329 | - | 13,329 |
| Operating expenditures | 540 | - | 540 |
| Total | 13,869 | - | 13,869 |
| Minority Health | | | |
| Operating expenditures | 1,653 | 1,555 | 98 |
| Capital outlay | 180,372 | 104,171 | 76,201 |
| Total | 182,025 | 105,726 | 76,299 |
| Maternal care coordinator | | | |
| Salaries and employee benefits | 370,797 | 313,458 | 57,339 |
| Operating expenditures | 680 | 179 | 501 |
| Total | 371,477 | 313,637 | 57,840 |
| School nurse initiative | | | |
| Operating expenditures | 250,000 | 250,000 | - |
| Total | 250,000 | 250,000 | - |
| Primary Care | | | |
| Operating expenditures | 2,000 | - | 2,000 |
| Total | 2,000 | - | 2,000 |
| <i>Total public health</i> | \$ 11,581,944 | \$ 7,651,764 | \$ 3,930,180 |

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|--------------------|--------------------|---|
| Expenditures (cont'd) | | | |
| <i>Mental health</i> | | | |
| Administration | | | |
| Mental health services | \$ 42,000 | \$ 42,000 | \$ - |
| Total human services | 34,128,786 | 26,184,244 | 7,944,542 |
| <i>Cultural and recreational</i> | | | |
| Wayne County Public Library | | | |
| Salaries and employee benefits | 1,784,228 | 1,644,628 | 139,600 |
| Operating expenditures | 539,100 | 486,748 | 52,352 |
| Total | 2,323,328 | 2,131,376 | 191,952 |
| Literacy Connections | | | |
| Salaries and employee benefits | 157,880 | 155,973 | 1,907 |
| Operating expenditures | 100,907 | 98,639 | 2,268 |
| Total | 258,787 | 254,612 | 4,175 |
| County aid | | | |
| Parks and recreation | 43,950 | 43,944 | 6 |
| Miscellaneous | 50,708 | 50,708 | - |
| Total | 94,658 | 94,652 | 6 |
| Total cultural and recreational | 2,676,773 | 2,480,640 | 196,133 |
| <i>Education</i> | | | |
| Wayne Community College | | | |
| Current expenditures | 4,253,428 | 4,227,796 | 25,632 |
| Capital outlay | 164,352 | 164,352 | - |
| Total | 4,417,780 | 4,392,148 | 25,632 |
| Wayne County Public Schools | | | |
| Current expenditures | 21,789,085 | 21,115,695 | 673,390.00 |
| Capital outlay | 2,748,958 | 2,165,045 | 583,913 |
| Total | 24,538,043 | 23,280,740 | 1,257,303 |
| Total education | 28,955,823 | 27,672,888 | 1,282,935 |
| <i>Debt Service</i> | | | |
| Principal payments | 3,384,969 | 3,303,000 | 81,969 |
| Interest payments | 2,274,733 | 2,270,536 | 4,197 |
| Total debt service | 5,659,702 | 5,573,536 | 86,166 |
| Total Expenditures | 150,369,208 | 112,102,121 | 38,267,087 |
| Revenues over (under) expenditures | \$ (3,963,374) | \$ 12,774,930 | \$ 16,738,304 |

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, 2021

| Other Financing Sources (Uses) | Budget | Actual | Variance |
|--|----------------------|-------------------|--------------------------------|
| | | | Positive (Negative) |
| Transfers in | | | |
| General Fund | \$ 51,201 | \$ - | \$ 51,201 |
| Capital Projects Funds | 10,607,753 | 10,659,543 | (51,790) |
| Fiduciary Funds | - | 8,113 | (8,113) |
| Proprietary Funds | 4,513,681 | - | 4,513,681 |
| Special Revenue Funds | 3,596,505 | 3,596,505 | - |
| Transfers out | | | |
| Internal Service Fund | - | (589) | 589 |
| Capital Projects Funds | (1,504,717) | (1,504,717) | - |
| Proprietary Funds | (5,953,053) | (1,439,372) | (4,513,681) |
| Sale of capital assets | 22,347 | 313,552 | (291,205) |
| Total other financing sources | <u>11,333,717</u> | <u>11,633,035</u> | <u>(299,318)</u> |
| Revenues and other financing sources over expenditures | 7,370,343 | 24,407,965 | 17,037,622 |
| Appropriated fund balance | <u>(7,370,343)</u> | <u>-</u> | <u>7,370,343</u> |
| Revenues and other sources over (under) expenditures | \$ - | 24,407,965 | \$ 24,407,965 |
| Fund balance - July 1 | | 36,681,130 | |
| Restatement | | <u>5,518,677</u> | |
| Fund balance, as restated | | <u>42,199,807</u> | |
| Fund balances - June 30 | \$ 66,607,772 | | |

Special Revenue Funds

Major and Nonmajor Funds

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

Major Fund

American Rescue Plan Fund – This fund accounts for moneys received from the federal government for the American Rescue Plan Act (ARP). These funds are used to speed up the country's recovery from the economic and health effects of the COVID-19 pandemic and the ongoing recession in the United States.

Nonmajor Funds

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.

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.

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

CARES Act Fund - This fund accounts for moneys received from the federal government for The Coronavirus Aid, Relief, and Economic Security Act (CARES). The funds are used to respond to economic fallout of the COVID-19 pandemic in the United States.

Special Revenue Funds, continued

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, 2021

Special Revenue Funds

| | Emergency Telephone Service Fund | Fire District Fund | Fines and Forfeitures Fund | Representative Payee Fund |
|---|---|-------------------------------|---|--------------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ - | \$ - | \$ - | \$ - |
| Restricted cash and cash equivalents | 1,157,310 | 39,340 | - | 73,582 |
| Taxes receivable, net | 69,944 | 156,607 | - | - |
| Receivable from other governments | - | - | - | - |
| Due from other governments | 28,219 | 332,909 | - | - |
| Total assets | <u>1,255,473</u> | <u>528,856</u> | - | <u>73,582</u> |
| Liabilities and Fund Balance | | | | |
| Liabilities | | | | |
| Accounts payable | - | - | - | - |
| Interfund payable | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | |
| Taxes receivable, net | - | 158,662 | - | - |
| Total deferred inflows of resources | <u>-</u> | <u>158,662</u> | <u>-</u> | <u>-</u> |
| Fund balances | | | | |
| Non-spendable: | | | | |
| Senior Center-principal | - | - | - | - |
| Restricted: | | | | |
| Stabilization by state statute | 87,162 | 330,854 | - | - |
| Fire protection | - | 39,340 | - | - |
| Public safety | 1,168,312 | - | - | - |
| Public schools | - | - | - | - |
| Debtors | - | - | - | - |
| Transportation | - | - | - | - |
| Social services/senior center | - | - | - | 73,582 |
| Grants | - | - | - | - |
| Committed: | | | | |
| Capital Projects | - | - | - | - |
| Unassigned: | | | | |
| Total fund balances | <u>1,255,474</u> | <u>370,194</u> | <u>-</u> | <u>73,582</u> |
| Total liabilities, deferred inflows of resources, and fund balances | <u>\$ 1,255,474</u> | <u>\$ 528,856</u> | <u>\$ -</u> | <u>\$ 73,582</u> |

Special Revenue Funds

**Wayne County, North Carolina
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2021**

Permanent Fund

| Permanent Fund-Senior Center | Total |
|-------------------------------------|-----------------------|
| | Nonmajor Funds |
| \$ - | \$ (4,327,140) |
| 7,885 | 13,019,595 |
| - | 1,159,561 |
| - | 135,284 |
| - | 375,186 |
| 7,885 | 10,362,486 |

| | |
|----------|----------------|
| - | 500 |
| - | - |
| - | 500 |
| - | 168,934 |
| - | 168,934 |

| | |
|-----------------|----------------------|
| 7,600 | 7,600 |
| - | 1,285,740 |
| - | 39,340 |
| - | 1,168,312 |
| - | 1,154,542 |
| - | - |
| - | 464,708 |
| 285 | 73,867 |
| - | 1,238 |
| - | 5,997,703 |
| 7,885 | 10,193,050 |
| \$ 7,885 | \$ 10,362,484 |

Wayne County, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

| | Special Revenue Funds | | | |
|---|---|-------------------------------|---|--------------------------------------|
| | Emergency Telephone Service Fund | Fire District Fund | Fines and Forfeitures Fund | Representative Payee Fund |
| Revenues | | | | |
| Property taxes | \$ - | \$ 3,816,714 | \$ - | \$ - |
| Sales and miscellaneous taxes | - | 1,851,417 | - | - |
| Fees and fines | - | - | 458,675 | - |
| Restricted intergovernmental | 338,607 | - | - | - |
| Charges for services | - | - | - | - |
| Investment earnings | 1,524 | 512 | - | - |
| Donations | - | - | - | - |
| Client account income | - | - | - | 225,411 |
| Total revenues | <u>340,131</u> | <u>5,668,643</u> | <u>458,675</u> | <u>225,411</u> |
| Expenditures | | | | |
| Current: | | | | |
| General government | - | - | - | - |
| Public safety | 131,058 | 5,571,336 | 458,675 | - |
| Human services | - | - | - | 213,955 |
| Education | - | - | - | - |
| Transportation | - | - | - | - |
| Capital outlay | 1,033,227 | - | - | - |
| Total expenditures | <u>1,164,285</u> | <u>5,571,336</u> | <u>458,675</u> | <u>213,955</u> |
| Excess (deficiency) of revenues over expenditures | <u>(824,154)</u> | <u>97,307</u> | <u>-</u> | <u>11,456</u> |
| Other Financing Sources (Uses) | | | | |
| Proceeds from debt, net of costs | - | - | - | - |
| Other use | | | | |
| Transfers from other funds | - | - | - | - |
| Transfers to other funds | - | - | - | - |
| Total other financing sources and uses | - | - | - | - |
| Net change in fund balances | <u>(824,154)</u> | <u>97,307</u> | <u>-</u> | <u>11,456</u> |
| Fund balances - beginning | 2,079,628 | 272,886 | - | - |
| Restatement, Note X | - | - | - | 62,126 |
| Fund balances - beginning, restated | <u>2,079,628</u> | <u>272,886</u> | <u>-</u> | <u>62,126</u> |
| Fund balances - ending | <u><u>\$ 1,255,474</u></u> | <u><u>\$ 370,194</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 73,582</u></u> |

Special Revenue Funds

| CARES Act Fund | Utility Fund | Street Assessment Fund | Total Nonmajor Special Revenue Funds |
|--------------------|------------------|------------------------|--------------------------------------|
| \$ - | \$ - | \$ - | \$ 3,816,714 |
| - | 17,856 | 52,250 | 1,921,523 |
| - | - | - | 458,675 |
| 4,643,102 | - | - | 4,981,709 |
| - | - | - | - |
| 2,342 | 59 | - | 4,437 |
| - | - | - | - |
| - | - | - | 225,411 |
| 4,645,444 | 17,915 | 52,250 | 11,408,469 |
| 1,255,701 | - | - | 1,255,701 |
| - | - | - | 6,161,069 |
| - | - | - | 213,955 |
| - | - | - | - |
| - | 12,745 | - | 12,745 |
| - | - | - | 1,033,227 |
| 1,255,701 | 12,745 | - | 8,676,697 |
| 3,389,743 | 5,170 | 52,250 | 2,731,772 |
| - | - | - | - |
| - | - | - | - |
| (3,388,505) | - | (208,000) | (3,596,505) |
| (3,388,505) | - | (208,000) | (3,596,505) |
| 1,238 | 5,170 | (155,750) | (864,733) |
| - | 30,005 | 1,453,009 | 3,835,528 |
| - | - | - | 62,126 |
| - | 30,005 | 1,453,009 | 3,897,654 |
| \$ 1,238 | \$ 35,173 | \$ 1,297,259 | \$ 3,032,920 |

Wayne County, North Carolina
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2021

| Capital Project Funds | | | | | | Total Nonmajor Capital Project Funds |
|---|--|--|--|---|---------|---|
| 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 | | |
| \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | 990,689 | 990,689 |
| 142 | 3,151 | 259 | 1,734 | 1,693 | | 6,979 |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| 142 | 3,151 | 259 | 1,734 | 992,382 | | 997,668 |
| | | | | | | |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 1,540,671 | - | - | - | 1,540,671 |
| - | - | - | - | - | - | - |
| 36,077 | 2,084,642 | - | - | 2,739,851 | | 4,860,570 |
| 36,077 | 2,084,642 | 1,540,671 | - | 2,739,851 | | 6,401,241 |
| (35,935) | (2,081,491) | (1,540,412) | 1,734 | (1,747,469) | | (5,403,573) |
| | | | | | | |
| - | 4,972,310 | - | - | 4,958,158 | | 9,930,468 |
| - | - | - | 1,484,717 | 35,755 | | 1,520,472 |
| - | (4,871,959) | - | (1,300,313) | (4,503,026) | | (10,675,298) |
| - | 100,351 | - | 184,404 | 490,887 | | 775,642 |
| (35,935) | (1,981,140) | (1,540,412) | 186,138 | (1,256,582) | | (4,627,931) |
| 690,923 | 4,229,072 | 2,039,966 | 2,937,207 | 1,883,008 | | 11,780,176 |
| 690,923 | 4,229,072 | 2,039,966 | 2,937,207 | 1,883,008 | | 11,780,176 |
| \$ 654,988 | \$ 2,247,932 | \$ 499,554 | \$ 3,123,345 | \$ 626,426 | | \$ 7,152,245 |

Permanent Fund

| <u>Permanent Fund-Senior Center</u> | | <u>Total Nonmajor Funds</u> |
|-------------------------------------|-----------------|-----------------------------|
| \$ | | |
| | - | 3,816,714 |
| | - | 1,921,523 |
| | - | 458,675 |
| | - | 4,981,709 |
| | - | 990,689 |
| | 6 | 11,422 |
| | 500 | 500 |
| | - | 225,411 |
| | <u>506</u> | <u>12,406,643</u> |
| | | |
| | - | 1,255,701 |
| | - | 6,161,069 |
| | - | 213,955 |
| | - | 1,540,671 |
| | - | 12,745 |
| | - | 5,893,797 |
| | <u>-</u> | <u>15,077,938</u> |
| | <u>506</u> | <u>(2,671,295)</u> |
| | | |
| | - | 9,930,468 |
| | - | 1,520,472 |
| | <u>-</u> | <u>(14,271,803)</u> |
| | <u>-</u> | <u>(2,820,863)</u> |
| | <u>506</u> | <u>(5,492,158)</u> |
| | <u>7,379</u> | <u>15,623,083</u> |
| | <u>-</u> | <u>62,126</u> |
| | <u>7,379</u> | <u>15,685,209</u> |
| | <u>\$ 7,885</u> | <u>\$ 10,193,050</u> |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
American Rescue Plan Fund
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|---------------|---------------|---|
| Revenues | | | |
| Grant revenues | \$ - | \$ - | \$ - |
| Investment earnings | - - | 758 | 758 |
| Total revenues | <u>- -</u> | <u>758</u> | <u>758</u> |
| Expenditures | | | |
| Current: | | | |
| General government | - - | - - | - - |
| Total expenditures | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| Revenues over (under) expenditures | - - | 758 | 758 |
| Other Financing Sources | | | |
| Transfers in | - - | - - | - - |
| Transfers out | - - | - - | - - |
| Total other financing sources | <u>- -</u> | <u>- -</u> | <u>- -</u> |
| Revenues and other financing sources over (under) expenditures | - - | 758 | 758 |
| Appropriated fund balance | - - | - - | - - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | 758 | <u>\$ 758</u> |
| Fund balance - July 1 | | | - - |
| Fund balance - June 30 | | <u>\$ 758</u> | |

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|------------------|----------------------------|---|
| Revenues | | | |
| Restricted intergovernmental | \$ 402,424 | \$ 338,607 | 338,607 |
| Investment earnings | - | 1,524 | 1,524 |
| Total revenues | <u>402,424</u> | <u>340,131</u> | <u>340,131</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | 224,626 | 131,058 | 93,568 |
| Capital outlay | 1,235,714 | 1,033,227 | 202,487 |
| Total expenditures | <u>1,460,340</u> | <u>1,164,285</u> | <u>296,055</u> |
| Revenues under expenditures | (1,057,916) | (824,154) | 233,762 |
| Other Financing Sources | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and other financing sources under expenditures | (1,057,916) | (824,154) | 233,762 |
| Appropriated fund balance | <u>1,057,916</u> | <u>-</u> | <u>(1,057,916)</u> |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | <u>(824,154)</u> | <u>\$ (824,154)</u> |
| Fund balance - July 1 | | 2,079,628 | |
| Fund balance - June 30 | | <u><u>\$ 1,255,474</u></u> | |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Fire District Fund
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|------------------|-------------------|---|
| Revenues | | | |
| Ad valorem taxes | | | |
| Current year | \$ 3,273,037 | 3,249,341 | \$ (23,696) |
| Vehicle tax | 510,004 | 510,004 | - |
| Prior year tax | 53,525 | 57,369 | 3,844 |
| Investment earnings | - | 512 | 512 |
| Total revenues | <u>5,603,998</u> | <u>5,668,643</u> | <u>64,645</u> |
| Expenditures | | | |
| Current: | | | |
| Public safety | 5,586,790 | 5,554,128 | 32,662 |
| Total expenditures | <u>5,603,998</u> | <u>5,571,336</u> | <u>32,662</u> |
| Revenues over (under) expenditures | - | 97,307 | 97,307 |
| Appropriated fund balance | - | - | - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | 97,307 | <u>\$ 97,307</u> |
| Fund balance - July 1 | | 272,887 | |
| Fund balance - June 30 | | <u>\$ 370,194</u> | |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Fines and Forfeitures Fund
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Positive</u> <u>(Negative)</u> |
|--|----------------|----------------|---|
| Revenues | | | |
| Fines and forfeitures | \$ 415,458 | \$ 415,458 | \$ - |
| Late listing penalties | 43,217 | 43,217 | - |
| Total revenues | <u>458,675</u> | <u>458,675</u> | - |
| Expenditures | | | |
| Current: | | | |
| Education | 458,675 | 458,675 | - |
| Total expenditures | <u>458,675</u> | <u>458,675</u> | - |
| Revenues over (under) expenditures | - | - | - |
| Other Financing Sources | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | - |
| Revenues and other financing sources over (under) expenditures | - | - | - |
| Appropriated fund balance | - | - | - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | - | <u>\$ -</u> |
| Fund balance - July 1 | | | - |
| Fund balance - June 30 | <u>\$ -</u> | | |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
Representative Payee Fund
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Positive</u> <u>(Negative)</u> |
|--|----------------|----------------|---|
| Revenues | | | |
| Client Account Income | \$ 285,139 | \$ 225,411 | \$ (59,728) |
| Total revenues | <u>285,139</u> | <u>225,411</u> | <u>(59,728)</u> |
| Expenditures | | | |
| Current: | | | |
| Health and sanitation | 285,139 | 213,955 | 71,184 |
| Total expenditures | <u>285,139</u> | <u>213,955</u> | <u>71,184</u> |
| Revenues over (under) expenditures | - | 11,456 | 11,456 |
| Other Financing Sources | | | |
| Transfers in | - | - | - |
| Transfers out | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and other financing sources over (under) expenditures | - | 11,456 | 11,456 |
| Appropriated fund balance | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | <u>11,456</u> | <u>\$ 11,456</u> |
| Fund balance - July 1 | | | - |
| Prior period restatement - change in accounting principle | | | 62,126 |
| Fund balance - June 30 | | | <u>\$ 73,582</u> |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
CARES Act Fund
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|--------------------|--------------------|---|
| Revenues | | | |
| Grant revenues | \$ 4,643,102 | \$ 4,643,102 | \$ - |
| Investment earnings | 1,104 | 2,342 | 1,238 |
| Total revenues | <u>4,644,206</u> | <u>4,645,444</u> | <u>1,238</u> |
| Expenditures | | | |
| Current: | | | |
| Payments to Municipalities | 1,055,701 | 1,055,701 | - |
| Payments to Non-profit Agencies | 200,000 | 200,000 | - |
| Total expenditures | <u>1,255,701</u> | <u>1,255,701</u> | <u>-</u> |
| Revenues over expenditures | 3,388,505 | 3,389,743 | 1,238 |
| Other Financing Sources | | | |
| Transfers in | - | - | - |
| Transfers out | (3,388,505) | (3,388,505) | - |
| Total other financing sources | <u>(3,388,505)</u> | <u>(3,388,505)</u> | <u>-</u> |
| Revenues and other financing sources over (under) expenditures | - | 1,238 | 1,238 |
| Appropriated fund balance | - | - | - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | 1,238 | <u>\$ 1,238</u> |
| Fund balance - July 1 | | | - |
| Fund balance - June 30 | | <u>\$ 1,238</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|---------------|------------------|---|
| Revenues | | | |
| Ad valorem taxes | \$ 13,267 | \$ 17,856 | \$ 4,589 |
| Special Assessment | - | 59 | 59 |
| Investment earnings | - | 59 | 59 |
| Total revenues | <u>13,267</u> | <u>17,915</u> | <u>4,648</u> |
| Expenditures | | | |
| Current: | | | |
| Transportation | 13,267 | 12,745 | 522 |
| Total expenditures | <u>13,267</u> | <u>12,745</u> | <u>522</u> |
| Revenues over (under) expenditures | - | 5,170 | 5,170 |
| Appropriated fund balance | - | - | - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | 5,170 | <u>\$ 5,170</u> |
| Fund balance - July 1 | | 30,003 | |
| Fund balance - June 30 | | <u>\$ 35,173</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, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance</u> <u>Positive</u> <u>(Negative)</u> |
|--|------------------|---------------------|---|
| Revenues | | | |
| Miscellaneous taxes | \$ - | \$ 52,250 | \$ 52,250 |
| Investment earnings | - | - | - |
| Total revenues | <u>-</u> | <u>52,250</u> | <u>52,250</u> |
| Expenditures | | | |
| Current: | | | |
| Transportation | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) expenditures | - | 52,250 | 52,250 |
| Other Financing Sources | | | |
| Transfers in | - | - | - |
| Transfers out | <u>(208,000)</u> | <u>(208,000)</u> | <u>-</u> |
| Total other financing sources | <u>(208,000)</u> | <u>(208,000)</u> | <u>-</u> |
| Revenues and other financing sources under expenditures | (208,000) | (155,750) | 52,250 |
| Appropriated fund balance | <u>208,000</u> | <u>-</u> | <u>(208,000)</u> |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | <u>(155,750)</u> | <u>\$ (155,750)</u> |
| Fund balance - July 1 | | 1,453,009 | |
| Fund balance - June 30 | | <u>\$ 1,297,259</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|------------------|-------------------|---|
| Revenues | | | |
| Investment earnings | \$ - | \$ 143 | \$ 143 |
| Total revenues | <u>-</u> | <u>143</u> | <u>143</u> |
| Expenditures | | | |
| Current: | | | |
| Capital outlay | 1,142,999 | 36,077 | 1,106,922 |
| Total expenditures | <u>1,142,999</u> | <u>36,077</u> | <u>1,106,922</u> |
| Revenues under expenditures | (1,142,999) | (35,934) | 1,107,065 |
| Other Financing Sources | | | |
| Transfers in | | | |
| General Fund | - | - | - |
| Transfers out | | | |
| General Fund | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and other financing sources under expenditures | (1,142,999) | (35,934) | 1,107,065 |
| Appropriated fund balance | <u>1,142,999</u> | <u>-</u> | <u>(1,142,999)</u> |
| Revenues and other sources over (under) expenditures | \$ - | (35,934) | \$ (35,934) |
| Fund balance - July 1 | | 690,922 | |
| Fund balance - June 30 | | <u>\$ 654,988</u> | |

Wayne County, North Carolina
Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual
County Capital Project Fund
For the Fiscal Year Ended June 30, 2021

| | Project Author- ization | Prior Years | Actual | Total to Date | Variance Positive (Negative) |
|---|--|------------------------|---------------------|--------------------------|---|
| Revenues | | | | | |
| Private grant | \$ 15,000 | \$ 15,000 | \$ - | \$ 15,000 | \$ - |
| Investment earnings | - | 181,010 | 3,151 | 184,161 | 184,161 |
| Miscellaneous | - | 308,637 | - | 308,637 | 308,637 |
| Total revenues | 15,000 | 504,647 | 3,151 | 507,798 | 492,798 |
| Expenditures | | | | | |
| Current: | | | | | |
| Transportation - Street Assessment | 1,940,585 | 1,912,251 | - | 1,912,251 | 28,334 |
| Debt Service | | | | | |
| Principal | - | - | - | - | - |
| Interest and other charges | - | - | - | - | - |
| Capital Outlay | | | | | |
| General Government Projects | 5,164,004 | 2,634,919 | 2,084,642 | 4,719,561 | 444,443 |
| Fiber Optic Loop Project | 870,007 | 565,455 | - | 565,455 | 304,552 |
| Spillman/Superion Project | 1,460,164 | 1,445,656 | - | 1,445,656 | 14,508 |
| Advanced Manufacturing Project | 3,700,000 | 3,343,031 | - | 3,343,031 | 356,969 |
| Total expenditures | 13,134,760 | 9,901,312 | 2,084,642 | 11,985,954 | 1,148,806 |
| Revenues over (under) expenditures | (13,119,760) | (9,396,665) | (2,081,491) | (11,478,156) | 1,641,604 |
| 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 | - |
| Proceeds from long-term debt, net | 4,899,759 | - | 4,972,310 | 4,972,310 | 72,551 |
| Other use | - | - | - | - | - |
| Transfers in: | | | | | |
| General Fund | 5,200,302 | 5,400,302 | - | 5,400,302 | 200,000 |
| Transportation - Street | 142,982 | 142,982 | - | 142,982 | - |
| Advance Manufacturing Center | 3,700,000 | 3,500,000 | - | 3,500,000 | (200,000) |
| Spillman/Superion Project | 144,600 | 144,600 | - | 144,600 | - |
| Proprietary Funds | 200,000 | 200,000 | - | 200,000 | - |
| Transfers out | | | | | |
| General Fund | (4,871,959) | - | (4,871,959) | (4,871,959) | - |
| Total financing sources | 13,119,760 | 13,091,960 | 100,351 | 18,064,270 | 72,551 |
| Appropriated fund balance | - | - | - | - | - |
| Revenues other sources, and appropriated fund balance over (under) expenditures | \$ - | \$ 3,695,295 | (1,981,140) | \$ 6,586,114 | \$ 6,586,114 |
| Fund balance - July 1 | | | 4,229,072 | | |
| Fund balance - June 30 | | | \$ 2,247,932 | | |

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|---|--------------------|--------------------|---|
| Revenues | | | |
| Investment earnings | \$ - | \$ 259 | \$ 259 |
| Total revenues | <u>-</u> | <u>259</u> | <u>259</u> |
| Expenditures | | | |
| Current: | | | |
| Capital outlay | 6,394,900 | 1,540,671 | 4,854,229 |
| Total expenditures | <u>6,394,900</u> | <u>1,540,671</u> | <u>4,854,229</u> |
| Revenues under expenditures | (6,394,900) | (1,540,412) | 4,854,488 |
| Other Financing Sources | | | |
| Transfers in | | | |
| General Fund | 3,165,132 | - | 3,165,132 |
| Capital Projects Funds | 408,686 | - | 408,686 |
| Transfers out | | | |
| General Fund | - | - | - |
| Total other financing sources | <u>3,573,818</u> | <u>-</u> | <u>3,573,818</u> |
| Revenues and other financing sources under expenditures | <u>(2,821,082)</u> | <u>(1,540,412)</u> | <u>1,280,670</u> |
| Appropriated fund balance | <u>2,821,082</u> | <u>-</u> | <u>(2,821,082)</u> |
| Revenues and other sources over (under) expenditures | <u>\$ -</u> | <u>(1,540,412)</u> | <u>\$ (1,540,412)</u> |
| Fund balance - July 1 | | 2,039,967 | |
| Fund balance - June 30 | | <u>\$ 499,555</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, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|----------------|---------------------|---|
| Revenues | | | |
| Investment earnings | \$ - | \$ 1,734 | \$ 1,734 |
| Total revenues | <u>-</u> | <u>1,734</u> | <u>1,734</u> |
| Expenditures | | | |
| Current: | | | |
| Capital Outlay | 184,404 | - | 184,404 |
| Total expenditures | <u>184,404</u> | <u>-</u> | <u>184,404</u> |
| Revenues over (under) expenditures | (184,404) | 1,734 | 186,138 |
| Other Financing Sources | | | |
| Transfers in | | | |
| General Fund | 1,484,717 | 1,484,717 | - |
| Transfers out | | | |
| General Fund | (1,300,313) | (1,300,313) | - |
| Total other financing sources | <u>184,404</u> | <u>184,404</u> | <u>-</u> |
| Appropriated fund balance | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues and other sources over (under) expenditures | <u>\$ -</u> | <u>186,138</u> | <u>\$ 186,138</u> |
| Fund balance - July 1 | | 2,937,207 | |
| Fund balance - June 30 | | <u>\$ 3,123,345</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|------------------|--------------------|---|
| Revenues | | | |
| Restricted intergovernmental | \$ 1,530,693 | \$ 990,689 | \$ (540,004) |
| Investment earnings | - | 1,693 | 1,693 |
| Total revenues | <u>1,530,693</u> | <u>992,382</u> | <u>(538,311)</u> |
| Expenditures | | | |
| Current: | | | |
| Capital Outlay | 6,274,339 | 2,739,851 | 3,534,488 |
| Total expenditures | <u>6,274,339</u> | <u>2,739,851</u> | <u>3,534,488</u> |
| Revenues under expenditures | (4,743,646) | (1,747,469) | 2,996,177 |
| Other Financing Sources | | | |
| Proceeds from long-term debt, net | 4,953,858 | 4,958,158 | 4,300 |
| Proceeds from capital leases | - | - | - |
| Other source | - | - | - |
| Other use | - | - | - |
| Transfers in | | | |
| General Fund | 523,026 | 20,000 | 503,026 |
| Capital Projects Funds | 15,755 | 15,755 | - |
| Transfers out | | | |
| General Fund | (4,503,026) | (4,503,026) | - |
| Total other financing sources | <u>989,613</u> | <u>490,887</u> | <u>507,326</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>(1,256,582)</u> | <u>\$ (1,256,582)</u> |
| Fund balance - July 1 | | 1,883,008 | |
| Fund balance - June 30 | | <u>\$ 626,426</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, 2021

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|--|---------------|-----------------|---|
| Revenues | | | |
| Investment earnings | \$ - | \$ 6 | \$ 6 |
| Total revenues | <u>-</u> | <u>6</u> | <u>6</u> |
| Expenditures | | | |
| Senior Center | - - | - - | - - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> |
| Revenues over (under) expenditures | - - | 6 | 6 |
| Other Financing Sources | | | |
| Permanent fund donation | - - | 500 | 500 |
| Total other financing sources | <u>-</u> | <u>500</u> | <u>500</u> |
| Revenues and other financing sources over (under) expenditures | - - | 506 | 506 |
| Appropriated fund balance | - - | - - | - - |
| Revenues and appropriated fund balance over (under) expenditures | <u>\$ -</u> | <u>506</u> | <u>\$ 506</u> |
| Fund balance - July 1 | | 7,379 | |
| Fund balance - June 30 | | <u>\$ 7,885</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.

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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|------------------|-------------------|---|
| Revenues | | | |
| Operating revenues | | | |
| User fees - solid waste | \$ 3,716,374 | \$ 3,774,353 | \$ 57,979 |
| User fees - household | 1,265,000 | 1,304,572 | 39,572 |
| Recycling fees | 11,000 | 19,671 | 8,671 |
| Total operating revenues | <u>4,992,374</u> | <u>5,098,596</u> | <u>106,222</u> |
| Non-operating revenues | | | |
| Restricted intergovernmental revenues | 318,000 | 328,584 | 10,584 |
| Interest and investment revenue | - | 23,090 | 23,090 |
| Miscellaneous revenue | 97,010 | 35,096 | (61,914) |
| Operating grants and contributions | 7,700 | 9,802 | 2,102 |
| Total non-operating revenues | <u>422,710</u> | <u>396,572</u> | <u>(26,138)</u> |
| Appropriated retained earnings | - | - | - |
| Total revenues | 5,415,084 | 5,495,168 | 80,084 |
| Expenditures | | | |
| Operating expenditures | | | |
| Salaries and employee benefits | 2,102,493 | 1,742,652 | 359,841 |
| Contractual services | 89,700 | 82,155 | 7,545 |
| Repairs and maintenance | 454,710 | 374,625 | 80,085 |
| Other departmental expenses | 826,416 | 703,757 | 122,659 |
| Other supplies and expenses | 445,771 | 295,676 | 150,095 |
| Indirect costs | 387,494 | 387,494 | - |
| Total | <u>4,306,584</u> | <u>3,586,359</u> | <u>720,225</u> |
| Budgetary appropriations | | | |
| Capital outlay | <u>1,108,500</u> | <u>1,069,124</u> | <u>39,376</u> |
| Total | <u>1,108,500</u> | <u>1,069,124</u> | <u>39,376</u> |
| Total expenditures | <u>5,415,084</u> | <u>4,655,483</u> | <u>759,601</u> |
| Revenues over (under) expenditures | - | 839,685 | 839,685 |
| Other financing sources (uses): | | | |
| Sale of capital assets | - | - | - |
| Total other financing sources (uses) | - | - | - |
| Revenues over (under) expenditures and other sources | <u>\$ -</u> | <u>\$ 839,685</u> | <u>\$ 839,685</u> |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Solid Waste Disposal
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

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

| | 2021 |
|--|---------------------|
| Total revenues | \$ 5,495,168 |
| Total expenditures | <u>(4,655,483)</u> |
| Revenues and expenditures | 839,685 |
| Reconciling items: | |
| Capital outlay | 1,069,124 |
| Depreciation | (850,668) |
| Bad debt allowance | (172,703) |
| Increase in Landfill closure & postclosure costs | (452,813) |
| (AIncrease) decrease in OPEB liability | (231,536) |
| Increase (decrease) in deferred outflows of resources - OPEB | (64,938) |
| (AIncrease) decrease in deferred inflows of resources - OPEB | (37,857) |
| (AIncrease) decrease in net pension liability | (180,835) |
| Increase (decrease) in deferred outflows of resources - pensions | (64,938) |
| (AIncrease) decrease in deferred inflows of resources - pensions | (35,279) |
| (AIncrease) decrease in accrued vacation pay | <u>(2,306)</u> |
| Change in net position | <u>\$ (185,064)</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|------------------------------------|------------------|--------------------|---|
| Revenues | | | |
| Operating revenues | | | |
| User fees | \$ 1,107,611 | \$ 844,370 | \$ (263,241) |
| Total operating revenues | <u>1,107,611</u> | <u>844,370</u> | <u>(263,241)</u> |
| Non-operating revenues | | | |
| Restricted intergovernmental | - | 858 | 858 |
| Interest and investment revenue | <u>-</u> | <u>841</u> | <u>841</u> |
| Total non-operating revenues | <u>-</u> | <u>1,699</u> | <u>1,699</u> |
| Appropriated retained earnings | <u>17,243</u> | <u>-</u> | <u>(17,243)</u> |
| Total revenues | <u>1,124,854</u> | <u>846,069</u> | <u>(278,785)</u> |
| Expenditures | | | |
| Operating expenditures | | | |
| Salaries and employee benefits | 436,737 | 356,882 | 79,855 |
| Contractual services | 14,300 | 1,485 | 12,815 |
| Utilities | 82,514 | 74,416 | 8,098 |
| Repairs and maintenance | 67,250 | 33,835 | 33,415 |
| Other departmental expenses | 50,100 | 31,738 | 18,362 |
| Other supplies and expenses | 131,250 | 78,215 | 53,035 |
| Indirect costs | 407,859 | 407,859 | - |
| Interest expense | 404,260 | 404,061 | 199 |
| Debt principal | <u>661,877</u> | <u>661,877</u> | <u>-</u> |
| Total | <u>2,256,147</u> | <u>2,050,368</u> | <u>205,779</u> |
| Budgetary appropriations | | | |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> |
| Total | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>2,256,147</u> | <u>2,050,368</u> | <u>(205,779)</u> |
| Other financing sources | | | |
| Transfers in (out) | <u>1,131,293</u> | <u>1,131,293</u> | <u>-</u> |
| Total | <u>1,131,293</u> | <u>1,131,293</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (73,006)</u> | <u>\$ (73,006)</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, 2021

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

| | 2021 |
|--|---------------------------|
| Total revenues | \$ 846,069 |
| Total expenditures | (2,050,368) |
| Other financing | <u>1,131,293</u> |
| Revenues, other financing sources, and expenditures | (73,006) |
| Reconciling items: | |
| Capital outlay | - |
| Depreciation | (654,351) |
| (Accrual) decrease in accrued vacation | 2,155 |
| (Accrual) decrease in net pension liability | (29,030) |
| Increase (decrease) in deferred outflows of resources - pensions | 758 |
| (Accrual) decrease in deferred inflows of resources - pensions | 859 |
| Debt principal | 661,877 |
| (Accrual) decrease in accrued interest payable | <u>1,289</u> |
| Change in net position | <u><u>\$ (89,449)</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, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|------------------------------------|------------------|---------------------|---|
| Revenues | | | |
| Operating revenues | | | |
| User fees | \$ 649,181 | \$ 723,157 | \$ 73,976 |
| Total operating revenues | <u>649,181</u> | <u>723,157</u> | <u>73,976</u> |
| Non-operating revenues | | | |
| Interest and investment revenue | - | 372 | 372 |
| Miscellaneous revenue | 327,531 | 4,211 | (323,320) |
| Operating grants and contributions | <u>635,448</u> | <u>553,264</u> | <u>(82,184)</u> |
| Total non-operating revenues | <u>962,979</u> | <u>557,847</u> | <u>(405,132)</u> |
| Total revenues | <u>1,612,160</u> | <u>1,281,004</u> | <u>(331,156)</u> |
| Expenditures | | | |
| Operating expenditures | | | |
| Salaries and employee benefits | 119,907 | 115,762 | 4,145 |
| Contractual services | 59,553 | 59,553 | - |
| Repairs and maintenance | 64,549 | 44,574 | 19,975 |
| Other departmental expenses | 119,884 | 112,654 | 7,230 |
| Other supplies and expenses | 426,218 | 335,730 | 90,488 |
| Indirect costs | <u>125,637</u> | <u>125,637</u> | <u>-</u> |
| Total | <u>915,748</u> | <u>793,910</u> | <u>121,838</u> |
| Budgetary appropriations | | | |
| Capital outlay | <u>796,116</u> | <u>695,920</u> | <u>100,196</u> |
| Total | <u>796,116</u> | <u>695,920</u> | <u>100,196</u> |
| Total expenditures | <u>1,711,864</u> | <u>1,489,830</u> | <u>222,034</u> |
| Other financing sources | | | |
| Transfers in (out) | <u>99,704</u> | <u>99,704</u> | <u>-</u> |
| Total | <u>99,704</u> | <u>99,704</u> | <u>-</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (109,122)</u> | <u>\$ (109,122)</u> |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Jetport Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

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

| | 2021 |
|--|------------------|
| Total revenues | \$ 1,281,004 |
| Total expenditures | (1,489,830) |
| Other financing | <u>99,704</u> |
| Revenues and expenditures | (109,122) |
| Reconciling items: | |
| Capital outlay | 695,920 |
| Depreciation | (424,867) |
| (Accrease) decrease in accrued vacation pay | (174) |
| (Accrease) decrease in OPEB liability | (61,248) |
| Increase (decrease) in deferred outflows of resources - OPEB | 13,741 |
| (Accrease) decrease in deferred inflows of resources - OPEB | (3,330) |
| Bad debt | (1,577) |
| (Accrease) decrease in net pension liability | (22,951) |
| Increase (decrease) in deferred outflows of resources - pensions | 3,236 |
| (Accrease) decrease in deferred inflows of resources - pensions | <u>(2,245)</u> |
| Change in net position | <u>\$ 87,383</u> |

Enterprise Funds

Nonmajor Funds

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

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

Wayne County, North Carolina
Combining Statement of Net Position
Nonmajor Proprietary Funds
June 30, 2021

| | Business-type Activities | |
|---|-------------------------------------|---------------------|
| | Sewer Fund | Total |
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 572,445 | \$ 572,445 |
| Accounts receivable, net | 152,202 | 152,202 |
| Receivables from other governments | 7,154 | 7,154 |
| Total current assets | <u>731,801</u> | <u>731,801</u> |
| Capital assets: | | |
| Land | 23,628 | 23,628 |
| Other capital assets, net of depreciation | <u>3,864,453</u> | <u>3,864,453</u> |
| Total capital assets | 3,888,081 | 3,888,081 |
| Total non-current assets | <u>3,888,081</u> | <u>3,888,081</u> |
| Total assets | <u>4,619,882</u> | <u>4,619,882</u> |
| Deferred Outflows of Resources | 3,077 | 3,077 |
| Liabilities | | |
| Current liabilities: | | |
| Accounts payable | 3,664 | 3,664 |
| Accrued interest payable | 4,565 | 4,565 |
| Due to other funds | 467,298 | 467,298 |
| Bonds, notes and loans payable | 90,000 | 90,000 |
| Total current liabilities | <u>565,527</u> | <u>565,527</u> |
| Non-current liabilities: | | |
| OPEB liability | 10,969 | 10,969 |
| Bonds, notes and loans payable | <u>1,310,000</u> | <u>1,310,000</u> |
| Total non-current liabilities | <u>1,320,969</u> | <u>1,320,969</u> |
| Total liabilities | <u>1,886,496</u> | <u>1,886,496</u> |
| Deferred Inflows of Resources | 5,828 | 5,828 |
| Net Position | | |
| Net investment in capital assets | 2,496,025 | 2,496,025 |
| Unrestricted | 234,610 | 234,610 |
| Total net position | <u>\$ 2,730,635</u> | <u>\$ 2,730,635</u> |

Wayne County, North Carolina
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Proprietary Funds
For the Fiscal Year Ended June 30, 2021

| | Business-type Activities | |
|--|-------------------------------------|---------------------|
| | Sewer Fund | Total |
| Operating revenues: | | |
| User fees | \$ 739,746 | \$ 739,746 |
| Total operating revenues | <u>739,746</u> | <u>739,746</u> |
| Operating expenses: | | |
| Salaries and employee benefits | (9,103) | (9,103) |
| Utilities | 658,551 | 658,551 |
| Repairs and maintenance | 21,182 | 21,182 |
| Indirect costs | 49,696 | 49,696 |
| Depreciation | 144,800 | 144,800 |
| Total Operating Expenses | <u>865,126</u> | <u>865,126</u> |
| Operating income (loss) | <u>(125,380)</u> | <u>(125,380)</u> |
| Non-operating revenues (expenses) | | |
| Interest and investment revenue | 480 | 480 |
| Interest expense | (65,981) | (65,981) |
| Total non-operating revenues (expenses) | <u>(65,501)</u> | <u>(65,501)</u> |
| Income (loss) before contributions and transfers | <u>(190,881)</u> | <u>(190,881)</u> |
| Transfers in | 208,375 | 208,375 |
| Special item - gain (loss) on sale of asset | <u>(27,044)</u> | <u>-</u> |
| Change in net position | <u>(9,550)</u> | <u>17,494</u> |
| Total net position - beginning | 2,740,185 | 2,740,185 |
| Total net position - ending | <u>\$ 2,730,635</u> | <u>\$ 2,730,635</u> |

Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2021

| | <u>Business-type</u> | |
|--|-----------------------|-----------------------|
| | <u>Nonmajor</u> | |
| | <u>Sewer Fund</u> | <u>Totals</u> |
| Cash flows from operating activities: | | |
| Receipts from customers | \$ 1,153,805 | \$ 1,153,805 |
| Payments to employees for services | (22,768) | (22,768) |
| Payments to suppliers of goods & services | <u>(782,991)</u> | <u>(782,991)</u> |
| Net cash provided (used) by operating activities | 348,046 | 348,046 |
| Cash flows from noncapital financing activities: | | |
| Cash received from other funds | <u>209,757</u> | <u>209,757</u> |
| Net cash provided (used) by noncapital financing activities | 209,757 | 209,757 |
| Cash flows from capital & related financing activities: | | |
| Principal payments related to capital debt | (90,000) | (90,000) |
| Interest payments related to capital debt | (66,283) | (66,283) |
| (Costs) of capital assets | <u>(90,941)</u> | <u>(90,941)</u> |
| Net cash provided (used) by capital and related financing activities | (247,224) | (247,224) |
| Cash flows from investing activities | | |
| Interest payments received | <u>479</u> | <u>479</u> |
| Net cash provided (used) by investing activities | <u>479</u> | <u>479</u> |
| Net increase (decrease) in cash and cash equivalents | 311,058 | 311,058 |
| Cash and cash equivalents, July 1 | <u>261,387</u> | <u>261,387</u> |
| Cash and cash equivalents, June 30 | <u>572,445</u> | <u>572,445</u> |

Wayne County, North Carolina
Statement of Cash Flows
Nonmajor Proprietary Funds
For the Year Ended June 30, 2021

| | | |
|--|------------------|------------------|
| Operating income | (125,380) | (125,380) |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | |
| Depreciation | 144,800 | 144,800 |
| Changes in assets and liabilities | | |
| (Increase) decrease | | |
| Accounts receivable | 414,059 | 414,059 |
| Increase (decrease) | | |
| Accounts payable | (53,562) | (53,562) |
| Postemployment liability | (31,871) | (31,871) |
| Pensions | <hr/> - | <hr/> - |
| Total adjustments | <hr/> 473,426 | <hr/> 473,426 |
| Net cash provided (used) by operating activities | <hr/> \$ 348,046 | <hr/> \$ 348,046 |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|------------------------------------|---------------|--------------------|---|
| Revenues | | | |
| Operating revenues | | | |
| User fees | \$ 591,376 | 739,746 | \$ 148,370 |
| Total operating revenues | 591,376 | 739,746 | 148,370 |
| Non-operating revenues | | | |
| Interest and investment revenue | - | 480 | 480 |
| Total non-operating revenues | - | 480 | 480 |
| Appropriated retained earnings | 411,503 | - | (411,503) |
| Total revenues | 1,002,879 | 740,226 | (262,653) |
| Expenditures | | | |
| Operating expenditures | | | |
| Salaries and employee benefits | 23,670 | 22,768 | 902 |
| Utilities | 739,992 | 658,551 | 81,441 |
| Repairs and maintenance | 38,248 | 21,182 | 17,066 |
| Indirect costs | 49,696 | 49,696 | - |
| Interest expense | 66,280 | 66,280 | - |
| Debt principal | 90,000 | 90,000 | - |
| Total | 1,007,886 | 908,477 | 99,409 |
| Budgetary appropriations | | | |
| Capital outlay | 203,368 | 90,941 | 112,427 |
| Total | 203,368 | 90,941 | 112,427 |
| Total expenditures | 1,211,254 | 999,418 | 211,836 |
| Other financing sources | | | |
| Transfers in (out) | 208,375 | 208,375 | - |
| Total | 208,375 | 208,375 | - |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (50,817)</u> | <u>\$ (50,817)</u> |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Sewer Fund
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

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

| | <u>2021</u> |
|--|-------------------|
| Total revenues | \$ 740,226 |
| Total expenditures | (999,418) |
| Other financing | <u>208,375</u> |
| Revenues and expenditures | (50,817) |
| Reconciling items: | |
| Capital outlay | 90,941 |
| Loss on disposal of assets | (27,044) |
| Depreciation | (144,800) |
| Debt payments | 90,000 |
| (Increase) decrease in accrued interest | 299 |
| (Increase) decrease in OPEB liability | 30,834 |
| Increase (decrease) in deferred outflows of resources - OPEB | 1,369 |
| (Increase) decrease in deferred inflows of resources - OPEB | <u>(332)</u> |
| Change in net position | <u>\$ (9,550)</u> |

Internal Service Funds

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

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

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

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

Wayne County, North Carolina
Combining Balance Sheet
Internal Service Funds
June 30, 2021

| | WC Self Insurance Fund | Hospital Self Insurance Fund | Fleet Management Fund | Total |
|---|-----------------------------------|---|--------------------------------------|---------------------|
| Assets | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 1,229,140 | \$ 2,129,530 | \$ 180,451 | \$ 3,539,121 |
| Accounts receivables, net | - | 3,970 | 11,675 | 15,645 |
| Receivables from other governments | - | - | 16,659 | 16,659 |
| Inventories | - | - | 28,216 | 28,216 |
| Total current assets | <u>1,229,140</u> | <u>2,133,500</u> | <u>237,001</u> | <u>3,599,641</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>1,229,140</u> | <u>2,133,500</u> | <u>252,845</u> | <u>3,615,485</u> |
| Liabilities | | | | |
| Accounts payable | 280 | 589,698 | 2,149 | 592,127 |
| Due to other funds | - | - | - | - |
| Total current liabilities | <u>280</u> | <u>589,698</u> | <u>2,149</u> | <u>592,127</u> |
| Total liabilities | <u>280</u> | <u>589,698</u> | <u>2,149</u> | <u>592,127</u> |
| Net Position | | | | |
| Invested in capital assets, net of related debt | - | - | 15,844 | 15,844 |
| Unrestricted | 1,228,860 | 1,543,802 | 234,852 | 3,007,514 |
| Total net position | <u>\$ 1,228,860</u> | <u>\$ 1,543,802</u> | <u>\$ 250,696</u> | <u>\$ 3,023,358</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, 2021

Exhibit J-2

| | WC Self Insurance Fund | Hospital Self Insurance Fund | Fleet Management Fund | Total |
|---|-----------------------------------|---|--------------------------------------|---------------------|
| Operating revenues: | | | | |
| Insurance premiums | \$ 577,605 | \$ 8,672,076 | \$ - | \$ 9,249,681 |
| Fleet services | - | - | 437,850 | 437,850 |
| Total operating revenues | <u>577,605</u> | <u>8,672,076</u> | <u>437,850</u> | <u>9,687,531</u> |
| Operating expenses: | | | | |
| Salaries and employee benefits | - | - | 146,320 | 146,320 |
| Repairs and maintenance | - | - | 100 | 100 |
| Other departmental expenses | 420 | 8,073,219 | 93,555 | 8,167,194 |
| Other supplies and expenses | - | - | 219,345 | 219,345 |
| Utilities | - | - | 3,441 | 3,441 |
| Insurance claims and expenses | 642,607 | - | - | 642,607 |
| Total operating expenses | <u>643,027</u> | <u>8,073,219</u> | <u>462,761</u> | <u>9,179,007</u> |
| Operating loss | (65,422) | 598,857 | (24,911) | 508,524 |
| Non-operating revenues (expenses): | | | | |
| Investment earnings | 933 | 1,030 | 161 | 2,124 |
| Miscellaneous revenue | - | 14,556 | - | 14,556 |
| Gain (loss)-disposal of asset | - | - | - | - |
| Total non-operating revenues | <u>933</u> | <u>15,586</u> | <u>161</u> | <u>16,680</u> |
| Transfers in | - | - | 589 | 589 |
| Change in net position | (64,489) | 614,443 | (24,161) | 525,793 |
| Total net position - beginning | 1,293,349 | 929,359 | 274,857 | 2,497,565 |
| Total net position - ending | <u>\$ 1,228,860</u> | <u>\$ 1,543,802</u> | <u>\$ 250,696</u> | <u>\$ 3,023,358</u> |

Wayne County, North Carolina
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2021

| | Business-type Activities | | | |
|--|------------------------------------|--|--------------------------------------|--------------------------|
| | Major | | | Totals |
| | WC Self- Insurance Fund | Hospital Self- Insurance Fund | Fleet Management Fund | |
| Cash flows from operating activities: | | | | |
| Receipts from customers | \$ 583,323 | \$ 8,668,107 | \$ 432,008 | \$ 9,683,438 |
| Payments to suppliers of goods & services | (642,837) | (8,197,665) | (493,642) | (9,334,144) |
| Proceeds from unrestricted revenues | <u>-</u> | <u>14,556</u> | <u>-</u> | <u>14,556</u> |
| Net cash provided (used) by operating activities | (59,514) | 484,998 | (61,634) | 363,850 |
| Cash flows from noncapital financing activities: | | | | |
| Loan from other fund | - | - | - | - |
| Transfers (to) from other funds | <u>-</u> | <u>-</u> | <u>590</u> | <u>590</u> |
| Net cash provided (used) by noncapital financing activities | <u>-</u> | <u>-</u> | <u>590</u> | <u>590</u> |
| Cash flows from capital and related financing activities: | | | | |
| Proceeds from sale of capital assets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net cash provided (used) by capital and related financing activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities | | | | |
| Interest payments received | <u>933</u> | <u>1,030</u> | <u>161</u> | <u>2,124</u> |
| Net cash provided (used) by investing activities | <u>933</u> | <u>1,030</u> | <u>161</u> | <u>2,124</u> |
| Net increase (decrease) in cash and cash equivalents | (58,581) | 486,028 | (60,883) | 366,564 |
| Cash and cash equivalents, July 1 | <u>1,287,721</u> | <u>1,643,502</u> | <u>241,334</u> | <u>3,172,557</u> |
| Cash and cash equivalents, June 30 | <u>1,229,140</u> | <u>2,129,530</u> | <u>180,451</u> | <u>3,539,121</u> |
| Operating income | (65,422) | 598,857 | (24,911) | 508,524 |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: | | | | |
| Non operating income | - | 14,556 | - | 14,556 |
| Changes in assets and liabilities | | | | |
| (Increase) decrease | | | | |
| Accounts receivable | 5,718 | (3,970) | (5,842) | (4,094) |
| Inventory | - | - | (5,081) | (5,081) |
| Increase (decrease) | | | | |
| Accounts payable | <u>190</u> | <u>(124,445)</u> | <u>(25,800)</u> | <u>(150,055)</u> |
| Total adjustments | <u>5,908</u> | <u>(113,859)</u> | <u>(36,723)</u> | <u>(144,674)</u> |
| Net cash provided (used) by operating activities | <u>\$ (59,514)</u> | <u>\$ 484,998</u> | <u>\$ (61,634)</u> | <u>\$ 363,850</u> |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
WC - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

Exhibit K-1

| | Budget | Actual | Variance Positive (Negative) |
|------------------------------------|----------------|--------------------|---|
| Revenues | | | |
| Insurance premiums | \$ 550,800 | \$ 577,605 | \$ 26,805 |
| Total operating revenues | <u>550,800</u> | <u>577,605</u> | <u>26,805</u> |
| Non-operating revenues: | | | |
| Investment earnings | - | 933 | 933 |
| Total non-operating revenues | <u>-</u> | <u>933</u> | <u>933</u> |
| Total revenues | <u>550,800</u> | <u>578,538</u> | <u>27,738</u> |
| Expenditures | | | |
| Contractual services | 500 | 420 | 80 |
| Operating expenditures | | | |
| Insurance claims and expenses | 654,500 | 642,607 | 11,893 |
| Total expenditures | <u>655,000</u> | <u>643,027</u> | <u>11,973</u> |
| Other financing sources | | | |
| Appropriated fund balance | <u>104,200</u> | <u>-</u> | <u>(104,200)</u> |
| Revenues over (under) expenditures | <u>\$ -</u> | <u>\$ (64,489)</u> | <u>\$ (64,489)</u> |

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

| | 2021 |
|----------------------------|--------------------|
| Total revenues | \$ 578,538 |
| Total expenditures | <u>(643,027)</u> |
| Revenues over expenditures | (64,489) |
| Reconciling items: | |
| No reconciling items | <u>-</u> |
| Change in net position | <u>\$ (64,489)</u> |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Hospital - Self Insurance
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

Exhibit K-2

| | <u>Budget</u> | <u>Actual</u> | <u>Variance Positive (Negative)</u> |
|---|--------------------|-------------------|---|
| Revenues | | | |
| Operating revenues: | | | |
| Insurance premiums | \$ 9,009,172 | \$ 8,672,075 | \$ (337,097) |
| Total operating revenues | <u>9,009,172</u> | <u>8,672,075</u> | <u>(337,097)</u> |
| Non-operating revenues: | | | |
| Investment earnings | 10,000 | 1,031 | (8,969) |
| Miscellaneous revenue | 45,119 | 14,556 | (30,563) |
| Total non-operating revenues | <u>55,119</u> | <u>15,587</u> | <u>(39,532)</u> |
| Total revenues | 9,064,291 | 8,687,662 | (376,629) |
| Expenditures | | | |
| Operating expenditures | | | |
| Insurance claims and expenses | 9,781,222 | 8,073,219 | 1,708,003 |
| Total expenditures | <u>9,781,222</u> | <u>8,073,219</u> | <u>1,708,003</u> |
| Revenues over (under) expenditures | (716,931) | 614,443 | 1,331,374 |
| Other financing sources | | | |
| Appropriated fund balance | 716,931 | - | (716,931) |
| Total other financing sources | <u>716,931</u> | <u>-</u> | <u>(716,931)</u> |
| Revenues over (under) expenditures and other sources | <u>\$ -</u> | <u>\$ 614,443</u> | <u>\$ 614,443</u> |
| Reconciliation from budgetary basis (modified accrual) to full accrual: | | | |
| | | 2021 | |
| Total revenues | \$ 8,687,662 | | |
| Total expenditures | <u>(8,073,219)</u> | | |
| Revenues over expenditures | 614,443 | | |
| Reconciling items: | | | |
| No reconciling items | | - | |
| Change in net position | <u>\$ 614,443</u> | | |

Wayne County, North Carolina
Schedule of Revenues and Expenditures
Fleet Management
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2021

Exhibit K-3

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|----------------|--------------------|---|
| Revenues | | | |
| Charges for services | | | |
| Operating revenues: | | | |
| Fleet services | \$ 521,300 | \$ 437,850 | \$ (83,450) |
| Total operating revenues | <u>521,300</u> | <u>437,850</u> | <u>(83,450)</u> |
| Non-operating revenues: | | | |
| Investment earnings | - | 161 | 161 |
| Total non-operating revenues | <u>-</u> | <u>161</u> | <u>161</u> |
| Total revenues | 521,300 | 438,011 | (83,289) |
| Expenditures | | | |
| Operating expenditures | | | |
| Salaries and wages | 206,882 | 146,320 | 60,562 |
| Repairs and maintenance | 1,000 | 100 | 900 |
| Other departmental expenses | 95,372 | 93,555 | 1,817 |
| Other supplies and expenses | 260,600 | 219,345 | 41,255 |
| Utilities | 4,440 | 3,441 | 999 |
| Total expenditures | <u>568,294</u> | <u>462,761</u> | <u>105,533</u> |
| Revenues under expenditures | (46,994) | (24,750) | 22,244 |
| Budgetary appropriations | | | |
| Capital outlay | 12,888 | - | 12,888 |
| Total | <u>12,888</u> | <u>-</u> | <u>12,888</u> |
| Total expenditures | <u>581,182</u> | <u>462,761</u> | <u>118,421</u> |
| Other financing sources | | | |
| Transfers in | 589 | 589 | - |
| Appropriated fund balance | 59,293 | - | 59,293 |
| Total other financing sources | <u>59,882</u> | <u>589</u> | <u>59,293</u> |
| Revenues over (under) expenditures and other sources | <u>\$ -</u> | <u>\$ (24,322)</u> | <u>\$ (24,322)</u> |

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

| | <u>2021</u> |
|----------------------------|--------------------|
| Total revenues | \$ 438,011 |
| Total expenditures | (462,761) |
| Other financing | <u>589</u> |
| Revenues over expenditures | <u>(24,161)</u> |
| Reconciling items: | |
| No reconciling items | <u>-</u> |
| Change in net position | <u>\$ (24,161)</u> |

Agency Funds

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

Custodial Funds

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

Inmate Accounts Fund – This fund accounts for moneys collected at the time of the inmate's booking process, any monies deposited by family/friends, less funds spent on commissary items or medical/damage charges. The balance is returned to the inmate upon their release or transfer.

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

Wayne County, North Carolina
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2021

| | Municipal Tax Fund | Inmate Accounts Fund | Miscellaneous Fund | Total Custodial Funds |
|---|---------------------------|-----------------------------|---------------------------|------------------------------|
| Assets | | | | |
| Cash and cash equivalents | \$ 29,514 | \$ 72,983 | \$ 7,651 | \$ 110,148 |
| Taxes receivable for other governments, net | 876,246 | - | - | 876,246 |
| Total assets | <u>905,760</u> | <u>72,983</u> | <u>7,651</u> | <u>986,394</u> |
| Liabilities | | | | |
| Miscellaneous liabilities | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net Position | | | | |
| Individuals, organizations, other governments | 905,760 | 72,983 | 7,651 | 986,394 |
| Total fiduciary net position | <u>\$ 905,760</u> | <u>\$ 72,983</u> | <u>\$ 7,651</u> | <u>\$ 986,394</u> |

Wayne County, North Carolina
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2021

| | Municipal Tax Fund | Inmate Account Fund | Miscellaneous Fund | Total Custodial Funds |
|--|-------------------------------|--------------------------------|-------------------------------|----------------------------------|
| Additions | | | | |
| Ad valorem taxes collected for other governments | \$ 20,831,204 | \$ - | \$ - | \$ 20,831,204 |
| Collections on behalf of inmates | - - | 892,569 | - - | 892,569 |
| Miscellaneous custodial funds | - - | - - | 26,014 | 26,014 |
| Total additions | <u>20,831,204</u> | <u>892,569</u> | <u>26,014</u> | <u>21,749,787</u> |
| Deductions | | | | |
| Tax distributions to other governments | 20,831,204 | - - | - - | 20,831,204 |
| Payments on behalf of inmates | - - | 862,293 | - - | 862,293 |
| Payments of miscellaneous custodial funds | - - | - - | 32,453 | 32,453 |
| Transfer to general fund | 8,113 | - - | - - | 8,113 |
| Total deductions | <u>20,839,317</u> | <u>862,293</u> | <u>32,453</u> | <u>21,734,063</u> |
| Net increase (decrease) in fiduciary net position | (8,113) | 30,276 | (6,439) | 15,724 |
| Net position - beginning of year | - - | - - | - - | - - |
| Prior period restatement | 913,873 | 42,707 | 14,090 | 970,670 |
| Net position - as restated | <u>913,873</u> | <u>42,707</u> | <u>14,090</u> | <u>970,670</u> |
| Net position - end of year | <u>\$ 905,760</u> | <u>\$ 72,983</u> | <u>\$ 7,651</u> | <u>\$ 986,394</u> |

Other Schedules

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

- Schedule of Ad Valorem Taxes Receivable
- Analysis of Current Tax Levy
- Secondary Market Disclosures

Wayne County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivables
June 30, 2021

| Fiscal Year | Uncollected | | | Uncollected | | | | | |
|-----------------|---------------------|-----------|-------------------|-------------|-------------------|---------------|----|------------------|-----|
| | Balance | Additions | (a) | Collections | Credits | Balance | | | |
| | June 30, 2020 | \$ | 52,930,998 | \$ | 52,075,728 | June 30, 2021 | \$ | 855,270 | (c) |
| 2020-2021 | \$ - | | | | | | | | |
| 2019-2020 | 1,002,659 | | 102 | | 561,155 | | | 441,606 | |
| 2018-2019 | 425,705 | | 125 | | 188,956 | | | 236,874 | |
| 2017-2018 | 248,721 | | 34 | | 76,773 | | | 171,982 | |
| 2016-2017 | 166,289 | | - | | 35,935 | | | 130,354 | |
| 2015-2016 | 137,345 | | - | | 24,289 | | | 113,056 | |
| 2014-2015 | 112,298 | | - | | 18,204 | | | 94,094 | |
| 2013-2014 | 155,697 | | 275 | | 15,220 | | | 140,752 | |
| 2012-2013 | 161,706 | | - | | 13,032 | | | 148,674 | |
| 2012 and before | 283,873 | | - | | 14,585 | | | 269,288 | |
| | \$ <u>2,694,293</u> | \$ | <u>52,931,534</u> | \$ | <u>53,023,877</u> | (d) | | <u>2,601,950</u> | |

Less: allowance for uncollectible accounts:
 General Fund (947,389)

Ad valorem taxes receivable - net:
 General Fund \$ 1,654,561

Reconcilement with revenues:

Ad valorem taxes - General Fund \$ 52,958,493

Interest collected on ad valorem taxes-General Fund 314,225

Reconciling items:

| | |
|-------------------------|------------------|
| Interest collected | <u>(314,225)</u> |
| Rebates & releases | <u>27,010</u> |
| Late listing | <u>38,374</u> |
| Total reconciling items | <u>(248,841)</u> |

Total collections and credits \$ 53,023,877 (d)

Wayne County, North Carolina
Analysis of Current Tax Levy
County-wide Levy
For the Fiscal Year Ended June 30, 2021

| | County - wide | | | Total Levy | Registered Motor Vehicles |
|--|-------------------------------|---------------|---------------------------|---|--|
| | Property Valuation | Rate | Amount of Levy | Property excluding Registered Motor Vehicles | |
| Original levy: | | | | | |
| Property taxes at current year's rate | \$ 9,096,271,243 | 0.6635 | \$ 60,353,760 | \$ 52,842,873 | \$ 7,510,887 |
| Penalties | - | | 33,636 | 33,626 | - |
| Total | <u>9,096,271,243</u> | | <u>60,387,396</u> | <u>52,876,499</u> | <u>7,510,887</u> |
| Discoveries: | | | | | |
| Current year taxes | 136,361,008 | 0.6635 | 904,755 | 904,755 | - |
| Penalties | | | 4,748 | 4,748 | - |
| Total | <u>136,361,008</u> | | <u>909,503</u> | <u>909,503</u> | <u>-</u> |
| Abatements: | | | | | |
| Current year taxes | 128,862,672 | 0.6635 | 855,004 | 855,004 | - |
| Total property valuation | <u>\$ 9,103,769,579</u> | | | | |
| Net levy | | | 60,441,895 | 52,930,998 (a) | 7,510,887 |
| Uncollected taxes at June 30, 2021 | | | 855,270 (c) | 855,270 | - |
| Current year's taxes collected | | \$ 59,586,615 | \$ 52,075,728 (b) | \$ 7,510,887 | |
| Current levy collection percentage | | <u>98.58%</u> | <u>98.38%</u> | <u>100.00%</u> | |

Wayne County , North Carolina
Secondary Market Disclosures
County-wide Levy
For the Fiscal Year Ended June 30, 2021

Secondary Market Disclosures:

Assessed Valuation:

| | |
|---|--------------------------------|
| Assessment Ratio ¹ | 100% |
| Real Property | \$ 6,434,393,407 |
| Personal Property | 1,878,188,038 |
| Public Service Companies ² | <u>791,188,134</u> |
| Assessed Valuation at Current Year Rates | <u>9,103,769,579</u> |
| Tax Rate per \$100 | <u>0.6635</u> |
| Penalties | 60,403,511 |
| Levy (includes discoveries, releases and abatements) ³ | <u>38,374</u> |
| | <u>60,441,885</u> |
| Total Assessed Valuation | <u><u>\$ 9,103,769,579</u></u> |
| Levy (includes discoveries, releases and abatements)-all rates | <u><u>\$ 60,441,885</u></u> |

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

| | |
|---------------------------|----------------------------|
| School Districts | \$ - |
| Fire Protection Districts | <u>3,302,460</u> |
| Total | <u><u>\$ 3,302,460</u></u> |

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

Statistical Section

Statistical Section

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

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Financial Trends <i>These tables contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.</i> | 177 |
| Revenue Capacity <i>These tables contain information to help the reader assess the County's most significant local revenue source, the property tax.</i> | 187 |
| Debt Capacity <i>These tables present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.</i> | 192 |
| Demographic and Economic Information <i>These tables offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.</i> | 197 |
| Operating Information <i>These tables contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.</i> | 199 |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental Activities: | | | | |
| Net investment in capital assets | \$ 32,189,480 | \$ 43,911,545 | \$ 49,308,882 | \$ 48,979,040 |
| Restricted for: | | | | |
| General government | 473,862 | 443,048 | 3,774,081 | 2,568,863 |
| Future debt obligations | - | 1,071,859 | 2,143,772 | 3,215,487 |
| Capital improvements | - | - | - | - |
| Public safety | 3,036,088 | 2,875,580 | 2,088,112 | 1,886,348 |
| Education | 17,767,074 | 17,042,786 | 12,510,649 | 11,267,722 |
| Stabilization by State Statute | 5,984,117 | 5,940,064 | 5,399,018 | 6,717,578 |
| Register of Deeds pension plan | - | - | - | - |
| Senior Center-earnings | - | - | - | - |
| Restricted for (nonexpendable): | | | | |
| Senior Center-principal | - | - | - | 2,100 |
| Unrestricted | <u>47,623,691</u> | <u>43,891,572</u> | <u>48,538,748</u> | <u>53,457,527</u> |
| Total governmental activities net position | <u>107,074,312</u> | <u>115,176,454</u> | <u>123,763,262</u> | <u>128,094,665</u> |
| Business-type activities: | | | | |
| Net investment in capital assets | 28,970,463 | 28,903,951 | 28,324,030 | 28,469,555 |
| Unrestricted | <u>5,111,858</u> | <u>4,151,565</u> | <u>4,397,099</u> | <u>4,550,695</u> |
| Total business-type activities net position | <u>34,082,321</u> | <u>33,055,516</u> | <u>32,721,129</u> | <u>33,020,250</u> |
| Primary government: | | | | |
| Net investment in capital assets | 61,159,943 | 72,815,496 | 77,632,912 | 77,448,595 |
| Restricted for (expendable): | | | | |
| General government | 473,862 | 443,048 | 3,774,081 | 2,568,863 |
| Future debt obligations | - | 1,071,859 | 2,143,772 | 3,215,487 |
| Capital improvements | - | - | - | - |
| Public safety | 3,036,088 | 2,875,580 | 2,088,112 | 1,886,348 |
| Education | 17,767,074 | 17,042,786 | 12,510,649 | 11,267,722 |
| Stabilization by State Statute | 5,984,117 | 5,940,064 | 5,399,018 | 6,717,578 |
| Register of Deeds pension plan | - | - | - | - |
| Senior Center-earnings | - | - | - | - |
| Restricted for (nonexpendable): | | | | |
| Senior Center-principal | - | - | - | 2,100 |
| Unrestricted | <u>52,735,549</u> | <u>48,043,137</u> | <u>52,935,847</u> | <u>58,008,222</u> |
| Total primary government net position | <u>\$ 141,156,633</u> | <u>\$ 148,231,970</u> | <u>\$ 156,484,391</u> | <u>\$ 161,114,915</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.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-------------|
| \$ | 74,488,975 | 84,009,596 | 83,342,500 | 86,075,786 | 93,027,599 | 101,332,091 |
| 1,260,698 | 1,183,193 | 928,043 | 1,118,262 | 1,464,076 | 1,395,982 | |
| 4,287,311 | 5,359,241 | 6,431,278 | 7,503,421 | 8,575,674 | 9,648,030 | |
| - | 2,626,905 | - | - | - | - | |
| 1,696,044 | 485,593 | 1,505,969 | 1,701,848 | 2,198,358 | 1,519,014 | |
| 7,850,060 | 26,350,512 | 7,822,971 | 9,785,394 | 4,761,419 | 2,661,483 | |
| 7,110,594 | 9,693,425 | 6,864,086 | 9,141,828 | 11,730,429 | 13,506,416 | |
| - | 183,300 | 166,701 | 157,946 | 157,946 | 206,773 | |
| 6 | 26 | 170 | 189 | 280 | 285 | |
| 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,600 | |
| <u>36,385,546</u> | <u>6,014,025</u> | <u>563,477</u> | <u>(6,313,473)</u> | <u>(17,506,924)</u> | <u>(15,395,017)</u> | |
| <u>133,086,334</u> | <u>135,912,916</u> | <u>107,632,295</u> | <u>109,178,301</u> | <u>104,415,957</u> | <u>114,882,657</u> | |
| 30,696,293 | 33,151,761 | 42,870,075 | 45,685,683 | 50,048,457 | 46,851,856 | |
| 8,658,123 | 8,600,185 | 1,718,563 | 3,183,440 | 4,291,835 | 4,121,405 | |
| <u>39,354,416</u> | <u>41,751,946</u> | <u>44,588,638</u> | <u>48,869,123</u> | <u>54,340,292</u> | <u>50,973,261</u> | |
| 105,185,268 | 117,161,357 | 126,212,575 | 131,761,469 | 143,076,056 | 148,183,947 | |
| 1,260,698 | 1,183,193 | 928,043 | 1,118,262 | 1,464,076 | 1,395,982 | |
| 4,287,311 | 5,359,241 | 6,431,278 | 7,503,421 | 8,575,674 | 9,648,030 | |
| - | 2,626,905 | - | - | - | - | |
| 1,696,044 | 485,593 | 1,505,969 | 1,701,848 | 2,198,358 | 1,519,014 | |
| 7,850,060 | 26,350,512 | 7,822,971 | 9,785,394 | 4,761,419 | 2,661,483 | |
| 7,110,594 | 9,693,425 | 6,864,086 | 9,141,828 | 11,730,429 | 13,506,416 | |
| - | 183,300 | 166,701 | 157,946 | 157,946 | 206,773 | |
| 6 | 26 | 170 | 189 | 280 | 285 | |
| 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,600 | |
| <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>(11,273,612)</u> | |
| <u>\$ 172,440,750</u> | <u>\$ 177,664,862</u> | <u>\$ 152,220,933</u> | <u>\$ 158,047,424</u> | <u>\$ 158,756,249</u> | <u>\$ 165,855,918</u> | |

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

| | 2012 | 2013 | 2014 |
|---|------------------------|------------------------|------------------------|
| Expenses | | | |
| Governmental Activities: | | | |
| General government | \$ 11,799,821 | \$ 12,343,016 | \$ 12,490,505 |
| Public safety | 19,034,770 | 22,037,055 | 21,625,673 |
| Transportation | 497,354 | 490,796 | 1,020,522 |
| Human services | 31,212,335 | 32,077,683 | 30,053,084 |
| Cultural and recreation | 1,689,613 | 1,942,729 | 1,933,460 |
| Education | 30,885,950 | 25,592,686 | 24,879,620 |
| Interest on long-term debt | 412,106 | 778,716 | 319,874 |
| Environmental protection | 749,108 | 843,822 | 835,274 |
| Economic and physical development | 1,101,149 | 753,397 | 804,303 |
| Total government activities expenses | <u>97,382,206</u> | <u>96,859,900</u> | <u>93,962,315</u> |
| Business-type activities: | | | |
| Solid waste disposal | 4,384,080 | 4,158,736 | 4,294,326 |
| EMS - EMS Net | 5,998,722 | 6,919,508 | 7,015,107 |
| Sewer | 412,951 | 481,878 | 579,083 |
| EMS nonemergency transportation | 1,287,788 | 1,373,590 | 1,386,321 |
| Jetport | 991,804 | 1,118,540 | 1,062,101 |
| Maxwell Center | - | - | - |
| Total business-type activities expenses | <u>13,075,345</u> | <u>14,052,252</u> | <u>14,336,938</u> |
| Total primary government expenses | <u>110,457,551</u> | <u>110,912,152</u> | <u>108,299,253</u> |
| Program Revenues | | | |
| Governmental Activities: | | | |
| Charges for services: | | | |
| General government | 3,206,793 | 3,504,880 | 3,779,248 |
| Public safety | 1,565,457 | 1,734,612 | 1,679,764 |
| Transportation | - | - | - |
| Human services | 3,492,224 | 3,024,589 | 2,220,629 |
| Culture and recreation | 75,842 | 64,879 | 56,360 |
| Environmental protection | 5,917 | 4,598 | 5,887 |
| Economic and physical development | - | - | (912.00) |
| Operating and capital grants, and contributions | 18,392,666 | 20,275,546 | 22,013,478 |
| Total governmental activities program revenues | <u>26,738,899</u> | <u>28,609,104</u> | <u>29,754,454</u> |
| Business-type activities: | | | |
| Charges for services: | | | |
| Solid waste disposal | 4,338,788 | 3,841,329 | 4,005,749 |
| EMS - EMS Net | 4,231,765 | 4,292,843 | 4,164,330 |
| Sewer | 233,440 | 282,539 | 338,057 |
| EMS Nonemergency transportation | 1,391,602 | 1,501,554 | 1,325,703 |
| Jetport | 610,446 | 659,051 | 636,232 |
| Maxwell Center | - | - | - |
| Operating grants and contributions | 1,712,263 | 1,006,570 | 995,529 |
| Total business-type activities program revenues | <u>12,518,304</u> | <u>11,583,886</u> | <u>11,465,600</u> |
| Total primary government program revenues | <u>39,257,203</u> | <u>40,192,990</u> | <u>41,220,054</u> |
| Net (Expense)/Revenue | | | |
| Governmental activities | (70,643,307) | (68,250,796) | (64,207,861) |
| Business-type activities | (557,041) | (2,468,366) | (2,871,338) |
| Total primary government net expense | <u>\$ (71,200,348)</u> | <u>\$ (70,719,162)</u> | <u>\$ (67,079,199)</u> |

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|-------------|
| \$ | 12,368,863 | 12,325,585 | 12,413,717 | 15,851,523 | 14,113,920 | 14,957,710 | 15,003,046 |
| 21,654,541 | 24,195,295 | 27,757,877 | 28,265,627 | 29,747,584 | 30,771,396 | 46,326,721 | |
| 381,974 | 255,919 | 288,553 | 342,179 | 401,409 | 444,493 | 216,595 | |
| 29,901,977 | 29,695,951 | 29,748,429 | 27,676,367 | 26,284,213 | 26,408,593 | 29,020,919 | |
| 2,334,770 | 2,151,928 | 2,398,219 | 2,458,207 | 2,559,040 | 2,528,812 | 2,728,431 | |
| 24,559,080 | 26,186,821 | 28,927,009 | 29,700,156 | 29,245,606 | 35,940,325 | 30,777,796 | |
| 2,271,474 | 2,174,838 | 1,312,337 | 1,604,188 | 1,554,463 | 1,484,537 | 2,302,473 | |
| 775,891 | 852,483 | 883,895 | 915,707 | 1,126,413 | 1,276,287 | 166,547 | |
| 2,216,080 | 1,696,922 | 1,201,470 | 1,330,486 | 1,991,925 | 5,852,543 | 3,031,739 | |
| <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> | <u>129,574,267</u> | |
| | | | | | | | |
| 4,304,345 | 4,422,152 | 4,503,860 | 4,552,742 | 4,564,560 | 5,081,978 | 5,638,128 | |
| 7,138,260 | 11,233,893 | 12,766,445 | 12,510,315 | 12,563,366 | 12,269,924 | - | |
| 629,487 | 654,838 | 470,379 | 760,054 | 852,243 | 719,211 | 935,340 | |
| 1,223,057 | - | - | - | - | - | - | |
| 962,283 | 1,050,842 | 1,117,726 | 1,249,400 | 1,338,975 | 1,240,259 | 1,284,183 | |
| - | - | 37,073 | 1,181,564 | 1,727,393 | 1,888,906 | 2,061,675 | |
| <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>9,919,326</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> | <u>139,493,593</u> | |
| | | | | | | | |
| 2,913,747 | 3,605,184 | 4,284,428 | 4,215,884 | 2,682,513 | 3,913,478 | 2,126,043 | |
| 1,654,030 | 1,800,539 | 2,182,244 | 3,410,822 | 5,629,317 | 2,829,288 | 10,805,523 | |
| - | - | - | - | - | - | 105,674 | |
| 2,264,735 | 2,128,060 | 2,058,240 | 2,179,407 | 2,171,524 | 2,063,064 | 2,509,947 | |
| 62,162 | 68,559 | 67,090 | 65,323 | 59,062 | 41,912 | 206,488 | |
| 6,352 | 6,335 | 7,194 | 5,275 | 9,311 | 5,360 | - | |
| - | - | - | - | - | - | 72,641 | |
| <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>27,517,405</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> | <u>43,343,721</u> | |
| | | | | | | | |
| 4,307,139 | 3,969,204 | 4,505,640 | 4,577,771 | 5,074,382 | 5,140,008 | 5,133,692 | |
| 4,983,531 | 6,660,861 | 7,668,760 | 7,470,911 | 7,934,981 | 7,096,141 | - | |
| 373,186 | 460,580 | 390,201 | 450,242 | 599,450 | 558,672 | 712,703 | |
| 1,149,005 | - | - | - | - | - | - | |
| 525,894 | 495,218 | 603,961 | 723,674 | 738,578 | 638,418 | 727,367 | |
| - | - | 1,537,039 | 795,521 | 1,243,600 | 1,123,683 | 845,228 | |
| 1,394,245 | 4,267,065 | 2,491,345 | 1,813,870 | 2,676,981 | 6,300,496 | 891,650 | |
| <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>8,310,640</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> | <u>51,654,361</u> | |
| | | | | | | | |
| (65,459,370) | (66,785,201) | (70,780,280) | (79,541,129) | (76,981,422) | (87,434,241) | (86,230,546) | |
| (1,524,432) | (1,508,797) | (1,698,537) | (4,422,086) | (2,778,565) | (342,860) | (1,608,686) | |
| <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> | <u>\$ (87,839,232)</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>2012</u> | <u>2013</u> | <u>2014</u> |
|-----------------------------------|--------------------|--------------------|--------------------|
| Governmental activities: | | | |
| Taxes: | | | |
| Property taxes | \$ 54,901,333 | \$ 57,083,125 | \$ 57,746,209 |
| Local option sales tax | 17,627,241 | 17,389,549 | 17,485,548 |
| Other taxes and licenses | 196,555 | 206,338 | 416,469 |
| Investment earnings, unrestricted | 187,099 | 115,525 | 59,314 |
| Miscellaneous, unrestricted | 170,500 | 443,751 | 279,589 |
| Transfers | (714,896) | (1,426,009) | (2,529,152) |
| Total governmental activities | <u>72,367,832</u> | <u>73,812,279</u> | <u>73,457,977</u> |
| Business-type activities: | | | |
| Investment earnings, unrestricted | 35,992 | 15,552 | 7,800 |
| Miscellaneous, unrestricted | - | - | - |
| Transfers | 714,896 | 1,426,009 | 2,529,152 |
| Total business-type activities | <u>750,888</u> | <u>1,441,561</u> | <u>2,536,952</u> |
| Total primary government | <u>73,118,720</u> | <u>75,253,840</u> | <u>75,994,929</u> |

Change in Net Position

| | | | |
|--------------------------|---------------------|---------------------|---------------------|
| Governmental activities | 1,724,525 | 5,561,483 | 9,250,116 |
| Business activities | 193,847 | (1,026,805) | (334,386) |
| Total primary government | <u>\$ 1,918,372</u> | <u>\$ 4,534,678</u> | <u>\$ 8,915,730</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> | <u>2021</u> |
|---------------------|----------------------|---------------------|-----------------------|---------------------|--------------------|---------------------|---------------|
| \$ | 56,375,308 | \$ 58,672,780 | \$ 57,741,770 | \$ 58,872,411 | \$ 59,799,476 | \$ 62,052,615 | \$ 64,641,923 |
| 18,683,423 | 19,379,479 | 21,073,395 | 20,952,048 | 23,254,541 | 25,091,605 | 29,196,677 | |
| 357,554 | 306,924 | 311,970 | 283,924 | 314,324 | 318,340 | 261,155 | |
| 85,950 | 80,801 | 164,342 | 622,168 | 989,403 | 586,143 | 136,110 | |
| 115,847 | 421,945 | 190,526 | 242,115 | 122,409 | 229,261 | 558,410 | |
| <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>(1,431,259)</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> | <u>93,363,016</u> | |
| | | | | | | | |
| 9,278 | 28,741 | 44,183 | 112,228 | 286,829 | 208,251 | 24,781 | |
| - | (461) | - | - | - | - | - | |
| <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>1,439,372</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>1,464,153</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> | <u>94,827,169</u> | |
| | | | | | | | |
| 7,675,864 | 8,038,823 | 4,649,837 | (10,956,300) | 666,511 | (4,212,055) | 7,132,470 | |
| 967,694 | 2,557,388 | 2,397,532 | 8,077,979 | 4,340,484 | 4,921,169 | (144,533) | |
| <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> | <u>\$ 6,987,937</u> | |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|---|-----------------------------|-----------------------------|----------------------------|-----------------------------|
| General Fund | | | | |
| Restricted for: | | | | |
| Stabilization by State Statute | \$ 5,657,578 | \$ 5,734,752 | \$ 5,160,470 | \$ 6,309,654 |
| Future debt payments, QSCB | - | 1,071,859 | 2,143,772 | 3,215,487 |
| Public schools | 10,317,695 | 10,304,722 | 12,510,648 | 5,579,616 |
| Law enforcement | 218,160 | 401,893 | 286,214 | 234,161 |
| Tax revaluation | 706,813 | 649,500 | 729,968 | 818,003 |
| Court facilities | 392,894 | 362,079 | 425,935 | - |
| Economic development | - | - | 3,069,192 | 1,554,352 |
| Grants | - | 200,000 | 187,866 | 121,554 |
| Committed for: | | | | |
| LEO Pension | - | - | - | - |
| Future capital projects | 3,165,000 | - | 7,000,000 | - |
| Community College | 758,600 | 483,881 | 483,881 | 764,812 |
| Public schools | 1,878,145 | 3,170,566 | 3,068,199 | 1,270,720 |
| Assigned for: | | | | |
| Subsequent year's expenditures | 4,981,469 | 10,453,723 | 5,512,988 | 5,876,487 |
| Donations | 127,380 | 141,399 | 15,713 | 34,811 |
| Unassigned | <u>28,134,917</u> | <u>28,794,879</u> | <u>29,757,299</u> | <u>26,346,813</u> |
| Total general fund | <u><u>56,338,651</u></u> | <u><u>61,769,253</u></u> | <u><u>70,352,145</u></u> | <u><u>52,126,470</u></u> |
| All Other Governmental Funds | | | | |
| Non-spendable: | | | | |
| Senior Center-principal | - | - | - | 2,100 |
| Restricted for: | | | | |
| Stabilization by State Statute | 326,540 | 205,312 | 238,548 | 404,723 |
| Fire protection | 481,178 | 10,336 | 2,850 | 6,360 |
| Public schools | 7,449,379 | 1,386,912 | - | 5,688,105 |
| Capital improvements | - | - | - | - |
| Public safety | 2,417,718 | 2,277,481 | 1,801,898 | 1,645,827 |
| Community development | - | 88,071 | 88,238 | 74,954 |
| Transportation | - | - | - | - |
| Grants | - | - | - | - |
| Social services/senior center | - | - | - | - |
| Committed for: | | | | |
| Future capital projects | 10,930,795 | 9,732,563 | 6,776,076 | 15,526,441 |
| Public Schools | - | - | - | 6,447,561 |
| Assigned for: | | | | |
| Subsequent year's expenditures | - | - | - | - |
| Donations | - | - | - | - |
| Unassigned | - | - | - | - |
| Total all other governmental funds | <u><u>\$ 21,605,610</u></u> | <u><u>\$ 13,700,675</u></u> | <u><u>\$ 8,907,610</u></u> | <u><u>\$ 29,796,071</u></u> |

Source: Annual audited financial statements of this entity.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|---------------------|----------------------|----------------------|----------------------|----------------------|----------------------|-------------|
| \$ | 6,564,718 | 9,428,553 | 6,465,996 | 7,432,110 | 10,190,047 | 12,220,676 |
| 4,287,311 | 5,359,241 | 6,431,278 | 7,503,421 | 8,575,674 | 9,648,030 | |
| 5,767,329 | 7,268,541 | 6,158,969 | 5,342,094 | 2,030,530 | 1,505,735 | |
| 82,237 | 69,309 | 156,159 | 124,896 | 168,267 | 175,352 | |
| 899,701 | 904,008 | 758,020 | 533,621 | 565,677 | 546,273 | |
| - | - | 16,900 | - | - | - | |
| 35,459 | - | - | - | - | - | |
| 235,736 | 119,007 | 67,205 | 37,392 | 318,881 | 172,310 | |
| 947,742 | - | - | - | - | - | |
| 32,000 | 1,258,000 | 1,294,968 | 1,097,207 | - | - | |
| 704,925 | 445,566 | 169,497 | 989,782 | 20,915 | 37,873 | |
| 2,536,751 | 2,178,268 | 1,585,298 | 1,516,675 | 1,177,099 | 1,506,696 | |
| 1,549,268 | 766,743 | 310,198 | 719,611 | 241,806 | 1,158,643 | |
| 1,200 | 31,244 | - | 40,262 | 47,157 | - | |
| 34,806,329 | 29,456,661 | 22,023,497 | 18,689,670 | 13,345,076 | 39,636,183 | |
| <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> | <u>66,607,772</u> | |
| 7,100 | 7,100 | 7,100 | 7,100 | 7,100 | 7,600 | |
| 442,256 | 264,872 | 398,090 | 1,709,716 | 1,540,382 | 1,285,740 | |
| 4,651 | 7,249 | 285 | 3,159 | 2,398 | 39,340 | |
| 2,082,730 | 23,234,194 | 14,763,436 | 4,443,300 | 2,730,889 | 1,154,542 | |
| - | 2,626,905 | 57,396 | 169,385 | 372,158 | - | |
| 1,616,170 | 478,344 | 1,349,810 | 1,576,952 | 2,030,092 | 1,168,312 | |
| 82,789 | 90,869 | - | - | 7,557 | - | |
| - | - | 28,240 | 374,708 | 398,283 | 464,708 | |
| - | - | - | - | - | 1,238 | |
| 6 | 26 | 170 | 189 | 280 | 73,868 | |
| 4,705,007 | 7,701,140 | 10,396,237 | 10,509,086 | 8,677,129 | 5,997,703 | |
| - | - | - | - | - | - | |
| - | - | - | - | - | - | |
| - | - | - | - | - | - | |
| <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> | <u>\$ 10,193,051</u> | |

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

| | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|----------------------|-----------------------|---------------------|---------------------|
| Revenues | | | | |
| Ad valorem taxes | \$ 54,901,333 | \$ 57,083,132 | \$ 57,928,863 | \$ 57,149,804 |
| Local option sales taxes | 17,627,241 | 17,389,550 | 17,485,548 | 18,775,454 |
| Other taxes and licenses | 592,946 | 584,906 | 586,728 | 601,781 |
| Unrestricted intergovernmental | 547,823 | 794,455 | 795,501 | 3,675,237 |
| Restricted intergovernmental | 18,376,782 | 20,238,732 | 21,966,970 | 21,896,044 |
| Permits and fees | 1,667,041 | 1,709,077 | 1,813,760 | 1,982,384 |
| Sales and services | 4,986,208 | 4,511,955 | 4,055,767 | 3,741,525 |
| Investment earnings | 184,467 | 113,640 | 57,787 | 70,645 |
| Miscellaneous | 1,118,814 | 1,489,452 | 1,192,089 | 949,531 |
| Client account income | - | - | - | - |
| Payments from other municipalities | - | - | - | 195,988 |
| Total revenues | <u>100,002,655</u> | <u>103,914,899</u> | <u>105,883,013</u> | <u>109,038,393</u> |
| Expenditures | | | | |
| General government | 10,746,721 | 11,378,957 | 11,858,726 | 11,414,481 |
| Public safety | 18,129,010 | 22,556,043 | 20,936,011 | 21,965,497 |
| Transportation | 393,420 | 382,381 | 455,646 | 294,890 |
| Economic and physical development | 1,430,211 | 1,794,229 | 3,180,155 | 3,915,820 |
| Human services | 30,162,548 | 31,194,221 | 29,772,137 | 30,983,424 |
| Cultural and recreational | 1,733,815 | 1,887,005 | 1,854,046 | 2,305,648 |
| Intergovernmental: education | 33,492,505 | 31,780,339 | 25,138,251 | 24,546,990 |
| Capital outlay | 509,419 | 1,730,005 | 7,227,501 | 44,065,315 |
| Debt service: | | | | |
| Principal | 1,218,511 | 1,512,000 | 1,470,000 | 2,058,838 |
| Interest and other charges | 843,860 | 776,010 | 823,724 | 1,488,737 |
| Total expenditures | <u>98,660,020</u> | <u>104,991,190</u> | <u>102,716,197</u> | <u>143,039,640</u> |
| Excess of revenues over (under) expenditures | 1,342,635 | (1,076,291) | 3,166,816 | (34,001,247) |
| Other Financing Sources (Uses) | | | | |
| Transfers from other funds | 5,157,105 | 109,545 | 4,798,797 | 38,452,000 |
| Transfers to other funds | (5,872,001) | (1,535,554) | (7,327,949) | 28,260,732 |
| Permanent fund donation | - | - | - | 2,100 |
| Issuance of debt | 15,055,730 | - | 3,069,192 | (30,743,580) |
| Sale of capital assets | 26,830 | 27,934 | 82,917 | 690,687 |
| Total other financing sources (uses) | <u>14,367,664</u> | <u>(1,398,075)</u> | <u>622,957</u> | <u>36,661,939</u> |
| Net change in fund balances | <u>\$ 15,710,299</u> | <u>\$ (2,474,366)</u> | <u>\$ 3,789,773</u> | <u>\$ 2,660,692</u> |
| Debt service as a percentage of noncapital expenditures | 2.1% | 2.2% | 2.4% | 3.6% |

Source: Annual audited financial statements of this entity.

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> |
|------------------------|----------------------|------------------------|-----------------------|------------------------|----------------------|-------------|
| \$ | 58,611,538 | 57,873,488 | 58,783,137 | 59,700,310 | 61,947,311 | 64,777,343 |
| 19,486,558 | 20,985,491 | 21,107,894 | 25,299,702 | 25,265,261 | 28,663,508 | |
| 586,345 | 582,477 | 552,138 | 541,101 | 523,216 | 534,310 | |
| 799,519 | 642,827 | 595,438 | 461,815 | 657,955 | 1,533,607 | |
| 25,570,656 | 23,439,360 | 19,419,311 | 20,714,942 | 23,586,511 | 22,086,490 | |
| 2,115,803 | 2,260,700 | 2,241,981 | 2,305,821 | 2,739,881 | 3,029,219 | |
| 3,882,954 | 3,456,995 | 5,305,173 | 5,345,270 | 4,741,164 | 14,070,895 | |
| 76,805 | 157,371 | 650,832 | 1,014,569 | 664,534 | 80,092 | |
| 1,941,563 | 1,340,810 | 1,129,108 | 1,578,945 | 1,371,258 | 2,219,098 | |
| - | - | - | - | - | 225,411 | |
| <u>190,955</u> | <u>210,656</u> | <u>210,366</u> | <u>210,077</u> | <u>59,444</u> | <u>63,981</u> | |
| <u>113,262,696</u> | <u>110,950,175</u> | <u>109,995,378</u> | <u>117,172,552</u> | <u>121,556,535</u> | <u>137,283,954</u> | |
| 12,029,395 | 12,140,294 | 12,696,719 | 12,061,266 | 13,036,811 | 13,721,176 | |
| 23,514,436 | 26,539,211 | 26,649,302 | 28,220,163 | 28,773,357 | 41,221,937 | |
| 223,495 | 343,488 | 2,204,696 | 386,776 | 430,519 | 220,785 | |
| 1,772,339 | 1,510,719 | 1,947,853 | 4,369,580 | 7,474,373 | 2,456,432 | |
| 30,398,607 | 29,390,247 | 27,986,240 | 27,388,883 | 25,750,258 | 26,398,199 | |
| 2,181,044 | 2,388,494 | 2,427,910 | 2,537,030 | 2,368,228 | 2,480,640 | |
| 24,538,805 | 26,835,179 | 27,299,175 | 26,920,372 | 33,669,871 | 29,213,559 | |
| 20,461,562 | 5,558,304 | 8,419,620 | 10,551,952 | 9,318,264 | 5,893,797 | |
| 4,308,703 | 4,279,692 | 5,019,267 | 5,049,747 | 3,674,484 | 3,303,000 | |
| <u>2,073,005</u> | <u>1,734,533</u> | <u>2,483,574</u> | <u>2,447,434</u> | <u>2,370,220</u> | <u>2,270,536</u> | |
| <u>121,501,391</u> | <u>110,720,161</u> | <u>117,134,356</u> | <u>119,933,203</u> | <u>126,866,385</u> | <u>127,180,061</u> | |
| (8,238,695) | 230,014 | (7,138,978) | (2,760,651) | (5,309,850) | 10,103,893 | |
| 590,001 | 7,001,682 | 6,568,119 | 641,673 | 13,414,433 | 15,784,044 | |
| (5,229,354) | (11,057,292) | (18,963,786) | (7,551,133) | (18,640,744) | (17,215,892) | |
| 5,000 | - | - | - | - | 500 | |
| 971,527 | 28,005,133 | - | - | - | 9,930,468 | |
| 414,351 | 124,892 | 277,443 | 51,796 | 163,223 | 313,552 | |
| <u>(3,248,475)</u> | <u>24,074,415</u> | <u>(12,118,224)</u> | <u>(6,857,664)</u> | <u>(5,063,088)</u> | <u>8,812,672</u> | |
| <u>\$ (11,487,170)</u> | <u>\$ 24,304,429</u> | <u>\$ (19,257,202)</u> | <u>\$ (9,618,315)</u> | <u>\$ (10,372,938)</u> | <u>\$ 18,916,565</u> | |
| 6.3% | 5.7% | 6.9% | 7.1% | 5.3% | 4.6% | |

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 |
|---|--------------------------|------------------------------|--|------------------------------|--|---|--------------------------------------|
| 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 |
| 2021 | 7,043,074 | 1,878,188 | 608,680 | 8,312,582 | 791,188 | 9,103,770 | 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, | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 |
|-----------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Wayne County (Note 2) | 0.708 | 0.664 | 0.664 | 0.664 | 0.664 | 0.664 | 0.664 | 0.664 | 0.664 | 0.703 |
| Municipality Rates: | | | | | | | | | | |
| City of Goldsboro | 0.680 | 0.650 | 0.650 | 0.650 | 0.650 | 0.650 | 0.650 | 0.650 | 0.650 | 0.650 |
| Town of Mount Olive | 0.680 | 0.640 | 0.640 | 0.640 | 0.640 | 0.640 | 0.640 | 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 | 0.680 | 0.670 | 0.660 | 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 | 0.690 | 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 | 0.750 | 0.700 | 0.700 | 0.700 |
| Village of Walnut Creek | 0.420 | 0.420 | 0.420 | 0.420 | 0.420 | 0.380 | 0.380 | 0.380 | 0.380 | 0.380 |
| Fire Districts: | | | | | | | | | | |
| Antioch Fire District | N/A | N/A | N/A | N/A | 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 | 0.080 | 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 | 0.080 | 0.080 | 0.080 |
| Elroy Fire District | 0.063 | 0.063 | 0.063 | 0.063 | 0.063 | 0.063 | 0.063 | 0.065 | 0.065 | 0.065 |
| Eureka Fire District | N/A | 0.080 | 0.080 | 0.080 |
| Faro Fire District | N/A | 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 | 0.075 | 0.063 | 0.063 | 0.063 | 0.060 | 0.055 |
| Northeast Wayne Fire District | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | 0.080 | N/A | N/A |
| Northern Wayne Fire District | 0.070 | 0.070 | 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 | 0.063 | 0.070 | 0.063 | 0.050 | 0.050 | 0.050 |
| Pinewood Fire District | N/A | 0.070 | 0.070 | 0.070 |
| 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 | 0.080 | 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 | 0.055 | 0.045 |
| Saulston Fire District | 0.075 | 0.075 | 0.075 | 0.075 | 0.060 | 0.060 | 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 | 0.070 | 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 | 2021 | | | 2012 | | | Percentage of Total Assessed Value |
|----------------------------------|-------------------------|------------------|------|------------------------------------|----------------|------|-------|------------------------------------|
| | | Assessed Value | Rank | Percentage of Total Assessed Value | Assessed Value | Rank | | |
| Duke Progress Energy | Electric/Utility | \$ 648,881,409 | 1 | 8.14% | \$ 328,872,833 | 1 | 4.41% | |
| Mount Olive Pickle, Inc. | Pickle Processing | 68,834,974 | 2 | 0.86% | 32,209,797 | 2 | 0.43% | |
| Georgia Pacific Corporation | Wood Processing | 55,399,667 | 3 | 0.69% | | | | |
| Piedmont Natural Gas | Gas/Utility | 46,075,465 | 4 | 0.58% | 23,941,477 | 7 | 0.32% | |
| Case Farms Processing, Inc. | Poultry Prod/Processing | 45,749,140 | 5 | 0.57% | 21,129,604 | 9 | 0.28% | |
| Walmart Stores East LP | Retail Stores | 34,117,593 | 6 | 0.43% | 28,706,678 | 4 | 0.39% | |
| Tri-County EMC | Electric/Utility | 29,731,171 | 7 | 0.37% | 25,491,951 | 5 | 0.34% | |
| Butterball, LLC | Poultry Prod/Processing | 25,781,204 | 8 | 0.32% | | | | |
| Time Warner Cable | Electric/Utility | 25,391,280 | 9 | 0.32% | | | | |
| Bobby Denning Properties, LLC | Real Estate | 25,013,960 | 10 | 0.31% | | | | |
| BellSouth Telephone Company | Telephone/Utility | | | | 30,377,284 | 3 | 0.41% | |
| Cooper-Standard Automotive, Inc. | Auto Parts Manufacturer | | | | 24,580,731 | 6 | 0.33% | |
| Goldsboro Apts. Investors, LLC | Housing Provider | | | | 23,219,940 | 8 | 0.31% | |
| Berkeley Mall, LLC | Shopping Mall | | | | 20,661,630 | 10 | 0.28% | |
| Total | | \$ 1,004,975,863 | | 12.61% | \$ 559,191,925 | | 7.50% | |

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 |
| 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% |
| 2021 | 52,931 | 52,076 | 98.38% | 948 | 53,024 | 100.18% |

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

Table 2-E

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

| | Fiscal Year | | | | | | | | | |
|------------------------------|---------------------|-------------------|-------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
| Apparel stores | \$ 35,685 | \$ 37,609 | \$ 37,391 | \$ 41,369 | \$ 45,938 | \$ 47,334 | \$ 47,569 | \$ 51,624 | \$ 49,391 | \$ 68,167 |
| Automotive | 72,719 | 74,036 | 75,410 | 82,502 | 91,737 | 98,760 | 95,839 | 100,684 | 106,059 | 116,625 |
| Food | 175,000 | 183,609 | 187,338 | 199,681 | 215,165 | 214,756 | 219,211 | 234,088 | 232,880 | 257,750 |
| Furniture | 35,684 | 29,855 | 34,727 | 38,087 | 38,649 | 40,616 | 43,656 | 54,660 | 52,541 | 48,364 |
| General merchandise | 322,110 | 312,264 | 312,997 | 334,453 | 352,116 | 380,903 | 362,419 | 388,098 | 414,840 | 505,709 |
| Lumber and building material | 112,112 | 100,931 | 92,697 | 106,667 | 103,803 | 114,143 | 120,676 | 134,567 | 148,613 | 155,674 |
| Unclassified | 261,188 | 234,012 | 231,063 | 241,149 | 244,945 | 265,501 | 275,256 | 298,311 | 325,442 | 369,497 |
| Total | 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 | 1,521,786 |
| 1% Tax | - | - | - | - | - | - | - | - | - | - |
| 2%, 2.5%, 3%, 4.75% Tax | 6,088 | 4,558 | 5,564 | 5,538 | 7,035 | 6,975 | 9,148 | 10,176 | 13,759 | 15,439 |
| Total Taxable Sales | \$ 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 | \$ 1,537,225 |
| 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 |
| 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 | - |
| 2021 | - | 18,340 | - | 51,914 | - |

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 | | | |
| - | - | 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 | 1.61% | 620 |
| 10,680 | 1,430 | - | 82,364 | 1.72% | 669 |

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

| | 2012 | 2013 | 2014 | 2015 |
|--|-------------------|-------------------|-------------------|-------------------|
| General bonded debt outstanding | | | | |
| General obligation bonds | \$ - | \$ - | \$ - | \$ - |
| Total | - - | - - | - - | - - |
| Assessed value | 7,446,912 | 7,709,519 | 7,823,933 | 7,071,385 |
| 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 | <u>595,753</u> | <u>616,762</u> | <u>625,915</u> | <u>565,711</u> |
| Legal debt margin | <u>\$ 595,753</u> | <u>\$ 616,762</u> | <u>\$ 625,915</u> | <u>\$ 565,711</u> |
| Legal debt margin as a percentage of the debt limit | 100.00% | 100.00% | 100.00% | 100.00% |

Source: Annual audited financial statements of this entity.

| 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 8,128,442 | 8,232,459 | 8,304,811 | 8,424,537 | 8,771,026 | 9,103,769 |
| 0.000% | 0.000% | 0.000% | 0.000% | 0.000% | 0.000% |
| 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| — | — | — | — | — | — |
| — | — | — | — | — | — |
| 650,275 | 658,597 | 664,385 | 673,963 | 701,682 | 728,302 |
| \$ <u>650,275</u> | \$ <u>658,597</u> | \$ <u>664,385</u> | \$ <u>673,963</u> | \$ <u>701,682</u> | \$ <u>728,302</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, 2021
 (amounts expressed in thousands)

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|-------------------------|--|--|
| Debt repaid with property taxes | | | |
| Direct Bonded Debt Wayne County | \$ - | 100% | \$ - |
| Overlapping Bonded Debt | | | |
| Goldsboro | 55,716 | 100% | 55,716 |
| Eureka | - | 100% | - |
| Fremont | 629 | 100% | 629 |
| Town of Mount Olive | 6,916 | 100% | 6,916 |
| Pikeville | 2,443 | 100% | <u>2,443</u> |
| Subtotal, overlapping debt | | | 65,704 |
| Other debt | | | |
| Limited Obligation Bonds | 18,340 | 100% | 18,340 |
| Installment Purchase Contracts | 51,914 | 100% | 51,914 |
| Promissory Notes Payable | - | 100% | <u>-</u> |
| Total direct and overlapping debt | | | \$ <u>135,958</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) |
|-------------|----------------|-----------------------------|-----------------------|-----------------------|-----------------------|---------------------------------------|
| 2012 | 116,864 | N/A | N/A | 19,240 | 9.0% | 1,020,586 |
| 2013 | 122,623 | N/A | N/A | 18,837 | 9.2% | 976,875 |
| 2014 | 124,246 | N/A | N/A | 19,373 | 6.6% | 977,188 |
| 2015 | 124,583 | N/A | N/A | 19,021 | 6.5% | 1,049,446 |
| 2016 | 124,775 | N/A | 36,950 | 18,713 | 5.6% | 1,099,388 |
| 2017 | 124,984 | N/A | N/A | 18,460 | 4.8% | 1,168,988 |
| 2018 | 128,020 | N/A | N/A | 18,460 | 4.5% | 1,173,773 |
| 2019 | 124,172 | N/A | 37,126 | 18,223 | 4.7% | 1,272,208 |
| 2020 | 123,248 | N/A | 38,472 | 18,037 | 8.2% | 1,343,525 |
| 2021 | 123,131 | N/A | 38,894 | 17,352 | 6.3% | 1,537,225 |

(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 | 2021 | | | 2012 | | |
|----------------------------------|-------------------------------------|----------------------|------|------------------------------|----------------------|------|------------------------------|
| | | 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% | 6,482 | 1 | 12.69% |
| Wayne County Public Schools | Public Education | 2,053 | 2 | 4.32% | 3,275 | 2 | 6.41% |
| Wayne UNC Healthcare | Health Care | 1,583 | 3 | 3.33% | 1,610 | 3 | 3.15% |
| Goldsboro Milling Company | Turkey Feed Products | 1,305 | 4 | 2.75% | 800 | 8 | 1.57% |
| County of Wayne | Local Government (full & part-time) | 1,085 | 5 | 2.28% | 962 | 5 | 1.88% |
| Mount Olive Pickle Company, Inc. | Pickle Production (seasonal) | 974 | 6 | 2.05% | 646 | 10 | 1.27% |
| Wayne Community College | Higher Education | 705 | 7 | 1.48% | | | |
| O'Berry Center | State Center for Handicapped | 650 | 8 | 1.37% | 956 | 6 | 1.87% |
| Cherry Hospital | State Psychiatric Hospital | 600 | 9 | 1.26% | 931 | 7 | 1.82% |
| Case Farms Processing, Inc. | Poultry Processing | 550 | 10 | 1.16% | 983 | 4 | 1.92% |
| AAR Corporation | Manufacturing | | | | 656 | 9 | 1.28% |
| Total | | <u><u>15,484</u></u> | | <u><u>35.01%</u></u> | <u><u>17,301</u></u> | | <u><u>33.88%</u></u> |
| Total County Employment | | <u><u>47,501</u></u> | | | <u><u>51,066</u></u> | | |

Source: Wayne County Development Alliance, Inc.

Table 5-A

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|------|------|------|------|------|------|------|------|------|------|
| General government | | | | | | | | | | |
| Board of commissioners | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| County manager | 3 | 3 | 3 | 4 | 4 | 5 | 4 | 4 | 4 | 4 |
| Finance | 6 | 6 | 8 | 8 | 9 | 9 | 9 | 9 | 10 | 12 |
| Human resources | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| Tax administration | 19 | 17 | 16 | 15 | 15 | 15 | 16 | 15 | 14 | 15 |
| GIS | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| County attorney | 1 | 1 | 1 | 1 | 1 | 1 | 2 | 2 | 3 | 3 |
| Court facility | - | 1 | - | 1 | 2 | 2 | 2 | 4 | 4 | 3 |
| Public affairs | - | - | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 |
| Board of elections | 20 | 7 | 7 | 5 | 5 | 5 | 4 | 4 | 4 | 5 |
| Register of deeds | 9 | 9 | 8 | 8 | 8 | 8 | 8 | 7 | 8 | 9 |
| Central services | 5 | 5 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 1 |
| IT department | 10 | 9 | 10 | 9 | 10 | 10 | 11 | 14 | 14 | 16 |
| Building and grounds | 30 | 33 | 35 | 35 | 37 | 38 | 39 | 40 | 40 | 42 |
| Public safety | | | | | | | | | | |
| Sheriff | 125 | 125 | 106 | 100 | 119 | 127 | 128 | 151 | 120 | 132 |
| Detention center | 76 | 67 | 67 | 64 | 80 | 94 | 103 | 103 | 99 | 107 |
| Day reporting | 2 | 2 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 7 |
| Electronic monitoring | 2 | - | - | - | - | - | - | - | - | - |
| NC school resource officers | 7 | 7 | 9 | 11 | 12 | 12 | 11 | 16 | 17 | 18 |
| Emergency management | 37 | 30 | 34 | 34 | 38 | 38 | 38 | 32 | 33 | 26 |
| Inspections | 8 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 8 |
| Animal control | 12 | 13 | 13 | 13 | 13 | 14 | 15 | 15 | 15 | 13 |
| EM telephone | 2 | 5 | 1 | 1 | 1 | 1 | - | - | - | - |
| 622 EMS | 83 | 76 | 100 | 97 | 107 | 108 | 110 | 110 | 106 | 124 |
| Wayne Net | 21 | 26 | 24 | 22 | 26 | 50 | 49 | 40 | 30 | 3 |
| Transportation | | | | | | | | | | |
| Goldsboro Wayne Airport | 3 | 4 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 3 |
| Goldsboro/Wayne Transp. Authority | 1 | 1 | 1 | 1 | - | - | - | 1 | 1 | 1 |
| Economic and physical development | | | | | | | | | | |
| Economic development | 4 | 4 | 4 | 4 | 3 | 3 | 4 | 4 | 4 | 2 |
| Cooperative extension | 3 | 3 | 1 | 2 | 2 | 3 | 3 | 2 | 2 | 3 |
| Soil and water conservation | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 3 |
| Environmental protection | | | | | | | | | | |
| Planning | 10 | 5 | 4 | 4 | 3 | 4 | 5 | 5 | 5 | 5 |

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|------------------------------|------|------|------|------|------|------|------|------|------|------|
| Education | | | | | | | | | | |
| Library | 45 | 45 | 28 | 33 | 34 | 36 | 36 | 36 | 35 | 36 |
| Literacy connection | 2 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Human services | | | | | | | | | | |
| Coop ext smart start | 2 | - | - | - | - | - | - | - | - | - |
| Smart start-PAT | 2 | 5 | 2 | 2 | - | - | - | - | - | - |
| 4-H | 22 | 21 | 9 | 7 | 10 | 10 | 5 | 3 | 3 | - |
| Veterans | 2 | 2 | 2 | 2 | 3 | 3 | 3 | 3 | 3 | 3 |
| Senior citizens | 37 | 38 | 17 | 16 | 15 | 16 | 17 | 16 | 16 | 17 |
| Social services | 193 | 193 | 204 | 210 | 201 | 232 | 218 | 194 | 207 | 215 |
| Health | 136 | 129 | 123 | 121 | 117 | 117 | 114 | 111 | 106 | 110 |
| Utilities | | | | | | | | | | |
| Solid waste | 56 | 53 | 46 | 46 | 45 | 45 | 45 | 45 | 47 | 51 |
| Genoa sewer | 1 | - | 1 | 1 | 1 | 1 | 1 | 1 | 1 | - |
| Convention Center | | | | | | | | | | |
| Maxwell | - | - | - | - | - | 3 | 3 | 5 | 7 | 7 |
| Internal Service Fund | | | | | | | | | | |
| Fleet Management | - | - | - | - | 2 | 2 | 2 | 2 | 3 | 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 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Inspections department | | | | | | | | | | |
| Building permits issued | 441 | 429 | 478 | 443 | 548 | 622 | 543 | 587 | 873 | 886 |
| Building inspections conducted | 4,010 | 4,167 | 3,346 | 3,101 | 3,836 | 7,101 | 6,721 | 6,742 | 9,603 | 8,764 |
| Sheriff | | | | | | | | | | |
| Arrests | 3,609 | 1,365 | 3,641 | 3,862 | 4,560 | 5,041 | 4,503 | 4,793 | 4,335 | 3,973 |
| Citations | 1,092 | 1,111 | 3,947 | 5,020 | 7,502 | 5,225 | 3,420 | 2,787 | 2,396 | 1,248 |
| Fire | | | | | | | | | | |
| Inspections | 129 | 154 | 163 | 175 | 174 | 92 | 91 | 104 | 110 | 113 |
| Permits | 129 | 120 | 115 | 112 | 110 | 110 | 107 | 124 | 135 | 92 |
| EMS | | | | | | | | | | |
| Calls | 16,342 | 16,818 | 16,613 | 17,690 | 18,391 | 18,725 | 19,520 | 20,084 | 20,074 | 21,328 |
| EMS Non-emergency | | | | | | | | | | |
| Calls | N/A | N/A | 6,524 | 5,774 | 6,514 | 12,832 | 11,916 | 20,262 | 6,198 | N/A |
| Solid waste disposal | | | | | | | | | | |
| MSW (tons) | 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 | 97,144.61 |
| C&D (tons) | 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 | 29,949.40 |
| Storm debris (tons) | 21.05 | - | - | - | - | 12,526.36 | 2.93 | 5,770.15 | 2.39 | 19.57 |
| Recycle (tons) | 2,668.26 | 4,493.31 | 3,824.44 | 5,751.74 | 5,710.13 | 6,174.14 | 5,111.46 | 4,152.12 | 4,426.98 | 5,012.44 |
| Tires (count) | 231,729 | 1,849 | 2,211 | 1,943 | 1,971 | 2,145 | 2,163 | 2,222 | 2,403 | 2,444 |
| Oil (gallons) | 17,980 | 17,495 | 22,820 | 14,965 | 16,750 | 16,250 | 24,500 | 22,500 | 18,192 | 18,850 |
| Batteries (count) | 309 | 287 | 207 | 72 | 0 | 0 | 0 | 2 | 2 | 2 |
| Jail | | | | | | | | | | |
| Inmates admitted (average) | 511 | 507 | 552 | 561 | 579 | 545 | 538 | 4,300 | 3,643 | 2,642 |
| Inmates (daily average) | 227 | 225 | 223 | 214 | 220 | 395 | 363 | 370 | 363 | 313 |
| Department of social services | | | | | | | | | | |
| Adult medicaid (active cases) | 39,568 | 39,777 | 40,111 | 40,477 | 100,551 | 140,143 | 145,302 | 138,255 | 136,059 | 131,791 |
| Family and childrens medicaid (active cases) | 159,271 | 161,496 | 122,788 | 127,779 | 255,350 | 331,271 | 347,251 | 294,236 | 313,435 | 274,117 |
| Food stamps (active cases) | 24,430 | 24,101 | 11,843 | 129,560 | 143,720 | 163,359 | 133,931 | 129,365 | 121,385 | 141,394 |
| Children in foster care (avg per month) | 46 | 61 | 71 | 40 | 38 | 56 | 72 | 64 | 57 | 40 |
| Children in DSS custody (avg per month) | 94 | 79 | 72 | 72 | 89 | 124 | 118 | 107 | 88 | 64 |
| Day care (children served) | 14,114 | 15,479 | 15,285 | 14,863 | 13,532 | 12,898 | 12,898 | 13,125 | 11,419 | 10,816 |
| Child support (collections) | \$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 | \$13,565,475 |
| Work first (active cases) | 7,089 | 5,533 | 3,911 | 4,664 | 2,858 | 3,506 | 3,690 | 3,278 | 2,565 | 2,221 |
| Reception services (clients seen) | 70,021 | 64,366 | 41,455 | 41,015 | 52,173 | 52,081 | 54,640 | 47,140 | 32,650 | 13,815 |
| Health department | | | | | | | | | | |
| TB (clients seen) | 1,182 | 1,202 | 576 | 475 | 340 | 385 | 552 | 815 | 927 | 195 |
| Communicable disease/STD (client visits) | 2,824 | 5,139 | 3,874 | 3,421 | 3,508 | 3,143 | 2,573 | 2,721 | 2,271 | 400 |
| Pharmacy (prescriptions filled) | 9,167 | 9,011 | 8,030 | 5,464 | 4,189 | 4,448 | 4,496 | 3,384 | 3,678 | 2,676 |
| BCCCP (client visits) | 292 | 308 | 358 | 351 | 274 | 293 | 182 | 216 | 143 | 155 |
| Wisewoman (client visits) | 149 | 212 | 55 | 171 | 129 | 134 | 81 | 26 | 36 | 30 |
| HIV/AIDS (tests) | 4,840 | 4,622 | 4,386 | 2,425 | 2,181 | 3,780 | 1,723 | 3,448 | 2,539 | 1,943 |
| Dental (client visits) | 3,258 | 2,105 | 2,583 | 2,331 | 1,860 | 517 | 801 | 338 | 527 | 636 |
| Immunizations (administered) | 7,941 | 3,905 | 4,694 | 4,503 | 4,381 | 4,672 | 4,182 | 5,078 | 3,688 | 1,894 |
| Lab (tests) | 53,787 | 51,115 | 50,708 | 45,611 | 39,979 | 43,008 | 43,297 | 40,197 | 30,648 | 22,164 |
| Environmental health (onsite inspections) | 1,261 | 1,261 | 674 | 890 | 1,235 | 1,169 | 1,289 | 1,920 | 2,047 | 2,225 |
| Environmental health (restaurant inspections) | 1,532 | 1,532 | 1,615 | 1,531 | 1,231 | 1,081 | 1,227 | 1,380 | 776 | 1,456 |
| WIC (caseloads) | 4,359 | 4,315 | 4,373 | 4,373 | 4,387 | 4,152 | 3,916 | 3,952 | 4,207 | 4,118 |
| Total prenatal visits | 6,517 | 6,288 | 6,204 | 6,723 | 6,634 | 5,936 | 6,286 | 6,810 | 6,698 | 5,369 |

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Health department, continued | | | | | | | | | | |
| Post partum home assessments | 479 | 440 | 476 | 432 | 387 | 280 | 391 | 261 | 171 | 407 |
| Family planning visits | 6,761 | 6,139 | 11,368 | 5,345 | 2,658 | 5,184 | 5,083 | 3,828 | 4,088 | 3,808 |
| Health Education/H.P. (persons reached) | 6,907 | 12,974 | 9,704 | 17,036 | 20,992 | 11,432 | 2,312 | 2,990 | 3,016 | 1,091 |
| 4-H | | | | | | | | | | |
| Elementary afterschool enrollment | 307 | 235 | 235 | 185 | 238 | 60 | 158 | 133 | 191 | 0 |
| Middle school afterschool enrollment | 46 | 60 | 53 | 92 | 126 | 50 | 45 | 0 | 0 | 0 |
| Elementary afterschool sites | 6 | 9 | 10 | 9 | 9 | 6 | 8 | 4 | 4 | 0 |
| Middle school afterschool sites | 4 | 1 | 1 | 3 | 2 | 1 | 1 | 0 | 0 | 0 |
| 4H volunteer hours | 7,500 | 8,745 | 8,354 | 3,000 | 4,400 | 4,819 | 4,818 | 1,406 | 0 | 0 |
| Youth workshop attendance | 9,875 | 8,010 | 10,196 | 1,050 | 1,440 | 1,052 | 2,849 | 1,247 | 0 | 0 |
| Cooperative extension | | | | | | | | | | |
| Workshop attendance | 26,466 | 31,682 | 3,519 | 27,965 | 16,738 | 32,737 | 13,069 | 15,312 | 14,137 | 23,385 |
| Extension training (farmers) | 2,611 | 1,702 | 45 | 3,483 | 3,550 | 4,162 | 2,968 | 2,591 | 3,137 | 928 |
| Home horticulture class attendance | 594 | 1,248 | 877 | 2,479 | 2,071 | 2,099 | 1,177 | 2,466 | 2,461 | 380 |
| Master gardeners volunteer hours | 2,433 | 2,403 | 2,225 | 2,009 | 2,372 | 2,199 | 2,401 | 2,591 | 2,818 | 552 |
| Equine training participants | 236 | 65 | 50 | - | - | - | - | - | - | - |
| Family and consumer science nutrition and wellness training attendance | 16,329 | 8,903 | 7,037 | 5,644 | 1,215 | 2,721 | 794 | 2,241 | 1,936 | 1,645 |
| Extension and community association volunteer hours | 10,911 | 11,249 | 9,560 | 9,378 | 9,000 | 9,800 | 7,856 | 9,259 | 4,874 | 998 |
| Tax | | | | | | | | | | |
| % of collections | 97.03% | 97.19% | 97.27% | 97.93% | 97.77% | 97.78% | 98.10% | 98.10% | 98.06% | 98.38% |
| Real estate parcels | 60,037 | 60,199 | 60,396 | 60,649 | 65,721 | 61,080 | 66,308 | 66,494 | 66,909 | 67,917 |
| Real property value | 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 | 6,434,393,407 |
| Personal property value | 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 | 746,177,941 |
| Licensed vehicles value (Old DMV System) | 771,927,062 | 822,446,832 | 486,234,509 | 621,028,507 | 867,399,464 | 907,481,124 | 942,708,042 | 723,602,774 | 982,644,768 | 993,593,045 |
| Licensed vehicles value (New VTS System) | | | | | | | | | | 1,135,368,258 |
| Airport | | | | | | | | | | |
| Gallons-Aviation gas sold (yearly) | 38,029 | 35,723 | 39,118 | 39,401 | 50,782 | 55,182 | 64,691 | 63,577 | 45,340 | 57,107 |
| Gallons-Jet A fuel sold (yearly) | 66,388 | 80,320 | 74,466 | 51,319 | 48,825 | 76,694 | 90,910 | 81,685 | 61,069 | 64,105 |
| Total transient flights (yearly) | 1,474 | 1,314 | 1,236 | 698 | 627 | 482 | 563 | 357 | 1,104 | 557 |
| Library | | | | | | | | | | |
| Number of brances | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Number of hours open to public | 8,103 | 8,061 | 8,063 | 8,044 | 8,122 | 8,122 | 8,104 | 8,128 | 6,185 | 8,260 |
| Total book & serial volumes | 150,757 | 190,698 | 201,416 | 151,321 | 137,849 | 133,083 | 129,310 | 133,465 | 142,072 | 144,348 |
| Total circulation | 323,080 | 314,195 | 263,761 | 300,075 | 288,742 | 264,274 | 253,177 | 242,214 | 163,011 | 193,727 |
| Number of persons entering library | 670,772 | 316,379 | 290,049 | 295,405 | 280,344 | 260,598 | 235,677 | 211,057 | 136,557 | 95,555 |
| Total childrens program attendance | 17,016 | 17,103 | 13,693 | 15,537 | 16,704 | 20,521 | 24,368 | 20,572 | 10,133 | 3,381 |
| Total adult program attendance | 1,927 | 2,817 | 1,423 | 4,414 | 3,827 | 4,019 | 3,632 | 3,543 | 1,964 | 1,860 |

Sources: Various county departments

N/A = Not Available

Table 5-C

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

| Function/Program | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 |
|--------------------------------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| General government | | | | | | | | | | |
| Buildings and grounds | | | | | | | | | | |
| Building values | \$ 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 | \$ 124,462,836 |
| Contents value | \$ 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 | \$ 43,719,070 |
| Sheriff | | | | | | | | | | |
| Patrol units | 106 | 114 | 114 | 124 | 135 | 138 | 148 | 148 | 150 | 150 |
| Canine units | 3 | 4 | 4 | 4 | 5 | 5 | 6 | 6 | 7 | 7 |
| Boats | 1 | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Helicopters | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| EMS | | | | | | | | | | |
| Stations | 9 | 9 | 9 | 9 | 9 | 9 | 10 | 10 | 11 | 11 |
| Ambulances | 18 | 18 | 18 | 18 | 16 | 18 | 16 | 16 | 17 | 21 |
| Defibrillator | 18 | 22 | 12 | 12 | 16 | 11 | 9 | 13 | 17 | 14 |
| WayneNet | | | | | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 3 | 3 | 2 | 2 | 1 | - |
| Ambulances | 6 | 6 | 5 | 4 | 8 | 8 | 11 | 16 | 12 | - |
| Defibrillator | 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 | 160,000 | 160,000 | 1,000,000 | 23,000 | 23,000 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Pump stations | 2 | 2 | 2 | 2 | 2 | 1 | 1 | 1 | 1 | 1 |
| Solid Waste Disposal | | | | | | | | | | |
| Sanitation trucks | 5 | 5 | 5 | 5 | 5 | 4 | 4 | 4 | 4 | 4 |
| Department of Social Services | | | | | | | | | | |
| Vehicles | 9 | 7 | 7 | 8 | 8 | 11 | 10 | 10 | 10 | 10 |
| Info Technology Services | | | | | | | | | | |
| Servers | 46 | 39 | 39 | 43 | 52 | 66 | 48 | 48 | 48 | 53 |
| Computers | 624 | 442 | 477 | 497 | 427 | 401 | 559 | 901 | 1,136 | 1,174 |
| Laptops | 345 | 185 | 258 | 268 | 260 | 131 | 184 | 288 | 354 | 416 |
| Thin Clients | 550 | 650 | 552 | 658 | 470 | 469 | 598 | 542 | 323 | - |
| 4-H | | | | | | | | | | |
| Vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 3 | 3 |
| Airport | | | | | | | | | | |
| Vehicles | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 2 | 3 | 3 |

Source: Various county departments

N/A = Not Available

Compliance Section

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

1106 PARKWAY DRIVE
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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, 2021, 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 January 21, 2022. 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) 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2021-001 that we consider to be a significant deficiency.

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*.

Wayne County's Response to Findings

The County's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The County's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

January 21, 2022

**NUNN, BRASHEAR & UZZELL, P.A.
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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, 2021. 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, 2021.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2021-002. Our opinion on each major federal program is not modified with respect to these matters.

The County's response to the noncompliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs and corrective action plan. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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
January 21, 2022

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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, 2021. Wayne County's major State programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of State stautes, regulations, and the terms and conditions of its state awards applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the County's major state programs based on our audit of the types of requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and applicable sections of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), as described in the *Audit Manual for Governmental Auditors in North Carolina*, and the State Single Audit Implementation Act. Those standards, Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major State program occurred. An audit includes examining, on a test basis, evidence about Wayne County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of Wayne County's compliance with those requirements.

Opinion on Each Major State Program

In our opinion, Wayne County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

Management of Wayne County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit, we considered Wayne County's internal control over compliance with requirements that could have a direct and material effect on a major State program to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with applicable sections of the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a State program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a State program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Nunn, Brashears & Uzzell, PA

Goldsboro, North Carolina
January 21, 2022

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness identified? Yes No

Significant Deficiency identified that is not considered to be material weaknesses Yes No none reported

Noncompliance material to financial statements noted Yes No

Federal Awards

Internal control over major federal programs:

Material weakness identified? Yes No

Significant Deficiencies identified that are not considered to be material weaknesses Yes None reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major federal programs:

| <u>CFDA#</u> | <u>Program Name</u> |
|--------------|---|
| 21.109 | Coronavirus Relief Fund |
| 93.044CL | Special for the Aging - Cluster |
| 93.563 | Child Support Enforcement |
| 93.658CL | Foster Care/Adoption Assistance - Cluster |
| 93.778 | Medical Assistance Program - Administrative Funds |

Dollar threshold used to distinguish between Type A and Type B Programs \$750,000

Auditee qualified as low-risk auditee? Yes No

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

State Awards

Internal control over major State programs:

Material weakness identified? Yes No

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

Noncompliance material to State awards Yes No

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

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

Identification of major State programs:

Program Name

Public School Building Fund

NC School Resource Officer

Juvenile Crime Prevention Programs

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

II. Findings Related to the Audit of the Basic Financial Statements of Wayne County

Finding 2021-001

Wayne County, North Carolina
Department: Register of Deeds

Significant Deficiency

Department Operations - Register of Deeds

Criteria: The standard procedures and policies of Wayne County for the Register of Deeds (ROD) Department, along with required procedures dictated by the North Carolina State Legislature, sets certain expectations to the daily operations of the ROD Department.

Condition: The former Register of Deeds left office in December, 2020, after having been defeated in the primary, and the newly elected Register of Deeds has not followed the same procedures and policies that were in place prior to January, 2021.

Questioned Costs: Undetermined.

Context: The ROD Department has failed to maintain segregation of duties standards, approve invoices timely, use the NC Vital Records software, and approve fee remittance to the NC Department of Administration - Domestic Violence Center, and NC DHHS Marriage License/Children's Trust Fees.

Effect: Transactions could be mishandled, due to errors or fraud that could lead to loss of assets or the reporting of misleading financial information. In addition, vendors are not being paid on a timely basis and State Agencies are not being paid as required by law.

Cause: The current Register of Deeds has experienced significant turnover of staff, and training, which has been offered, has not been successful in the Department.

Recommendation: The Register of Deeds should work with the County Manager's Office and the Finance Office to improve the daily operations to meet the standards set by Wayne County and NC State Legislature.

Views of responsible officials and planned corrective actions: The County manager agrees with this finding and will continue to work with the Register of Deeds to improve departmental operations. The Register of Deeds has not clearly responded to the findings listed above.

Wayne County, North Carolina
Schedule of Findings and Questioned Costs
For the Fiscal Year Ended June 30, 2021

III. Federal Awards Findings and Questioned Costs

Finding 2021-002

N.C. Dept. of Health and Human Services:
Division of Medical Assistance
Division of Social Services
Program Name: Medical Assistance Program
CFDA: 93.778

Nonmaterial Noncompliance

Eligibility - Documentation Items

Criteria: In accordance with 42 CFR 431.10 and in the State approved plan, the requirement applicable in this case, an applicant is not eligible for assistance unless the applicant's family income falls below the State-provided income standard.

Condition: One applicant received assistance although their family incomes were above the State-provided income standard.

Questioned Costs: \$89.85. This amount was determined by totaling all the aid received by the applicant from the State provided sample for the fiscal year.

Context: Unearned income of the spouse was not included in the applicant's income level.

Effect: The applicant received Qualified Medicare Beneficiaries assistance, MQB-Q, for which they were not eligible.

Cause: Employee failed to include Social Security income in the calculation of income.

Recommendation: Wayne County DSS supervisors should randomly test eligibility files for completeness.

Views of responsible officials and planned corrective actions: The County agrees with this finding and will implement adequate checks and balances to ensure that this problem does not reoccur.

IV. State Awards Findings and Questioned Costs

None Noted

**Wayne County, North Carolina
Corrective Action Plan
For the Fiscal Year Ended June 30, 2021**

II. Basic Financial Statement Findings and Questioned Costs

See Page # 216

III. Federal Awards Findings and Questioned Costs

See Page # 217

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
COUNTY MANAGER
CRAIG F. HONEYCUTT



WAYNE COUNTY
NORTH CAROLINA

Phone: (919) 731-1435
Fax (919) 731-1446

FINDING: 2021-001

Name of contact person: County Manager Craig Honeycutt

Corrective Action: The County has provided training to the Register of Deeds (ROD) on many occasions, including providing a video recording to give her an on-demand training option. Subsequent to June 30, 2021, the County has paid all invoices that have been properly submitted as per the County's procedures as soon as they were received.

- The County has hired an additional Finance position, specifically to work with the ROD to assist with her finance-related tasks.
- The County has purchased read-only licenses for this new position to be able to access the ROD software to assist the ROD in reconciling her daily deposit reports.
- The County adopted customized accounting procedures specifically for the ROD to eliminate the need to interact with the accounting software and submit financial documents (invoices, budget requests, etc.) through a manual submission process.
- In the FY 2021-2022 budget the County increased salaries for ROD staff and allocated capital funds to allow the ROD to begin electronic indexing projects

The County has recorded deeds using the existing process for over 46 years. It is in compliance with all recording requirements.

Proposed Completion Date: No later than June 30, 2022

THE GOOD LIFE. GROWN HERE.

P.O.BOX 227
GOLDSBORO, NC 27533



Wayne County Department of Social Services

301 N. Herman Street, Box HH, Goldsboro, NC 27530

Phone: (919) 580-4034 - Fax: (919) 731-1293

State Courier#: 01-15-33

FINDING: 2021 – 002

Name of contact person: Ms. Kimberly McGuire, Director

Corrective Action: Public Safety Officials will review procedures on how potential expenditures, such as control substance tax, will be included in the Public Safety's Department budget ordinance and inform the Budget Officer. If any unexpected expenditure is to incur, Public Safety will inform the finance officer. Public Safety will review the budget-to-actual report prepared by the finance officer monthly and make any recommendations necessary.

Proposed Completion Date: The Board will implement the above procedure at their November 23, 2021 meeting.

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| Federal Awards: | | | | | | |
| <u>U.S. Dept. of Agriculture</u> | | | | | | |
| <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 | | \$ 945,025 | \$ - | \$ - | \$ 945,025 |
| SNAP Fraud Administration | 10.561 | | 120,804 | - | - | 120,804 |
| Total SNAP | | | <u>1,065,829</u> | <u>-</u> | <u>-</u> | <u>1,065,829</u> |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Public Health: | | | | | | |
| Administration: | | | | | | |
| WIC Special Supplemental Nutrition Program for Women, Infants, & Children (Note 5) | 10.557 | | 779,756 | - | - | 70,324 |
| Total U.S. Dept. of Agriculture | | | <u>1,845,585</u> | <u>-</u> | <u>-</u> | <u>1,136,153</u> |
| <u>U.S. Environmental Protection Agency</u> | | | | | | |
| Passed-through the N.C. Division of Soil and Water | | | | | | |
| Soil Conservation | | 566001520 01 | 22,100 | - | - | 82,474 |
| Soil Conservation - State Matching Funds | | 566001520 02 | - | 3,600 | - | - |
| COVID-19 - CARES Act Food Relief | 21.019 | | 2,500 | - | - | 1,549 |
| Total U.S. Environmental Protection Agency | | | <u>24,600</u> | <u>3,600</u> | <u>-</u> | <u>84,023</u> |
| <u>U.S. Election Assistance Commission</u> | | | | | | |
| Passed-through the N.C. Dept. of Administration | | | | | | |
| State Board of Elections | | | | | | |
| COVID-19 - CARES Act | 21.019 | | 154,234 | 38,559 | - | - |
| Help America Vote Act Grant - U. S. Elections Assistance | 90.401 | | 214,053 | - | - | - |
| Total U.S. Election Assistance Commission | | | <u>368,287</u> | <u>38,559</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-2021-19095/5A | 53,753 | - | - | 725,916 |
| FEMA - Hurricane Dorian | 97.036 | | 21,400 | 7,133 | - | 881 |
| Hazard Mitigation Grant Program | 97.039 | 536402000 | 12,026 | 4,009 | - | 269,545 |
| State Acquisition and Relocation (SARF) | | 5369DR096 | - | 150,255 | - | - |
| Total U.S. Department of Homeland Security | | | <u>\$ 87,179</u> | <u>\$ 161,397</u> | <u>\$ -</u> | <u>\$ 996,342</u> |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|--|--|---|--|--|---|---|
| <u>U.S. Institute of Museum and Library Services</u> | | | | | | |
| Passed-through the N.C. Dept. of Cultural Resources Library Services & Technology Act - Various Grants Total U.S. Institute of Museum and Library Services | 45.310 | 5299 | \$ 85,241 \$ 85,241 | \$ - \$ - | \$ - \$ - | \$ 64,334 \$ 64,334 |
| <u>U.S. Department of Treasury</u> | | | | | | |
| Passed-through the N.C. Office of State Budget and Management: NC Pandemic Recovery Office COVID-19 - CARES Act Passed through the N.C. Dept. of Health and Human Services Total U.S. Department of Treasury | 21.019 21.019 | | 4,643,102 164,632 4,807,734 | - - - | 1,255,701 - 1,255,701 | 1,104 - 1,104 |
| <u>U.S. Department of Transportation</u> | | | | | | |
| Passed-through the N.C. Dept. of Transportation National Priority Safety Programs Airport Improvement Program Total U.S. Department of Transportation | 20.600 20.106 | 22019.2.8 36237.22.15.1 | 31,429 306,751 338,180 | - - - | - - - | - 93,920 93,920 |
| <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 Special Programs for the Aging - Title III B: Access In-Home Special Programs for the Aging - Title III C: Congregate Nutrition C-1 Home Delivered Meals C-2 NSIP - Nutrition Total Aging Cluster Family Caregiver Support Total Eastern Carolina Council | 93.043 93.044 93.044 93.045 93.045 93.053 93.052 | | 4,752 77,670 85,976 95,353 304,553 58,696 23,335 \$ 650,335 | 280 45,963 228,143 - 188,385 - 1,556 \$ 464,327 | - - - 95,353 534,469 58,696 - 688,518 - \$ 688,518 | 559 13,737 32,334 - 41,531 - 88,161 - \$ 88,161 |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| <u>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 | \$ | 154,628 | \$ 50,635 | - | \$ 113,171 |
| COVID-19 - APS/CPS Care | 93.658 | | - | 100,878 | - | 1,374 |
| Title IV-E Foster Care Training | 93.658 | | 14,733 | - | - | 4,911 |
| Title IV-E Foster Care/Off Trn | 93.658 | | 135,587 | - | - | 135,587 |
| Title IV-E Adoption/Off Trn | 93.659 | | 25,671 | - | - | 25,671 |
| Title IV-E Admin County Paid to CCI | 93.658 | | 36,338 | 18,169 | - | 18,169 |
| Total Foster Care and Adoption Assistance Cluster | | | 366,957 | 169,682 | - | 298,883 |
| <u>Temporary Assistance for Needy</u> | | | | | | |
| Families (TANF/Work First) - Administration | 93.558 | | 71,497 | - | - | 98,606 |
| Division of Public Health: TANF | 93.558 | | 22,048 | - | - | - |
| Total Temporary Assistance for Needy | | | 93,545 | - | - | 98,606 |
| N.C. Child Support Enforcement Section | | | | | | |
| Title IV-D Administration | 93.563 | | 1,289,634 | - | - | 664,357 |
| Title IV-D Offset Fees | 93.563 | | 15,940 | 1,421 | - | 6,791 |
| Low-Income Home Energy Assistance Block Grant: | | | | | | |
| Administration | 93.568 | | 108,997 | - | - | - |
| COVID-19 - Low-Income Energy Assistance | 93.568 | | 303,746 | - | - | - |
| COVID-19 - Low-Income Energy Assistance - Administration | 93.568 | | 946 | - | - | - |
| Energy Assistance Payments | 93.568 | | 661,816 | - | - | - |
| Crisis Intervention Program | 93.568 | | 692,764 | - | - | - |
| Total Energy Assistance | | | 1,768,269 | - | - | - |
| Child Welfare Services - State Grants | | | | | | |
| - Permanency Planning - Families for Kids-Special | 93.645 | | 20,259 | - | - | 6,753 |
| SSBG - TANF to SSBG | 93.667 | | 225,645 | - | - | - |
| SSBG - Other Service and Training | 93.667 | | 602,593 | - | - | 200,864 |
| Adult Protective Services | 93.674 | | (5,559) | - | - | - |
| Independent Living Grant | 93.674 | | 17,692 | 4,423 | - | 28,216 |
| Division of Public Health: | | | | | | |
| Maternal and Child Health Services Block Grant | 93.994 | | 130,499 | 18,291 | - | 412,952 |
| Division of Aging and Adult Services: | | | | | | |
| Division of Social Services: | | | | | | |
| SSBG - In Home Service Fund Over 60 | 93.667 | \$ | 22,276 | \$ - | \$ - | \$ 3,182 |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| Division of Child Development: | | | | | | |
| <u>Child Care Development Fund:</u> | | | | | | |
| Division of Social Services: | | | | | | |
| Child Care Development Fund-Administration | 93.596 | | \$ 168,876 | \$ 35,214 | \$ - | \$ - |
| Smart Start | | | | | | |
| Total Child Care Development | | | 168,876 | 35,214 | - | - |
| Passed-through Eastpointe | | | | | | |
| Division of Public Health | | | | | | |
| Child Substance Abuse Prevention | 93.959 | | 54,621 | - | - | - |
| Substance Abuse and Treatment Block Grant | 93.959 | | 21,124 | - | - | 38,980 |
| Total Substance Abuse Grants | | | 75,745 | - | - | 38,980 |
| <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) | | | | | | |
| CMHRP/CMARC Funds | 93.778 | | 646,411 | - | - | - |
| Division of Social Services: | | | | | | |
| Medical Assistance Program/Administration: | | | | | | |
| Adult Care Home Case Mgmt/Spec | 93.778 | | 63,272 | 19,683 | - | 43,589 |
| Medical Assistance Administration | 93.778 | | 2,636,867 | - | - | 931,302 |
| Medical Transportation Administration | 93.778 | | 120,958 | - | - | 120,958 |
| State County Special Assistance | 93.778 | | 143,377 | - | - | 47,792 |
| State Children's Ins. Program - N.C. Health Choice (Note 5) | 93.767 | | 50,675 | 2,832 | - | 7,144 |
| <u>Office of Population Affairs</u> | | | | | | |
| Passed-through the N.C. Dept. of Health and Human Services: | | | | | | |
| Division of Public Health | | | | | | |
| Family Planning Services | 93.217 | | 79,393 | - | - | 297,935 |
| <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 | | | | | | |
| Public Health Emergency Preparedness | 93.069 | | 25,309 | - | - | - |
| COVID-19 - Epidemiology and Laboratory Capacity for | | | | | | |
| Infectious Diseases (ELC) | 93.323 | | 729,431 | - | - | - |
| COVID-19 - Public Health Emergency Response: Cooperative | | | | | | |
| Agreement: Public Health Crisis Response | 93.354 | | 91,365 | - | - | - |
| Project Grants and Cooperative Agreements for | | | | | | |
| Tuberculosis Control Program | 93.116 | | \$ 26,349 | \$ - | \$ - | \$ 69,639 |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|--|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen) | 93.436 | | \$ 8,235 | \$ - | \$ - | \$ - |
| Immunization Grants | 93.268 | | 327,542 | - | - | - |
| Preventive Health and Health Services Block Grant | 93.991 | | 29,403 | - | - | - |
| Cancer Prevention and Control Programs for State | 93.898 | | 31,025 | - | - | 102,409 |
| Preventive Health Services-STD Control Grants | 93.977 | | 58 | - | - | - |
| Total U.S. Dept. of Health and Human Services | | | <u>10,452,376</u> | <u>715,873</u> | <u>688,518</u> | <u>3,468,513</u> |
| Total federal awards | | | \$ 18,009,182 | \$ 919,429 | \$ 1,944,219 | \$ 5,844,389 |
| State Awards: | | | | | | |
| <u>N.C. Dept. of Commerce:</u> | | | | | | |
| One NC Fund | | | \$ - | \$ 31,250 | \$ 31,250 | \$ - |
| Building Reuse | | | - | 212,500 | 212,500 | - |
| Total N. C. Dept. of Commerce | | | <u>-</u> | <u>243,750</u> | <u>243,750</u> | <u>-</u> |
| <u>N.C. Dept. of Military & Veteran Affairs</u> | | | | | | |
| Veteran Services | | | - | 2,084 | - | 150,406 |
| Total N.C. Dept. of Military & Veteran Affairs | | | <u>-</u> | <u>2,084</u> | <u>-</u> | <u>150,406</u> |
| <u>N.C. Department of Natural and Cultural Resources:</u> | | | | | | |
| State Library of North Carolina | | | - | 164,494 | - | 59,229 |
| Library State Aid Grant | | | <u>-</u> | <u>164,494</u> | <u>-</u> | <u>59,229</u> |
| Total N.C. Department of Cultural Resources | | | | | | |
| <u>N.C. Department of Environmental Quality</u> | | | | | | |
| Division of Environmental Health | | | - | 9,802 | - | 260,574 |
| Scrap Tire Disposal Grant | | | - | 344,719 | - | 144,960 |
| Stream Debris Removal | | | <u>566001520-02</u> | <u>354,521</u> | <u>-</u> | <u>405,534</u> |
| Total N.C. Dept. of Environmental and Natural Resources | | | | | | |
| <u>N.C. Dept. of Health and Human Services</u> | | | | | | |
| Division of Aging and Adult Services | | | - | 657 | - | - |
| Passed through Eastern Carolina Council: | | | - | 7,886 | - | 2,629 |
| Operation Fan | | | <u>-</u> | <u>8,543</u> | <u>\$</u> | <u>2,629</u> |
| Senior Center General Purpose | | | | | | |
| Total Eastern Carolina Council | | | | | | |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|
| Division of Social Services | | | | | | |
| Energy Assist Private Grants | | | \$ - | \$ 11,449 | \$ - | \$ - |
| Non-Allocating County Cost | | | | | | 2,839 |
| County Funded Programs | | | | | | 1,290,754 |
| SFHF Maximization | | | | | | 86,567 |
| Foster Care at Risk Maximization | | | | | | 2,320 |
| State Foster Home | | | | | | 93,284 |
| Total Division of Social Service | | | | | | 1,475,764 |
| Division of Public Health | | | | | | |
| Aid to Counties | | | | | | 946,231 |
| Food and Lodging Fees | | | | | | 446,920 |
| General Communicable Disease Control | | | | | | 54,078 |
| Heathly Community Activities | | | | | | - |
| School Nurse Funding Initiative | | | | | | - |
| Family Planning - State | | | | | | - |
| STD Drugs | | | | | | - |
| Breast and Cervical Cancer Program | | | | | | - |
| Child Health | | | | | | - |
| Women's Health Service Fund | | | | | | - |
| HIV/STD State | | | | | | 179,337 |
| TB Control | | | | | | - |
| Total Division of Public Health | | | | | | 1,626,566 |
| Total N. C. Department of Health and Human Services | | | | | | 3,104,959 |
| <u>N.C. Dept. of Transportation</u> | | | | | | |
| State Aid to Airports Program | DOT-8 | | | | | |
| Total N.C. Department of Transportation | | | | | | |
| <u>N.C. Dept. of Public Instruction:</u> | | | | | | |
| Public School Building Capital Fund | LEA 960/2019-20 | | | | | |
| N.C. School Resource Officer Grant | 488015683 | | | | | |
| Total N. C. Dept. of Public Instruction | | | | | | |
| <u>N.C. Dept. of Public Safety</u> | | | | | | |
| Juvenile Crime Prevention Programs | 536301 | | | | | |
| Total Dept. of Public Safety | | | | | | |
| <u>Wayne County Partnership for Children</u> | | | | | | |
| Raising a Reader | | | | | | 11,458 |
| Smart Start - Health Service Team | | | | | | - |
| Total Wayne County Partnership for Children | | | | | | 11,458 |
| Total State awards | | | | | | 4,179,640 |
| Total federal and State awards | | | \$ 18,009,182 | \$ 5,329,859 | \$ 2,713,350 | \$ 10,024,029 |

Wayne County, North Carolina
Schedule of Expenditures of Federal and State Awards
For the Year Ended June 30, 2021

| <u>Grantor/Pass-through Grantor/Program Title</u> | <u>Federal CFDA Number</u> | <u>State/ Pass-through Grantor's Number</u> | <u>Fed. (Direct & Pass-through) Expenditures</u> | <u>State Expenditures</u> | <u>Pass-through to Subrecipients</u> | <u>Local Expenditures</u> |
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|
|---|------------------------------------|---|--|-------------------------------|--|-------------------------------|

Notes to the Schedule of Expenditures of Federal and State Financial Awards:

1. Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Wayne County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2021. 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 | 3,168,651 | - |
| Supplemental Nutrition Assistance Program | 10.551 | 58,706,286 | - |
| Temporary Assistance for Needy Families/Work First | 93.558 | 1,427,556 | - |
| Refugee Assistance | 93.566 | 241 | - |
| Foster Care - Title IV-E/Adoption Subsidy | 93.658 | 1,090,824 | 207,236 |
| Medical Assistance Program | 93.778 | 159,689,861 | 61,997,279 |
| Children's Health Insurance Program | 93.767 | 2,513,165 | 464,070 |
| Child Welfare Services Adoption | | - | 487,382 |
| State/County Special Assistance Program | | - | 1,152,639 |