



Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2019

**NASH COUNTY, NORTH CAROLINA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Fiscal Year Ended June 30, 2019
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NASH COUNTY

NASHVILLE, NORTH CAROLINA 27856



ROBBIE B. DAVIS
BOARD OF COMMISSIONERS

ZEE B. LAMB
COUNTY MANAGER

VINCE DURHAM
ATTORNEY

JANICE EVANS
CLERK TO BOARD

November 26, 2019

Nash County Citizens,
The Honorable Chairman,
Members of the Board of Commissioners

Maintaining the fiscal strength and stability of County government are primary goals of the Commissioners. This Comprehensive Annual Financial Report (Financial Statements) of Nash County, North Carolina, for the fiscal year ended June 30, 2019, is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department is responsible for the accuracy of the Financial Statement data, the completeness and fairness of the presentation, and all disclosures rests with the County. We believe the data and presentation are fair and accurate and that you will find everything necessary in this document to gain an understanding of the County's financial activities over the last fiscal year.

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Nash County.

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

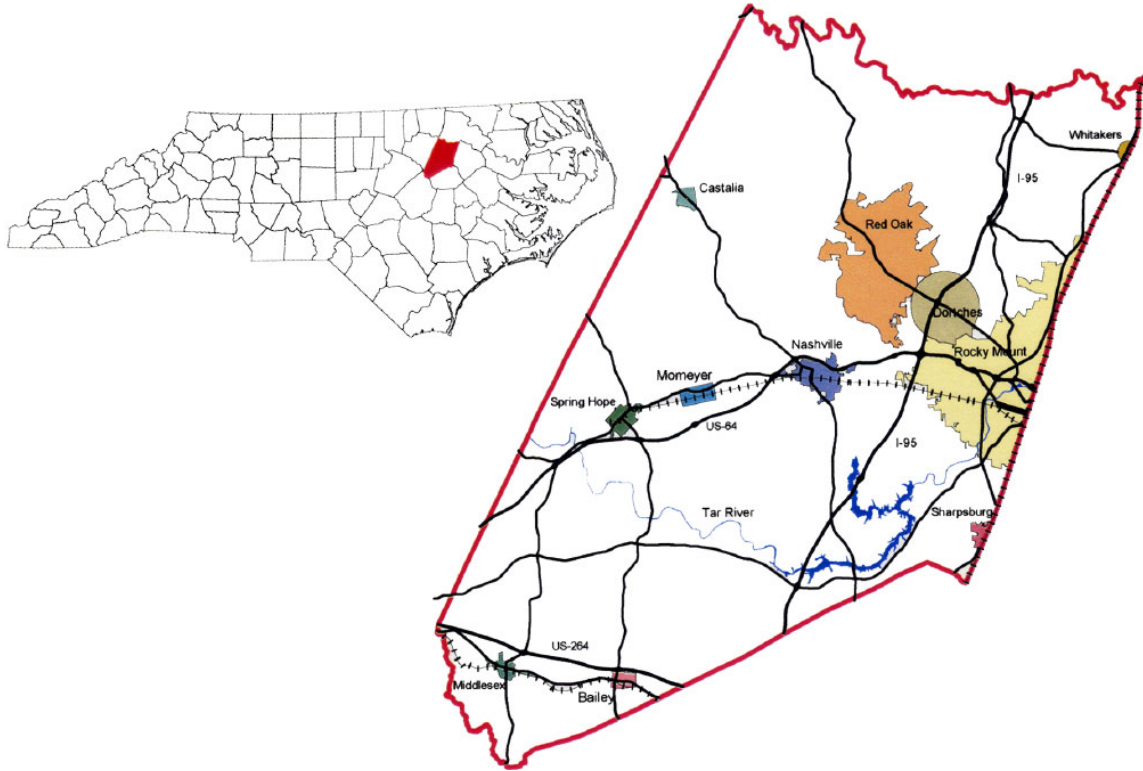
Nash County's financial statements have been audited by Thompson, Price, Scott, Adams & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Nash County for the fiscal year ended June 30, 2019, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Nash County's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Nash County was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal and State awards. These reports are available in the Compliance Section of this report.

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

Profile of the Government

Nash County was established in 1777 from the western part of Edgecombe County. Nash County could be classified as either a northern coastal plain county or a far eastern piedmont county. Falling midway between New York and Florida, Nash County occupies a total area of 542.71 square miles with a land area of 540.41 square miles. Nash County serves a population of 95,612 according to July 2019 projections from North Carolina Office of State Budget and Management website, www.osbm.nc.gov. The County is positioned as a major gateway between the Coastal Plain and Piedmont regions of North Carolina. Within 30 miles of the state capital of Raleigh, Nash County is within an hour's drive of the world-famous Research Triangle Park. Eleven municipalities are located within the County, the largest being the City of Rocky Mount. Nashville is the second largest municipality in population and serves as the county seat. Nash County is empowered to levy a property tax on both real and personal properties located within its boundaries.



The County operates under the Commissioner-Manager form of Government. Policy-making and legislative authority are vested in a governing board consisting of seven elected commissioners. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. Commissioners are elected by districts and serve four-year staggered terms.

The County Manager is appointed by, and serves at the pleasure of the Board as the County's Chief Administrative Officer and Budget Officer. The Manager has appointive and removal authority over department heads and other employees of the County. The County Manager is responsible for the daily operations of the County Government. In addition, the Manager's responsibilities include implementation of policies established by the Board of Commissioners, as well as the administration of the annual budget adopted by the Board.

Nash County provides a wide range of services including public safety, human services (Social Services, Health, Veterans and Aging), funds for education, cultural and recreational activities, environmental protection, general administration and others. Additionally, the County owns and operates a water/sewer distribution system, with a legally separate Water and Sewer District, Central Nash Water & Sewer District, and a construction and demolition ("C&D") debris landfill which function, in essence as departments of Nash County. This report includes all of the County's activities in maintaining these services, except schools, which are administered by the Nash Rocky Mount School Board of Education. The County also extends financial support to certain boards, agencies and commissions to assist their efforts in serving citizens. Among these is the

Nash Rocky Mount School Board of Education, Nash Community College and Trillium MCO (managed care organization), providing mental health services.

The annual budget serves as the foundation for Nash County's financial planning and control. As required by the North Carolina Budget and Fiscal Control Act, the County adopts an annual budget for all governmental and proprietary operating funds except those authorized by project ordinance that are multi-year in nature. Appropriations to the various funds are formally budgeted on a departmental or project level. However, for internal accounting purposes, budgetary control is maintained by object class (line item account). In accordance with state law, the County's budget is prepared on the modified accrual basis. Its accounting records also are maintained on that basis. Under modified accrual accounting, revenues are recorded when they are both measurable and available. Expenditures are recorded when a fund liability is incurred, except for unmatured principal and interest on long-term debt and certain compensated absences. Governmental Fund types, such as the County's General Fund, Special Revenue Funds, and Capital Project Funds are reported on the modified accrual basis in the financial statements.

All Nash County departments and outside agencies are required to submit requests for appropriation to the County Manager on or before March 15 each year. The County Manager uses these requests as the starting point for developing a proposed budget. The County Manager then presents a proposed budget to the commissioners for review at the May commissioner's meeting. The commissioners are required to hold public hearings on the proposed budget and to adopt a final budget by no later than June 30, the close of Nash County's fiscal year.

The County Manager is authorized to transfer appropriations within a department. Transfers between departments and budget increases or decreases over \$5,000 require the formal approval of the Board of Commissioners at monthly meetings. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for the governmental funds. Governmental funds, other than the general fund, with appropriated annual budgets, are presented in the combining and individual fund financial statements. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted.

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 Nash County operates.

Local economy

The local economy of Nash County is well diversified. The largest sectors of employment are comprised of manufacturing (18.08%), health care and social assistance (14.04%), retail trade (12.06%), and accommodation & food services (10.52%).

The County saw a 0.1% decline in unemployment to 5.7% from the previous year's 5.8% but is still higher than the state's 4.4% unemployment. The local economy has experienced growth in the tax base and future employment opportunities to the area through the expansion of existing industry and newly located industries. Major manufacturing operations in Nash County include diesel engine, tobacco processing, pharmaceutical, security lock and aerospace.

Poppies International is increasing the size of their facility by 65,000 square feet. The new addition at their plant in Whitakers Business and Industry Center will allow for pasteurization of cream in the production area. This represents \$4 million in new investment and up to 5 new full time positions. The new medical back office call center, Millenia Patient Services, located in Spring Hope has 277 new full time positions and \$450,000 in new investment. The NC DMV headquarters has selected Rocky Mount as its new location. This will create approximately 480 new positions and represents an additional \$10 million in new investment in Nash County.

Active new and existing economic development projects for Nash County total 34 projects with a 4000 job count and potential new tax base of over \$1.35 billion. Although all of these projects will not be announced, the activity in Nash County is at an all-time high.

Nash County retail sales increased by an estimated 4% from \$1,090,398,938 in total sales during 2018 to \$1,137,882,993 in fiscal year 2019.

Nash County is home to more than 400 farming operations of various sizes. Just over 40% of the counties 345,751 acre land area is farmland. Interestingly, approximately two-thirds of Nash cropland is owned by non-farming landowners, who lease their land to active farmers. A few more than half of the primary farm operators indicate their primary occupation to be farming. The Voluntary Agricultural District incorporates 9,371 acres making up 213 land parcels in the county. Soybean is the largest crop grown in the county at 25,833 acres. Most of the Nash County soybean crop is crushed and used as a protein supplement in livestock feed rations. Cotton acreage remained around 9,898 acres after which is similar to last years' acreage. Farmers reported planting 8,704 acres of sweet potatoes with 90.5% being the Covington variety making Nash County #3 in the state for overall production. Flu-cured tobacco acreage decreased to 7,175 acres. Wheat acreage increased by almost 1,000 acres to 3,948 acres. New agriculture crops include Stevia at 72 acres and Industrial Hemp at 135 acres, which is a significant increase from last year. Poultry and eggs continue to be Nash County's

highest-valued agricultural commodities, with flu-cured tobacco and sweet potatoes close behind. While crop farmers suffer from lower crop market prices, livestock and poultry production benefits from the current lower prices for corn and wheat and moderate soybean prices. Crop Production in Nash County ranks fifth statewide with a value of approximately \$110,629,000 in cash receipts while overall agriculture production (field crops, livestock, dairy, and poultry combined) generated \$190,100,643 cash receipts.

Unassigned fund balance in the general fund (27.91% of total general fund expenditures) falls within the policy guidelines set by the Board of Commissioners. Nash County Fiscal Policy for Reserves states the amount should be no less than 15% at close of each fiscal year. The Board has made one-time use of fund balance for capital expansion for property acquisitions and improvements.

Long-Term Financial Planning

MAJOR INITIATIVES AND ACHIEVEMENTS

A number of significant initiatives, outlined below, were underway in Fiscal Year 2019 in Nash County that will have a positive effect on the County's economic health and its ability to provide services to residents and businesses.

Economic Development:

Middlesex Corporate Centre: Nash County and the Town of Middlesex are working to extend Corporation Parkway (the road), water lines, sewer lines, and build a water tank in Middlesex Corporate Centre. Funding for the projects includes some county dollars and several grants: \$1,250,000 Golden LEAF; \$1,514,000 NC Commerce and \$25,000 Duke Energy Community Foundation.

Housing Programs: In fiscal year 19 Nash County had several active housing programs to assist low income homeowners, most with special needs (i.e. elderly, disabled, military veteran). The NC Housing Finance Agency provided funds for Essential Single Family Rehabilitation (\$490,000 & 14 homes so far) and ESFR-Disaster Recovery-Hurricane Matthew (\$700,000 & 14 homes so far). Other programs included a Community Development Block Grant – Neighborhood Revitalization (\$755,000 for paving Peele Drive and rehabilitating ~10 homes) and closing out the Nash County part of the DownEast HOME Consortium (\$547,899 for 13 home rehabilitations).

High Speed Internet: Nash County entered into a partnership with a private provider, CloudWyze, to expand high speed internet to the unserved and underserved areas of the County. Phase 1, a pilot project, is expected to be complete in Fall 2019. Results of the pilot project will determine if the County commits to future phases.

Utilities:

Northern Nash Water/Sewer District: Nash County was approved for a State Loan and Grant from the Water Infrastructure Fund through the North Carolina Department of Environmental Quality, Division of Water Infrastructure (DWI) in the amount of \$9,545,000. The State Loan authorized is \$6,545,000 and the Grant is \$3,000,000. The project authorized is the Northern Nash Water Sewer System Project for the purpose of extending water lines to areas in Red Oak and Dortches, North Carolina. The Towns of Red Oak and Dortches have committed funding for 10 years on the project. Construction on the project began in May of 2019 and completion is expected by September 2020.

Solid Waste Land Clearing and Inert Debris (LCID) Landfill:

Nash County is in the planning phase of an LCID landfill to allow a better area for managing yard waste. Nash County landfill has always accepted yard waste, however it has become apparent that there is a future need for a separate permitted area for this type of debris. This LCID landfill would accept stumps, trees and other vegetation from land clearing activities; unpainted bricks, concrete blocks, concrete, used asphalt, rock and uncontaminated soil. The LCID would not accept any other construction and demolition debris but the County's recently expanded Construction and Debris (C&D) landfill will continue to do so.

Technology:

Cyber Security: Security moves to the forefront for Nash County's technology. Infrastructure upgrades are in process for firewalls, switches, and servers due to the critical need for securing access across the entire County network. End-user training was implemented to teach employees about the dangers of phishing schemes and other security risks. New device management techniques and software were put in place to secure devices across the County, from laptops and desktops to all mobile devices.

Board of Commissioners Room Audio Visual Project:

In order to provide updated access and visibility for our citizens to the Board of Commissioners meetings, an upgrade plan to replace outdated technologically and audio visual equipment was implemented. In addition to the upgraded equipment, the renovation allows additional broadband capabilities. The renovation was completed in September 2019.

Public Safety:

Computer Aided Dispatch (CAD), Mobile computing, law enforcement Records Management System (RMS) and Jail Management System (JMS) System Upgrade:

Nash County is in process of upgrading the existing CAD/RMS/JMS system. This is the Public Safety Communication system used by Nash County Emergency 911, Sheriff's Office, Emergency Medical System and Fire Services

as well as the Volunteer Fire Departments. The upgrade project began in December 2018 and is anticipated to be completed by the end of December of 2019 or early January 2020. The upgraded system will allow for all data (CAD/RMS/JMS) to be stored in one database. This allows for better efficiency with data storage, better report options and record checks because of the one database. The public safety upgraded system will provide enhanced 24x7 support services, system monitoring and consistent and routine automated software updates.

Detention Facility Renovation Project:

The Detention Center Project was funded in fiscal year 2019 in the amount of \$56,275 and in fiscal year 2020 in the amount of approximately \$500,000 in order to address both facility and security related needs at the Nash County Detention Center. This is an ongoing project in which items will be addressed based on priorities established by the Detention Facility Capital Projects Committee. Members of the committee include representatives from the Nash County Sheriff's Office, the County Manager's Office, the Board of Commissioners, and the Facility Maintenance Department. Major repairs and improvements that have been addressed to date include upgrades/reinforcement of the perimeter fencing, security system improvements to include additional cameras and monitoring software/analytics, lighting upgrades, plumbing improvements, hvac repairs, and interior renovations to several of the male dorms.

Parks and Recreation

Nash County Miracle Park at Coopers: The Miracle Park, which will be located in the Coopers Area of Nash County will provide accessible playground equipment for those with disabilities, walking trails, basketball courts and baseball/softball fields along with various other activity areas. A construction project was awarded to PLT Construction and began October 2018 with completion of the park anticipated late 2019. Additional park elements of Phase I are anticipated to be complete in Spring 2020.

General

Agricultural (Ag) Center Renovation Project: The Nash County Agriculture Center underwent a construction renovation for the HVAC System as well as upgrades and repairs for electrical, audio visual, wi-fi, lighting, kitchen and bathrooms and various interior spaces. The departments housed in the Ag Center were relocated to the Administrative Building during the planning and renovations. Construction began April 2019 and was completed in September 2019. All departments were moved back in to the updated facility by October 2019.

Awards

The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to Nash County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This makes the twenty-eighth consecutive year Nash County received the award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

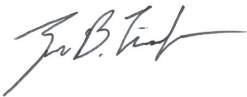
A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

Acknowledgements

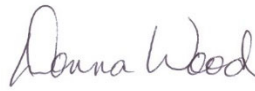
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the county's independent certified public accountants, Thompson, Price, Scott, Adams & Co., P.A. for their assistance and guidance. Credit also must be given to the members of the Board of Commissioners for their continuing interest and support in conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,

NASH COUNTY, NORTH CAROLINA



Zee B. Lamb
County Manager



Donna Wood
Finance Officer

NASH COUNTY, NORTH CAROLINA

June 30, 2019

Board of County Commissioners

Robbie B. Davis, Chairman

Wayne Outlaw, Vice Chairman
Fred Belfield, Jr.
Dan Cone

Lou M. Richardson
Mary Wells
Sue Leggett

County Officials

County Manager
Assistant County Manager
Finance Officer
County Attorney
Clerk to the Board

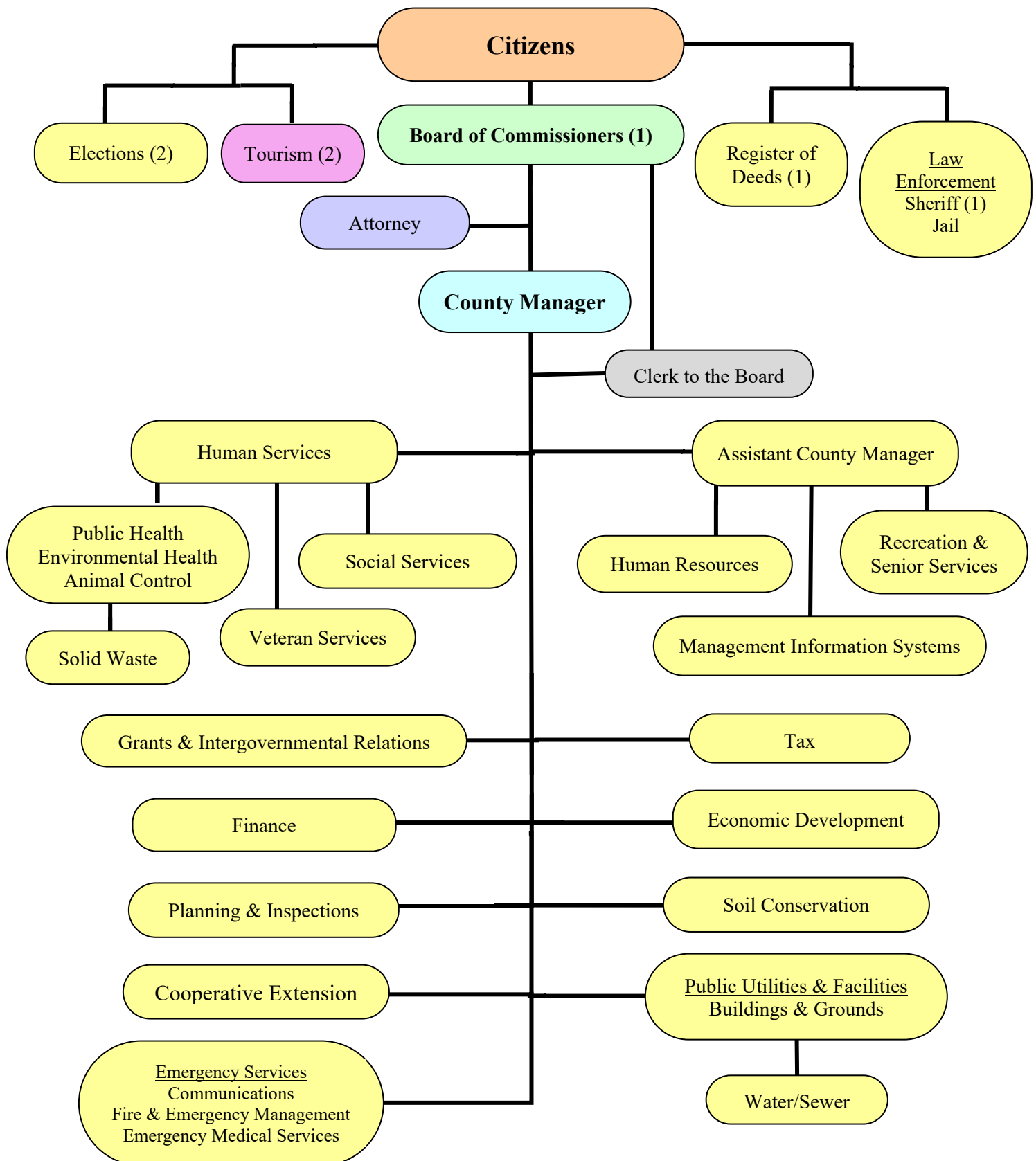
Zee B. Lamb
Stacie Shatzer
Donna Wood
Vince Durham
Janice Evans

Sheriff
Register of Deeds
Tax Administrator
Grants & Intergovernmental Relations
County Engineer/Public Facilities Director
*Director of Health and Human Services/
Health Director/Solid Waste Director*
Social Service Director
Emergency Services Director
Veteran Service Officer
Information Technology Director
Elections Director
Soil and Water Director
Planning and Inspections Director
Human Resources Director
Senior Services Director
Parks and Recreation Director
Cooperative Extension Director
Economic Development – Business Recruiter

Keith Stone
Anne Melvin
Doris Sumner
Patsy McGhee
Jonathan Boone

William Hill
Amy Pridgen
Brian Brantley
Tyler Staverman
Sandi Vick
John Kearney
Valerie Harris
Adam Tyson
Anison Kirkland
Michelle Mcknight
Thomas Gillespie
Sandy Hall
Susan Phelps

Nash County Organizational Chart





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Nash County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Thompson, Price, Scott, Adams & Co, P.A.

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INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Nash County
Nashville, 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 Nash County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise Nash County 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 Nash Health Care Systems and Subsidiaries which represents 98.3 percent, 97.8 percent, and 94.8 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. We did not audit the financial statements of Nash County ABC Board, which represents 1.4 percent, 1.8 percent, and 4.7 percent, respectively, of the assets, net position, and revenues 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 Nash Health Care Systems and Subsidiaries and the Nash County ABC Board, are based solely on the reports of the other auditors. 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 the Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board were not audited in accordance with *Governmental Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 upon 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 Nash County, North Carolina as of June 30, 2019, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Local Government Employees' Retirement System schedules of the County's Proportionate Share of Net Pension Liability and County Contributions, and the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules of the Changes in Total Pension Liability and Total Pension Liability as a Percentage of Covered Payroll, and the Other Postemployment Benefits schedules of Changes in the Net OPEB Liability and Related Ratios, County Contributions, and Investment Returns, 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 Nash County, North Carolina. The combining and individual fund statements, budgetary schedules, other 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 purpose 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 and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated November 26, 2019 on our consideration of Nash County 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 Nash County's internal control over financial reporting and compliance.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

November 26, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Nash County, we offer readers of Nash County's financial statements this narrative overview and analysis of the financial activities of Nash County for the fiscal year ended June 30, 2019. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

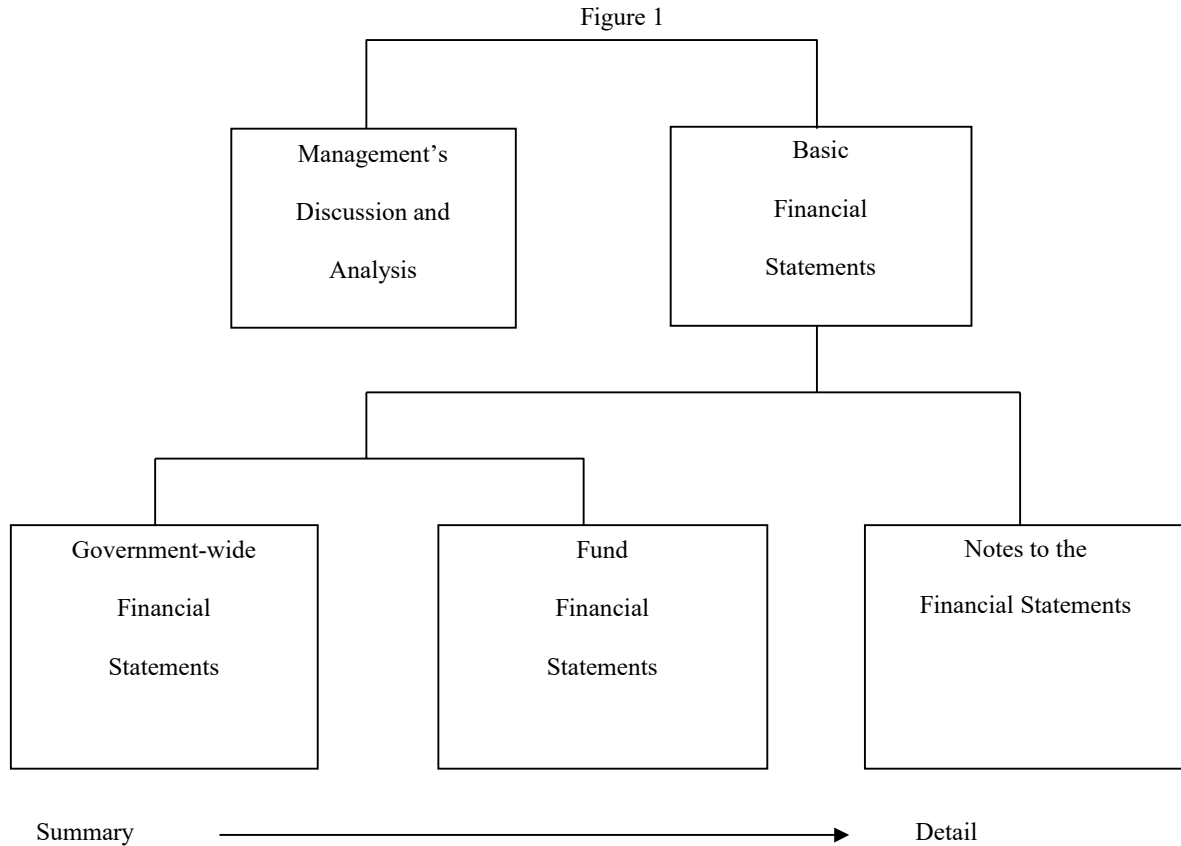
Financial Highlights

- The assets and deferred outflows of resources of Nash County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,999,893 (net position). Unrestricted net position is negative (\$57,374,876).
- As of the close of the current fiscal year, Nash County's governmental funds reported combined ending fund balances of \$53,806,392 after a decrease of \$1,399,451. Approximately 28.54 percent of this total amount or, \$15,355,409, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$27,051,293 or 27.91 percent of total general fund expenditures for the fiscal year.
- The County's tax rate was unchanged at 67 cents per \$100 valuation.
- Nash County's total debt decreased by \$2,113,933 during the current fiscal year. The key factor in this decrease was the scheduled debt repayments. Nash County's debt service for Governmental Funds accounts was 5.97% of total governmental expenditures.
- Nash County maintained its ratings by Standard & Poor's, AA- and Aa2 by Moody's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

Overview of the Financial Statements

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

Required Components of Annual Financial Report



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 enterprise 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, 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 non-major governmental funds are the Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. After the Enterprise funds are the Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals and local governments. Following the Agency funds are other schedules. These schedules contain additional information required on property taxes.

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 it has changed. Net position is the difference between the total of the County's assets and deferred outflows of resources and the 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 and the discretely presented component units' basic services such as general government, public safety, transportation, economic and physical development, human services, cultural and education. Property taxes, sales 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 activities include water and sewer, and solid waste services offered by Nash County. The final category is the component units. Nash Health Care Systems is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 30 years. The County appoints the Board of Trustees for the Hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Nash County Tourism Authority is also a component unit of Nash County.

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. Nash County, like 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 Nash County can be divided into three categories: governmental funds, enterprise 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.

Nash 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. To account for the difference between the budgetary basis of accounting and the modified accrual basis, a reconciliation showing the differences in the reported activities is shown at the end of the budgetary statement.

Proprietary Funds – Nash County maintains two kinds of proprietary funds. Enterprise Funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Nash County uses its enterprise fund to account for its water and sewer activity and for its solid waste management function. This fund is the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities. Nash County uses Internal Service Funds to account for its employee group insurance and workers compensation insurance. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within 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. Nash County has three agency funds.

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

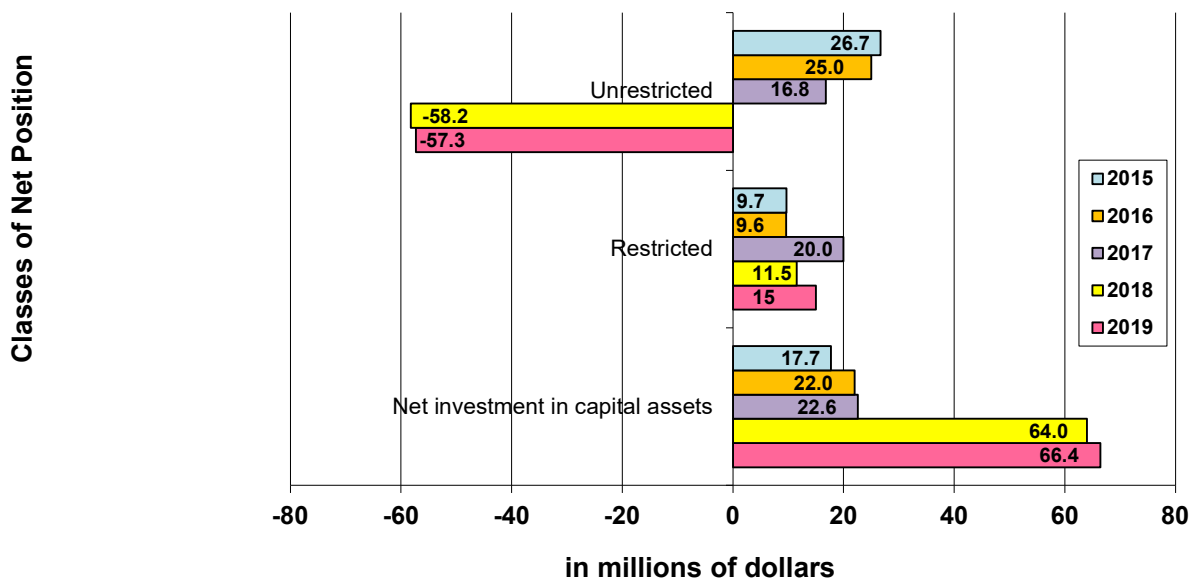
Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Nash County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found in the Required Supplementary Information section 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 its liabilities and deferred inflows of resources by \$23,999,893 as of June 30, 2019. The County's net position increased by \$6,686,210 for the fiscal year ended June 30, 2019. One of the largest portions, \$66,394,909 (276.65%) reflects the County's net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Nash County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nash 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 Nash County's net position \$14,979,860 (62.42%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of negative \$57,374,876 (239.06%) is unrestricted.

Nash County's Net Position
Figure 2

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and other assets	\$ 61,921,131	\$ 63,760,371	\$ 7,918,245	\$ 7,352,651	\$ 69,839,376	\$ 71,113,022
Capital assets	63,901,038	58,420,914	33,203,793	33,459,242	97,104,831	91,880,156
Total assets	125,822,169	122,181,285	41,122,038	40,811,893	166,944,207	162,993,178
Total deferred outflows of	11,053,819	8,119,613	261,206	178,155	11,315,025	8,297,768
Long-term liabilities outstanding	120,686,448	124,626,890	17,779,491	18,129,606	138,465,939	142,756,496
Other liabilities	3,770,272	3,951,305	710,850	788,607	4,481,122	4,739,912
Total liabilities	124,456,720	128,578,195	18,490,341	18,918,213	142,947,061	147,496,408
Total deferred inflows of resources	11,030,597	6,322,119	281,681	158,736	11,312,278	6,480,855
Net position:						
Net investment in capital assets	45,914,416	43,546,457	20,480,493	20,405,842	66,394,909	63,952,299
Restricted	14,979,860	11,545,957	-	-	14,979,860	11,545,957
Unrestricted	(59,505,605)	(59,691,830)	2,130,729	1,507,257	(57,374,876)	(58,184,573)
Total net position	\$ 1,388,671	\$ (4,599,416)	\$ 22,611,222	\$ 21,913,099	\$ 23,999,893	\$ 17,313,683



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

- Continued diligence in the collection of property taxes by increasing the collection percentage from 98.73% to 98.85%.
- Managements proactive stance on monitoring spending across county departments to ensure compliance with the budget.

Nash County's Changes in Net Position

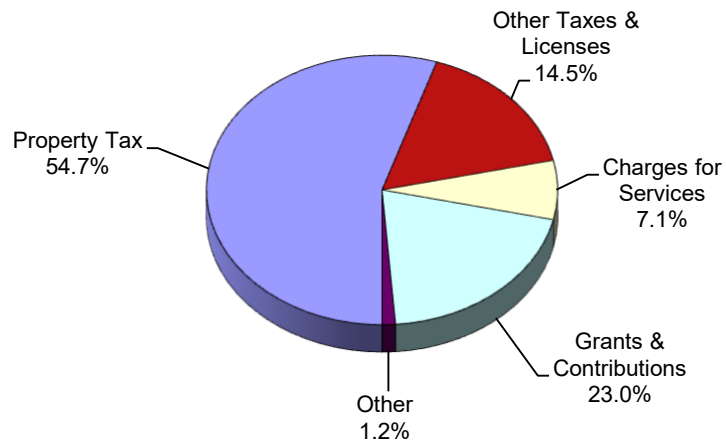
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 7,065,586	\$ 7,272,853	\$ 5,613,763	\$ 5,248,489	\$ 12,679,349	\$ 12,521,342
Operating grants and contributions	19,020,359	17,255,569	-	-	19,020,359	17,255,569
Capital grants and contributions	1,119,168	1,759,337	908,406	67,716	2,027,574	1,827,053
General revenues:						
Property taxes	54,842,595	53,078,404	-	-	54,842,595	53,078,404
Sales taxes	15,947,743	14,858,386	-	-	15,947,743	14,858,386
Excise tax	310,172	306,263	-	-	310,172	306,263
Other taxes	95,718	92,737	210,107	-	305,825	92,737
Other	1,227,677	726,163	179,011	116,306	1,406,688	842,469
Total revenues	99,629,018	95,349,712	6,911,287	5,432,511	106,540,305	100,782,223
Expenses:						
General government	10,060,487	10,875,628	-	-	10,060,487	10,875,628
Public safety	27,115,214	27,342,543	-	-	27,115,214	27,342,543
Transportation	269,453	325,740	-	-	269,453	325,740
Economic and physical development	7,458,293	2,283,245	-	-	7,458,293	2,283,245
Human services	22,795,313	24,078,056	-	-	22,795,313	24,078,056
Cultural and recreation	1,101,809	1,782,745	-	-	1,101,809	1,782,745
Education	25,126,121	24,163,660	-	-	25,126,121	24,163,660
Interest on long-term debt	1,464,241	1,407,717	-	-	1,464,241	1,407,717
Water and Sewer	-	-	3,362,198	3,076,014	3,362,198	3,076,014
Solid Waste Disposal	-	-	2,850,966	2,709,223	2,850,966	2,709,223
Total expenses	95,390,931	92,259,334	6,213,164	5,785,237	101,604,095	98,044,571
Increase in net position before Transfers and special items	4,238,087	3,090,378	698,123	(352,726)	4,936,210	2,737,652
Transfers and special items	1,750,000	(175,900)	-	175,900	1,750,000	-
Change in net position	5,988,087	2,914,478	698,123	(176,826)	6,686,210	2,737,652
Net position, beginning	(4,599,416)	36,288,095	21,913,099	23,193,605	17,313,683	59,481,700
Restatement	-	(43,801,989)	-	(1,103,680)	-	(44,905,669)
Net position, beginning, restated	(4,599,416)	(7,513,894)	21,913,099	22,089,925	17,313,683	14,576,031
Net position, ending	\$ 1,388,671	\$ (4,599,416)	\$ 22,611,222	\$ 21,913,099	\$ 23,999,893	\$ 17,313,683

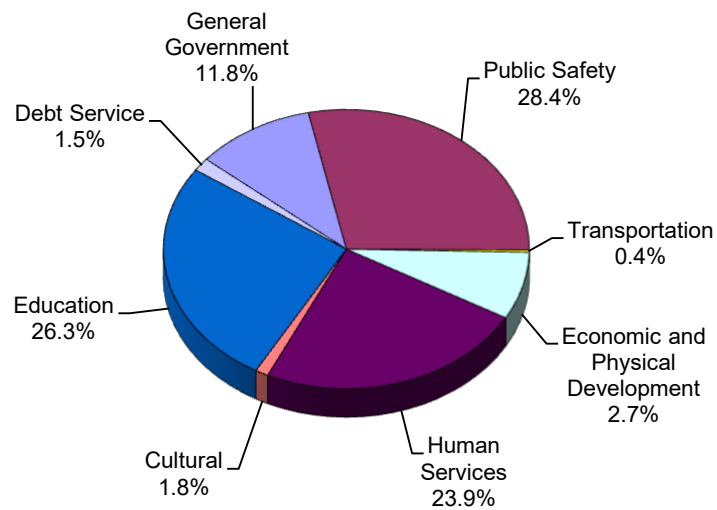
Governmental activities. Governmental activities increased the County's net position by \$5,988,087 from the prior year. Key elements of this increase are as follows:

- Sales tax revenues reflect a growth in the County's economy showing an increase of \$1,089,357 over fiscal year 2018.
- Increases are reflected in expenses for Economic and Physical Development, Education, and Operating Grants in the amounts of \$5,175,048, \$962,461, and \$1,764,790, respectively.
- Decreases were also reflected in Human Services, and Capital Grants in the amounts of \$1,282,743 and \$640,169, respectively.

**Governmental Activities Revenue Sources
For Fiscal Year 2019**



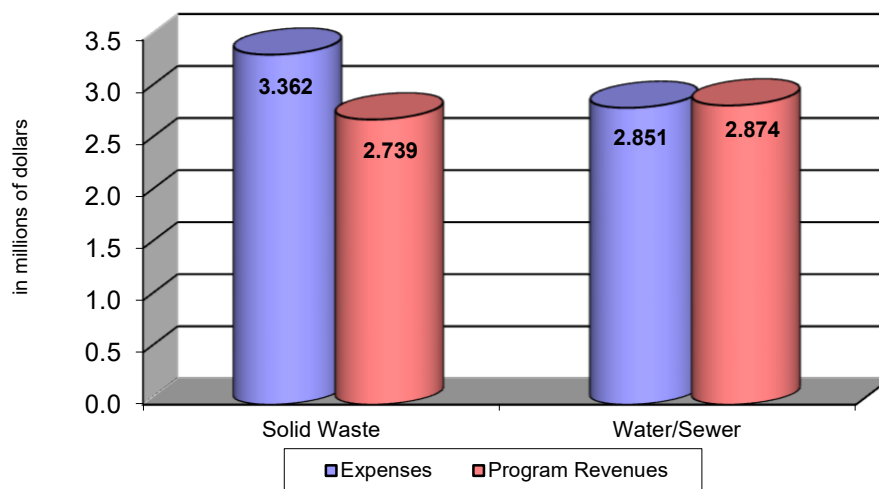
**Governmental Activities Functional Expenses
For Fiscal Year 2019**



Business-type activities. Business-type activities increased Nash County’s net position by \$698,123 over prior year. Key elements of this increase are as follows:

- Increase from the prior year in Charges for Services due to changes in fee schedule to help cover cost of providing services.
- Increase from award of capital grant for project funding.
- Continued diligence in managing operational costs.

**Business-type Activities
2018-19 Expenses and Program Revenues**



Financial Analysis of the County’s Funds

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

Governmental Funds. The focus of Nash County’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Nash 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 Nash County. At the end of the current fiscal year, Nash County's fund balance available in the General Fund was \$35,133,614, while total fund balance reached \$43,308,053. The Governing Body of Nash County has determined that the county should maintain an available for appropriation fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The County currently has an available for appropriations (unassigned) fund balance of 27.91%, and an available fund balance of 36.25%, while total fund balance represents 44.69% of that same amount.

At June 30, 2019, the governmental funds of Nash County reported a combined fund balance of \$53,806,392, a 2.53% percent decrease from the previous year. The primary reason for this decrease was a result of the County paying Courthouse Expansion Capital Project costs in the current year.

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 \$2,696,107 or 3.03% due primarily to increase in miscellaneous revenues.

Differences between the original budget and final budget are briefly summarized as follows:

- \$793,424 increase in Restricted Intergovernmental Revenues.
- \$1,817,058 increase in Miscellaneous Revenues, due primarily from proceeds recognized from sale of Home Health.

Proprietary Funds. Nash County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water/Sewer Fund and Solid Waste Fund at the end of the fiscal year amounted to \$174,753 and \$1,990,417 respectively and those for Central Nash Water and Sewer District and Northern Nash Water and Sewer District equaled (\$34,441) and \$0, respectively. The total change in net position was an increase of \$698,123. This change was primarily the result of capital contributions and transfers from other funds. The Utilities Fund includes operation of the Water/Sewer and Solid Waste Disposal Divisions. Other factors concerning the finances of this fund are addressed in Nash County's business-type activities later in this discussion.

Capital Asset and Debt Administration

Capital Assets. Nash County's capital assets for its governmental and business-type activities as of June 30, 2019, totals \$97,104,831 (net of accumulated depreciation). These assets include land and improvements, buildings, infrastructure, furniture and equipment vehicles, and construction in progress. The total net position for all proprietary funds is \$22,611,222.

Major capital asset transactions during the year include:

- Retirement and replacement of vehicles and equipment for Public Safety.
- Construction in progress on the Courthouse Expansion, Middlesex Shell Building, the Senior Center/Miracle Park Capital Project, Ag Center Renovation Project, Detention Facility Project, and the Public Safety Radio Project.
- Addition of construction in progress for the Northern Nash Water System Project.

**Nash County's Capital Assets
(net of depreciation)
Figure 4**

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land and improvements	\$ 10,468,506	\$ 10,364,445	\$ 913,744	\$ 463,898	\$ 11,382,250	\$ 10,828,343
Buildings	31,590,278	30,157,927	11,828	13,591	31,602,106	30,171,518
Infrastructure	849,177	351,813	31,313,595	32,196,586	32,162,772	32,548,399
Furniture and equipment	3,209,990	2,680,153	24,262	47,529	3,234,252	2,727,682
Vehicles	1,817,055	854,014	31,958	30,989	1,849,013	885,003
Construction in progress	15,966,032	14,012,562	908,406	706,649	16,874,438	14,719,211
Total	<u>\$ 63,901,038</u>	<u>\$ 58,420,914</u>	<u>\$ 33,203,793</u>	<u>\$ 33,459,242</u>	<u>\$ 97,104,831</u>	<u>\$ 91,880,156</u>

Additional information on the County's capital assets can be found in Note 5, on pages 41 - 43 in the notes to the financial statements.

Long-term Debt. As of June 30, 2019, Nash County had total debt outstanding of \$65,219,815. Of this amount, \$18,687,000 (28.65%) represents bonds secured by specified revenue sources. Total debt decreased \$2,113,933 during the past fiscal year, primarily as a result of planned principal payments on general obligation bonds and notes payable.

Nash County's Outstanding Debt
Figure 5

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Installment Purchase						
Contracts	\$ 41,682,257	\$ 41,373,641	\$ 1,011,300	\$ 1,142,400	\$ 42,693,557	\$ 42,516,041
Capital Lease	270,167	469,967	-	-	270,167	469,967
Water Bonds	-	-	11,712,000	11,911,000	11,712,000	11,911,000
Limited Obligation Bonds	3,290,000	4,695,000	-	-	3,290,000	4,695,000
General Obligation Bonds	6,975,000	7,440,000	-	-	6,975,000	7,440,000
Discount on Bond Issuance	279,091	301,740	-	-	279,091	301,740
Total Debt	\$ 52,496,515	\$ 54,280,348	\$ 12,723,300	\$ 13,053,400	\$ 65,219,815	\$ 67,333,748

Nash County's General Obligation Bonds are currently rated Aa2 by Moody's and AA- by Standard & Poor's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

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 Nash County is \$593,304,248 for 2019 which is significantly more than Nash County's general obligation debt. The County has \$6,975,000 in General Obligation Bonds and \$11,712,000 in Water & Sewer Bonds at June 30, 2019.

Additional information regarding Nash County's long-term debt can be found in Note 7, on pages 58 - 65 in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The following key economic indicators reflect the economic situation for Nash County.

- The June 2019 unemployment rate for Nash County is 5.7% down from 5.8% in prior year. The County's rate is slightly higher than the state average of 4.4%.
- Population estimate of the County has grown approximately 1.25% over 2018 estimate to 95,612 as of June 2019.
- Median household income for Nash County is approximately \$47,600.

Additional information regarding economic factors is provided in the statistical section of the CAFR.

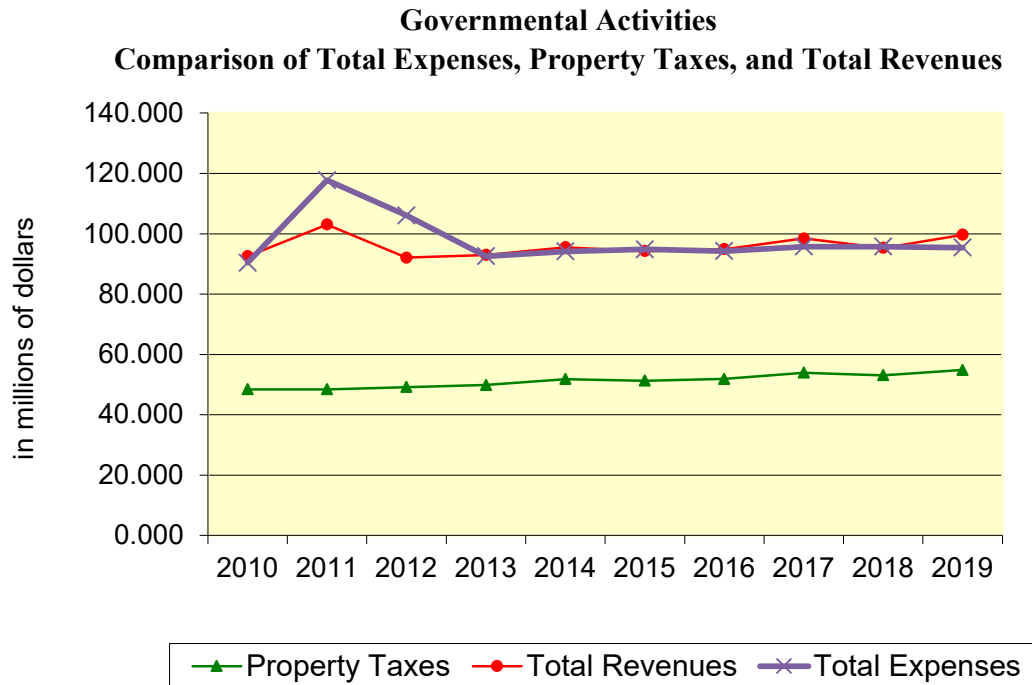
Budget Highlights for Fiscal Year Ending June 30, 2020

Government Activities

The County continued to employ a fiscally conservative approach in preparing and adopting the fiscal year 2019-20 County Budget, an approach that has proven to be very effective and beneficial to the County. Property tax revenue is a significant revenue source for the County General Fund and the fiscal year 2019-20 budget was developed using tax values resulting from January 1, 2019 County-wide valuation. The fiscal year 2019-20 budget held the property tax rate the same at .67/\$100, which is a solid indication of the County leaders' commitment to thoroughly evaluate budget requests, fund necessary operations, and keep the tax burden as low as possible.

The tax base is projected to provide revenues of \$49,963,128 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$7,527,000,000 for fiscal year 2019-20. Property taxes and expected increases in sales tax from economic growth and the State's changes to the distribution method in the previous year are primary sources for increase in revenue projections. No tax increase was approved in the fiscal year 2020 budget.

Budgeted expenditures for fiscal year 2019-20 in the General Fund reflect an increase from the previous fiscal year original budget of 1.75% to \$95,576,479. This is due primarily to employee compensation with a budgeted 5% cost of living adjustment. The fiscal year 2019-20 budget appropriates \$3,000,000 of assigned fund balance and \$2,315,447 from other fund balance reserves, to balance the general fund budget.



Business Type Activities

The water/sewer deposit fees in the County will increase \$20 above fees at June 30,2019 for medium and high risk new customers for fiscal year 2019-2020. The budgeted expenditures increased for the Water/Sewer Fund 9.78% over the prior year budget primarily to cover operational requirements including an approved 5% cost of living adjustment in employee compensation. In addition, effective for fiscal year 2020, connection fees for water and sewer taps range from a \$50 increase of 3/4 inch irrigation split tap to \$500 increase for a 4 inch sewer tap.

The solid waste rates in the County will remain the same for fiscal year 2019-2020. These rates should adequately cover the costs of operations. The budgeted expenditures increased for the Solid Waste Fund by only 6.86% over the prior year budget. The solid waste activities budget increase is due primarily to the cost of living adjustment of 5% offset by a decrease in anticipated equipment maintenance over the prior year.

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, Nash County, 120 W. Washington St., Suite 3072, Nashville, NC 27856. You can also call (252)-459-9802, visit our website www.co.nash.nc.us or send an email to donna.wood@nashcountync.gov for more information.

BASIC
FINANCIAL STATEMENTS

Nash County, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government			Discretely Presented Component Units			Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Nash County Tourism Development	Nash Health Care Systems	Nash County ABC Board	
ASSETS							
Cash and cash investments	\$ 49,926,064	\$ 6,506,090	\$ 56,432,154	\$ 1,137,415	\$ 18,963,582	\$ 2,304,714	\$ 78,837,865
Restricted cash and cash equivalents	791,965	314,227	1,106,192	-	-	-	1,106,192
Taxes receivable (net)	1,910,974	-	1,910,974	82,401	-	-	1,993,375
Accrued interest receivable on taxes	378,127	-	378,127	-	-	-	378,127
Accounts receivables (net)	1,529,288	1,305,212	2,834,500	-	36,960,807	-	39,795,307
Due from other governments	5,812,602	54,160	5,866,762	-	-	-	5,866,762
Internal Balances	261,444	(261,444)	-	-	-	-	-
Prepaid items	10,105	-	10,105	-	1,782,688	-	1,792,793
Inventories	-	-	-	-	5,449,500	1,481,201	6,930,701
Net investment in Joint Venture	1,159,449	-	1,159,449	-	-	-	1,159,449
Net Pension Asset	141,113	-	141,113	-	-	-	141,113
Assets Limited as to use	-	-	-	-	114,687,025	-	114,687,025
Other Assets	-	-	-	-	105,855,946	-	105,855,946
Capital assets:							
Land, improvements, and construction in progress	26,266,445	1,216,591	27,483,036	-	4,584,702	465,821	32,533,559
Other capital assets, net of depreciation	37,634,593	31,987,202	69,621,795	-	116,654,294	1,634,070	187,910,159
Total capital assets	63,901,038	33,203,793	97,104,831	-	121,238,996	2,099,891	220,443,718
Total assets	125,822,169	41,122,038	166,944,207	1,219,816	404,938,544	5,885,806	578,988,373
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Charge on Refunding	1,381,033	-	1,381,033	-	-	-	1,381,033
Pension deferrals	5,782,045	227,741	6,009,786	-	8,726,870	242,359	14,979,015
OPEB deferrals	1,284,096	33,465	1,317,561	-	36,855	14,926	1,369,342
LEOSSA deferrals	242,913	-	242,913	-	-	-	242,913
Contributions to pension plan in current year	2,363,732	-	2,363,732	-	-	-	2,363,732
Total Deferred Outflows of Resources	11,053,819	261,206	11,315,025	-	8,763,725	257,285	20,336,035
LIABILITIES							
Accounts payable and accrued expenses	3,287,010	560,688	3,847,698	1,281	35,277,588	493,538	39,620,105
Accrued interest payable	483,262	42,935	526,197	-	-	-	526,197
Distribution payable	-	-	-	-	-	127,899	127,899
Customer deposits	-	107,227	107,227	-	-	-	107,227
Long-term liabilities:							
Due within one year:							
Long-term debt	5,025,120	338,100	5,363,220	-	2,520,000	-	7,883,220
Compensated absences	146,207	1,976	148,184	-	-	-	148,184
Due in more than one year:							
Accrued postclosure liability	-	3,358,363	3,358,363	-	-	-	3,358,363
Long-term debt	47,471,395	12,385,200	59,856,595	-	98,200,058	-	158,056,653
Compensated absences	2,777,942	37,547	2,815,488	-	-	-	2,815,488
Net Pension Liability (LGRS)	10,327,745	292,045	10,619,790	-	-	385,857	11,005,647
Total Pension Liability (LEOSSA)	2,514,518	-	2,514,518	-	-	-	2,514,518
Other postemployment benefits	52,423,521	1,366,260	53,789,781	-	-	205,512	53,995,293
Total long-term liabilities	120,686,448	17,779,491	138,465,939	-	100,720,058	591,369	239,777,366
Total liabilities	124,456,720	18,490,341	142,947,061	1,281	135,997,646	1,212,806	280,158,794

Nash County, North Carolina
Statement of Net Position
June 30, 2019

	Primary Government			Discretely Presented Component Units			Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Nash County Tourism Development	Nash Health Care Systems	Nash County ABC Board	
DEFERRED INFLOWS OF RESOURCES							
Prepaid property taxes	105,215	-	105,215	-	-	-	105,215
Pension deferrals	222,061	6,019	228,080	-	3,793,284	7,935	4,029,299
OPEB deferrals	10,577,168	275,662	10,852,830	-	20,573	12,769	10,886,172
LEOSSA deferrals	126,153	-	126,153	-	-	-	126,153
Total deferred inflows of resources	11,030,597	281,681	11,312,278	-	3,813,857	20,704	15,146,839
NET POSITION							
Net investment in capital assets	45,914,416	20,480,493	66,394,909	-	22,130,044	2,099,891	90,624,844
Restricted for:							
Stabilization by state statute	8,422,191	-	8,422,191	82,401	-	-	8,504,592
General Government	54,981	-	54,981	-	-	-	54,981
Public Safety	3,441,895	-	3,441,895	-	-	287,102	3,728,997
Transportation	29,372	-	29,372	-	-	-	29,372
Economic Development	1,166,949	-	1,166,949	1,136,134	-	-	2,303,083
Human Services	1,864,472	-	1,864,472	-	-	-	1,864,472
Pension	-	-	-	-	14,004,649	-	14,004,649
Working Capital	-	-	-	-	-	351,693	351,693
Unrestricted (deficit)	(59,505,605)	2,130,729	(57,374,876)	-	237,756,073	2,170,895	182,552,092
Total net position	\$ 1,388,671	\$ 22,611,222	\$ 23,999,893	\$ 1,218,535	\$ 273,890,766	\$ 4,909,581	\$ 304,018,775

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

Nash County, North Carolina
Statement of Activities
For the Year Ended June 30, 2019

		Program Revenues			Net (Expense) Revenue and Changes in Net Position						
					Primary Government			Component Units			
								Nash County Tourism Development Authority	Nash Health Care Systems and Subsidiaries	Nash County ABC Board	Total Reporting Unit
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total				
Primary government:											
Governmental Activities:											
General government	\$ 10,060,487	\$ 923,904	\$ 77,963	\$ -	\$ (9,058,620)	\$ -	\$ (9,058,620)	\$ -	\$ -	\$ -	\$ (9,058,620)
Public safety	27,115,214	5,277,769	1,652,132	280,807	(19,904,506)	-	(19,904,506)	-	-	-	(19,904,506)
Transportation	269,453	-	189,583	-	(79,870)	-	(79,870)	-	-	-	(79,870)
Environmental protection	-	162,189	-	-	162,189	-	162,189	-	-	-	162,189
Economic and physical development	7,458,293	260,583	1,299,522	30,726	(5,867,462)	-	(5,867,462)	-	-	-	(5,867,462)
Human services	22,795,313	243,273	15,801,159	807,635	(5,943,246)	-	(5,943,246)	-	-	-	(5,943,246)
Cultural and recreation	1,101,809	197,868	-	-	(903,941)	-	(903,941)	-	-	-	(903,941)
Education	25,126,121	-	-	-	(25,126,121)	-	(25,126,121)	-	-	-	(25,126,121)
Interest on long-term debt	1,464,241	-	-	-	(1,464,241)	-	(1,464,241)	-	-	-	(1,464,241)
Total governmental activities	95,390,931	7,065,586	19,020,359	1,119,168	(68,185,818)	-	(68,185,818)	-	-	-	(68,185,818)
Business-type activities:											
Water and Sewer	3,362,198	2,874,445	-	908,406	-	420,653	420,653	-	-	-	420,653
Solid Waste	2,850,966	2,739,318	-	-	-	(111,648)	(111,648)	-	-	-	(111,648)
Total business-type activities	6,213,164	5,613,763	-	908,406	-	309,005	309,005	-	-	-	309,005
Total primary government	\$ 101,604,095	\$ 12,679,349	\$ 19,020,359	\$ 2,027,574	(68,185,818)	309,005	(67,876,813)	-	-	-	(67,876,813)
Component Units:											
Nash County Tourism Development	\$ 835,722	\$ -	\$ 1,026,541	\$ -	-	-	-	190,819	-	-	190,819
Nash Health Care Systems	244,496,409	237,271,584	-	-	-	-	-	-	(7,224,825)	-	(7,224,825)
Nash County ABC Board	11,494,251	11,874,591	-	-	-	-	-	-	-	380,340	380,340
Total component units	\$ 256,826,382	\$ 249,146,175	\$ 1,026,541	\$ -	-	-	-	190,819	(7,224,825)	380,340	(6,653,666)
General revenues:											
Taxes:											
Property taxes, levied for general purpose					54,842,595	-	54,842,595	-	-	-	54,842,595
Local option sales tax					15,947,743	-	15,947,743	-	-	-	15,947,743
Excise tax					310,172	-	310,172	-	-	-	310,172
Other taxes and licenses					95,718	210,107	305,825	-	-	-	305,825
Investment earnings, unrestricted					1,082,685	179,011	1,261,696	6,651	9,032,375	13,829	10,314,551
Miscellaneous, unrestricted					144,992	-	144,992	-	-	-	144,992
Special item - Home Health Sale Proceeds (See Note VIII in Notes to the Financial Statements)					1,750,000	-	1,750,000	-	-	-	1,750,000
Transfers					-	-	-	-	-	-	-
Total general revenues, special items, and transfers					74,173,905	389,118	74,563,023	6,651	9,032,375	13,829	83,305,706
Change in net position					5,988,087	698,123	6,686,210	197,470	1,807,550	394,169	9,085,399
Net position-beginning					(4,599,416)	21,913,099	17,313,683	1,021,065	272,083,216	4,515,412	294,933,376
Net position-ending					\$ 1,388,671	\$ 22,611,222	\$ 23,999,893	\$ 1,218,535	\$ 273,890,766	\$ 4,909,581	\$ 304,018,775

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

Nash County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	Major		Non-Major	
	General Fund	Courthouse Expansion Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 37,241,257	\$ 2,127,672	\$ 8,618,701	\$ 47,987,630
Cash and cash equivalents-Restricted	730,573	-	61,392	791,965
Taxes Receivable - net	1,910,974	-	-	1,910,974
Accounts Receivable - net	1,529,288	-	-	1,529,288
Due from other funds	435,590	-	-	435,590
Due from other governments	5,554,745	-	257,857	5,812,602
Prepaid items	10,105	-	-	10,105
Total assets	<u>\$ 47,412,532</u>	<u>\$ 2,127,672</u>	<u>\$ 8,937,950</u>	<u>\$ 58,478,154</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,088,290	\$ 6,059	\$ 387,078	\$ 2,481,427
Due to other funds	-	-	174,146	174,146
Total liabilities	<u>2,088,290</u>	<u>6,059</u>	<u>561,224</u>	<u>2,655,573</u>
Deferred inflows of resources				
Prepaid taxes	105,215	-	-	105,215
Reserve for taxes receivable	1,910,974	-	-	1,910,974
Total deferred inflows of resources	<u>2,016,189</u>	<u>-</u>	<u>-</u>	<u>2,016,189</u>
Fund balances:				
Non-Spendable:				
Prepaid assets	10,105	-	-	10,105
Restricted:				
Stabilization by State statute	8,164,334	-	257,857	8,422,191
General Government	54,981	-	-	54,981
Public Safety	-	2,121,613	1,185,891	3,307,504
Transportation	-	-	29,372	29,372
Economic Development	-	-	1,666,784	1,666,784
Human Services	1,864,472	-	-	1,864,472
Committed:				
Economic Development	640,454	-	278,200	918,654
Tax Revaluation	206,967	-	-	206,967
Education	-	-	750,000	750,000
Public Safety	-	-	63,601	63,601
Assigned:				
General Government	-	-	4,066,596	4,066,596
Subsequent year's expenditures	5,315,447	-	253,014	5,568,461
Unassigned:	27,051,293	-	(174,589)	26,876,704
Total fund balances	<u>43,308,053</u>	<u>2,121,613</u>	<u>8,376,726</u>	<u>53,806,392</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 47,412,532</u>	<u>\$ 2,127,672</u>	<u>\$ 8,937,950</u>	<u>\$ 58,478,154</u>

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

Nash County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2019

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

Total Fund Balance - Governmental Funds	\$ 53,806,392
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)	108,920,997
Less accumulated depreciation	(45,019,959)
Net capital assets	63,901,038
Net investment in joint venture	1,159,449
Net Pension Asset (Register of Deeds)	141,113
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	2,302,118
Register of Deeds	7,305
OPEB	1,284,096
LEOSSA	242,913
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	54,309
Pension related deferrals	
LGERS	5,751,602
Register of Deeds	30,443
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	378,127
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	1,381,033
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	1,910,974
Pension related deferrals	
LGERS	(212,849)
Register of Deeds	(9,212)
OPEB	(10,577,168)
LEOSSA	(126,153)
Assets and liabilities of the internal service funds used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.	1,132,851
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(52,496,515)
Compensated absences	(2,924,149)
Other postemployment benefits	(52,423,521)
Total pension liability - LEOSSA	(2,514,518)
Net pension liability - LGERS	(10,327,745)
Accrued interest payable	(483,262)
Total adjustment	(52,417,721)
Net position of governmental activities	\$ 1,388,671

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

Nash County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2019

	Major		Non-Major	
		Courthouse	Other	
	General Fund	Expansion	Governmental	Total Governmental
		Capital Fund	Funds	Funds
REVENUES				
Ad valorem taxes	\$ 51,589,609	\$ -	\$ 3,507,293	\$ 55,096,902
Other taxes and licenses	16,353,633	-	-	16,353,633
Restricted intergovernmental	15,761,331	-	3,779,653	19,540,984
Unrestricted intergovernmental	298,344	-	-	298,344
Permits and fees	1,175,403	-	-	1,175,403
Sales and services	5,000,060	-	-	5,000,060
Investment earnings	946,411	22,097	114,177	1,082,685
Miscellaneous	2,780,057	5,059	300,198	3,085,314
Total revenues	<u>93,904,848</u>	<u>27,156</u>	<u>7,701,321</u>	<u>101,633,325</u>
EXPENDITURES				
Current:				
General government	9,193,501	-	-	9,193,501
Public safety	23,911,376	1,858,320	4,977,817	30,747,513
Cultural and recreational	1,855,441	-	1,268,916	3,124,357
Transportation	244,786	-	190,216	435,002
Economic and physical development	2,948,593	-	5,357,166	8,305,759
Human Services	22,204,891	-	816,727	23,021,618
Intergovernmental:				
Education	24,391,317	-	668,481	25,059,798
Debt service:				
Principal	4,961,183	-	-	4,961,183
Interest	1,384,045	-	-	1,384,045
Total expenditures	<u>91,095,133</u>	<u>1,858,320</u>	<u>13,279,323</u>	<u>106,232,776</u>
Revenues over expenditures	<u>2,809,715</u>	<u>(1,831,164)</u>	<u>(5,578,002)</u>	<u>(4,599,451)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	3,640,245	-	6,342,425	9,982,670
Transfers (out)	(5,818,425)	-	(4,164,245)	(9,982,670)
Issuance of debt	-	-	3,200,000	3,200,000
Total other financing sources and uses	<u>(2,178,180)</u>	<u>-</u>	<u>5,378,180</u>	<u>3,200,000</u>
Net change in fund balance	631,535	(1,831,164)	(199,822)	(1,399,451)
Fund balances-beginning	<u>42,676,518</u>	<u>3,952,777</u>	<u>8,576,548</u>	<u>55,205,843</u>
Fund balances-ending	\$ <u>43,308,053</u>	\$ <u>2,121,613</u>	<u>8,376,726</u>	\$ <u>53,806,392</u>

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

Nash County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures,
And Changes In Fund Balance of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2019

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

Net changes in fund balances - total governmental funds	\$ (1,399,451)
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	7,941,700
Cost of disposed capital asset not recorded in fund statements	(10,084)
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(2,451,492)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(3,200,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	4,961,183
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	22,649
Change in net investment in joint venture	165,549
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	
LGERS	2,302,118
ROD	7,305
Benefit payment and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	54,309
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	1,284,096
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 (modified accrual) and government-wide statements (full accrual)	8,379
Compensated absences	(251,675)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(111,224)
Pension expense	
LGERS	(2,854,627)
ROD	(25,453)
LEOSSA	(237,843)
OPEB plan expense	65,164
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(202,291)
Increase in accrued interest receivable at end of year	(52,016)
Internal Service Fund	(28,209)
Total changes in net position of governmental activities	<u>\$ 5,988,087</u>

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

Nash County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Year Ended June 30, 2019

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 48,593,225	\$ 48,593,225	\$ 51,589,609	\$ 2,996,384
Other taxes and licenses	15,105,311	15,105,311	16,353,633	1,248,322
Restricted intergovernmental	17,412,455	18,205,879	15,761,331	(2,444,548)
Unrestricted intergovernmental	323,000	333,000	298,344	(34,656)
Permits and fees	1,087,825	1,136,634	1,175,403	38,769
Sales and services	4,977,850	5,004,666	5,000,060	(4,606)
Investment earnings	650,000	650,000	943,188	293,188
Miscellaneous	945,618	2,762,826	2,780,057	17,231
Total revenues	<u>89,095,284</u>	<u>91,791,541</u>	<u>93,901,625</u>	<u>2,110,084</u>
Expenditures				
Current:				
General government	9,293,530	9,847,000	9,193,501	653,499
Public safety	24,179,538	24,886,413	23,911,376	975,037
Transportation	315,782	408,668	244,786	163,882
Economic and physical development	2,674,519	3,118,486	2,975,583	142,903
Human services	25,010,090	25,601,080	22,204,891	3,396,189
Cultural and recreational	1,849,126	1,929,570	1,855,441	74,129
Intergovernmental:				
Education	24,497,151	25,435,317	24,391,317	1,044,000
Debt service	5,983,610	6,345,552	6,345,228	324
Total expenditures	<u>93,803,346</u>	<u>97,572,086</u>	<u>91,122,123</u>	<u>6,449,963</u>
Revenues over (under) expenditures	<u>(4,708,062)</u>	<u>(5,780,545)</u>	<u>2,779,502</u>	<u>8,560,047</u>
Other financing sources (uses):				
Appropriated fund balance	4,833,062	11,436,770	-	(11,436,770)
Contingency	(25,000)	(25,000)	-	25,000
Refunding bonds issued	-	-	-	-
Payment to refunded bond escrow agent	-	-	-	-
Transfers from other funds	-	-	3,540,245	3,540,245
Transfers to other funds	(100,000)	(5,631,225)	(5,631,225)	-
Total other financing sources (uses)	<u>4,708,062</u>	<u>5,780,545</u>	<u>(2,090,980)</u>	<u>(7,871,525)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>688,522</u>	<u>\$ 688,522</u>
Fund balances:				
Beginning of year, July 1			<u>41,772,110</u>	
End of year, June 30			<u>\$ 42,460,632</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			3,223	
Revaluation Expense			-	
Transfer from General Fund			100,000	
Fund balance, beginning of year			103,744	
A legally adopted Economic Development Fund is consolidated into the General Fund for reporting purposes:				
Restricted intergovernmental revenues			-	
Economic Development Expense			26,990	
Transfers-in from General Fund			-	
Transfer-out to General Fund			(187,200)	
Fund Balance, Beginning			<u>800,664</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 43,308,053</u>	

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

Nash County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Major			Non-Major		Governmental
	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer Fund	Northern Nash Water and Sewer Capital Project Fund	Total	Activities Internal Service Funds
ASSETS						
Current assets:						
Cash and investments	\$ -	\$ 6,506,090	\$ -	\$ -	\$ 6,506,090	\$ 1,938,434
Accounts receivable (net)	358,789	38,017	-	908,406	1,305,212	-
Restricted cash and investments	107,227	-	207,000	-	314,227	-
Due from other governments	-	54,160	-	-	54,160	-
Due from other funds	1,112,294	-	-	-	1,112,294	-
Total current assets	1,578,310	6,598,267	207,000	908,406	9,291,983	1,938,434
Noncurrent assets:						
Capital assets:						
Land, improvements and construction in progress	-	308,185	-	908,406	1,216,591	-
Other capital assets, net of depreciation	13,753,659	645,935	17,587,608	-	31,987,202	-
Total capital assets	13,753,659	954,120	17,587,608	908,406	33,203,793	-
Total noncurrent assets	13,753,659	954,120	17,587,608	908,406	33,203,793	-
Total assets	15,331,969	7,552,387	17,794,608	1,816,812	42,495,776	1,938,434
DEFERRED OUTFLOWS OF RESOURCES						
Pension deferrals	179,958	47,783	-	-	227,741	-
OPEB deferrals	11,989	21,476	-	-	33,465	-
Total deferred outflows of resources	191,947	69,259	-	-	261,206	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
Current liabilities:						
Accounts Payable	358,207	199,369	-	3,112	560,688	805,583
Accrued interest payable	8,494	-	34,441	-	42,935	-
Due to other funds	261,444	-	207,000	905,294	1,373,738	-
Current portion of compensated absences	1,818	158	-	-	1,976	-
Current portion of long-term debt	131,100	-	207,000	-	338,100	-
Customer deposits	107,227	-	-	-	107,227	-
Total current liabilities	868,290	199,527	448,441	908,406	2,424,664	805,583

Nash County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

Noncurrent liabilities:					
Non-current portion of long-term debt	880,200	-	11,505,000	-	12,385,200
Net pension liability	230,770	61,275	-	-	292,045
OPEB liability	489,487	876,773	-	-	1,366,260
Accrued landfill closure and post-closure costs	-	3,358,363	-	-	3,358,363
Compensated absences	34,540	3,007	-	-	37,547
Total noncurrent liabilities	1,634,997	4,299,418	11,505,000	-	17,439,415
Total liabilities	2,503,287	4,498,945	11,953,441	908,406	19,864,079
DEFERRED INFLOWS OF RESOURCES					
Pension deferrals	4,756	1,263	-	-	6,019
OPEB deferrals	98,761	176,901	-	-	275,662
Total deferred inflows of resources	103,517	178,164	-	-	281,681
NET POSITION					
Net investment in capital assets	12,742,359	954,120	5,875,608	908,406	20,480,493
Unrestricted	174,753	1,990,417	(34,441)	-	2,130,729
Total net position	\$ 12,917,112	\$ 2,944,537	\$ 5,841,167	\$ 908,406	\$ 22,611,222
					\$ 1,132,851
					\$ 1,132,851

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

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

	Major		Central Nash Water and Sewer District	Non-Major Northern Nash Water and Sewer Capital Project Fund	Totals	Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste				
Operating Revenues:						
Charges for sales and services	\$ 2,874,445	\$ 2,739,318	\$ -	\$ -	\$ 5,613,763	\$ 1,464,497
Other operating revenue	2,874,445	2,739,318	-	-	5,613,763	1,464,497
Total operating revenues						
Operating Expenses:						
Water and sewer operations	1,817,943	-	-	-	1,817,943	-
Solid waste disposal operations	-	2,740,003	-	-	2,740,003	-
Depreciation	429,118	110,963	466,927	-	1,007,008	-
Administration	-	-	-	175,900	175,900	-
Insurance claims	-	-	-	-	-	1,456,830
Wellness costs	-	-	-	-	-	77,137
Total operating expenses	2,247,061	2,850,966	466,927	175,900	5,740,854	1,533,967
Operating income (loss)	627,384	(111,648)	(466,927)	(175,900)	(127,091)	(69,470)
Nonoperating Revenues (Expenses)						
Interest and fees paid	(39,437)	-	(432,873)	-	(472,310)	-
Investment earnings	25,147	153,864	-	-	179,011	41,261
Scrap tire disposal tax	-	132,260	-	-	132,260	-
Solid waste disposal tax	-	38,811	-	-	38,811	-
White goods disposal tax	-	39,036	-	-	39,036	-
Total Nonoperating Revenues(Expenses)	(14,290)	363,971	(432,873)	-	(83,192)	41,261
Income (loss) before contributions and transfers	613,094	252,323	(899,800)	(175,900)	(210,283)	(28,209)
Capital contributions	-	-	-	908,406	908,406	-
Transfers to other funds	(632,460)	-	-	-	(632,460)	-
Transfers from other funds	-	-	632,460	-	632,460	-
Change in net position	(19,366)	252,323	(267,340)	732,506	698,123	(28,209)
Total net position, July 1	13,112,378	2,692,214	6,108,507	-	21,913,099	1,161,060
Restatement (See Note IX in the Notes to Financial Statements)	(175,900)	-	-	175,900	-	-
Net position, beginning restated	12,936,478	2,692,214	6,108,507	175,900	21,913,099	1,161,060
Total net position, June 30	\$ 12,917,112	\$ 2,944,537	\$ 5,841,167	\$ 908,406	\$ 22,611,222	\$ 1,132,851

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

Nash County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2019

	Major			Non-Major	Totals	Governmental
	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	Northern Nash Water and Sewer Fund	June 30, 2019	Activities Internal Service Funds
Cash flows from operating activities:						
Cash received from customers	\$ 2,804,002	\$ 2,714,438	\$ -	\$ -	\$ 5,518,440	\$ 1,464,497
Cash paid for goods and services	(1,309,674)	(2,255,783)	-	(175,900)	(3,741,357)	(1,491,283)
Cash paid to employees for services	(432,026)	(619,848)	-	-	(1,051,874)	-
Customer deposits	(1,901)	-	-	-	(1,901)	-
Net cash provided (used) by operating activities	<u>1,060,401</u>	<u>(161,193)</u>	<u>-</u>	<u>(175,900)</u>	<u>723,308</u>	<u>(26,786)</u>
Cash flows from noncapital financing activities						
Change in due to other funds	350,797	-	8,000	175,900	534,697	-
Change in due from other funds	(1,112,294)	-	-	(908,406)	(2,020,700)	-
Disposal Taxes	-	210,107	-	-	210,107	-
Transfers to other funds	(632,460)	-	-	-	(632,460)	-
Transfers from other funds	-	-	632,460	-	632,460	-
Net cash provided (used) by noncapital financial activities	<u>(1,393,957)</u>	<u>210,107</u>	<u>640,460</u>	<u>(732,506)</u>	<u>(1,275,896)</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Capital contributions	-	-	-	908,406	908,406	-
Principal paid on long-term debt	(131,100)	-	(199,000)	-	(330,100)	-
Interest paid on long term debt	(38,554)	-	(433,460)	-	(472,014)	-
Acquisition of capital assets	(8,762)	(99,644)	-	-	(108,406)	-
Net cash provided (used) by capital and related financing activities	<u>(178,416)</u>	<u>(99,644)</u>	<u>(632,460)</u>	<u>908,406</u>	<u>(2,114)</u>	<u>-</u>
Cash flows from investing activities:						
Investment earnings	25,147	153,864	-	-	179,011	41,261
Net cash flows from investing activities	<u>25,147</u>	<u>153,864</u>	<u>-</u>	<u>-</u>	<u>179,011</u>	<u>41,261</u>
Net increase (decrease) in cash and cash equivalents	(486,825)	103,134	8,000	-	(375,691)	14,475
Cash and cash equivalents, July 1	<u>594,052</u>	<u>6,402,956</u>	<u>199,000</u>	<u>-</u>	<u>7,196,008</u>	<u>1,923,959</u>
Cash and cash equivalents, June 30	<u>\$ 107,227</u>	<u>\$ 6,506,090</u>	<u>\$ 207,000</u>	<u>\$ -</u>	<u>\$ 6,820,317</u>	<u>\$ 1,938,434</u>

Nash County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2019

Reconciliation of operating income to net cash provided by operating activities:	Major			Non-Major		Totals June 30, 2019	Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	Northern Nash Water and Sewer Fund			
Operating income (loss)	\$ 627,384	\$ (111,648)	\$ (466,927)	\$ (175,900)	\$	(127,091)	\$ (69,470)
Adjustments to reconcile operating income to net cash provided by operating activities:							
Depreciation	429,118	110,963	466,927	-		1,007,008	-
Changes in assets and liabilities:							
(Increase) decrease in accounts receivable	(70,443)	(24,880)	-	-		(95,323)	-
(Increase) decrease in deferred outflows of resources for pensions	(65,393)	(17,364)	-	-		(82,757)	-
(Increase) decrease in deferred outflows of resources for for OPEB	(105)	(189)	-	-		(294)	-
Increase (decrease) in accounts payable and accrued liabilities	59,408	(138,672)	-	-		(79,264)	42,684
Increase (decrease) in deferred inflows of resources for pensions	(1,411)	(374)	-	-		(1,785)	-
Increase (decrease) in deferred inflows of resources for OPEB	44,687	80,043	-	-		124,730	-
Increase (decrease) in customer deposits	(1,901)	-	-	-		(1,901)	-
Increase (decrease) in net pension liability	79,150	21,016	-	-		100,166	-
Increase (decrease) in accrued postclosure liability	-	23,231	-	-		23,231	-
Increase (decrease) in compensated absences	17,086	(898)	-	-		16,188	-
Increase (decrease) in OPEB liability	(57,179)	(102,421)	-	-		(159,600)	-
Total adjustments	433,017	(49,545)	466,927	-		850,399	42,684
Net cash provided (used) by operating activities	\$ 1,060,401	\$ (161,193)	\$ -	\$ (175,900)	\$	723,308	\$ (26,786)

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

Nash County, North Carolina
Statement of Net Position
Agency Funds
For the year ended June 30, 2019

	Agency Funds
ASSETS	
Cash and investments	\$ 57,168
Accounts Receivable	326,898
Total Assets	<u>\$ 384,066</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous Liability	\$ 384,066
Total liabilities	<u>384,066</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Pension	<u>\$ 384,066</u>

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE I: Summary of Significant Accounting Policies

The accounting policies of Nash County, North Carolina, and its discretely presented 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

Nash County is located in the eastern part of North Carolina in the coastal plains area and has a population of approximately 95,500. The County Seat is located in Nashville, North Carolina. 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.

Blended Component Units

Central Nash Water and Sewer District (Central Nash) exists to provide and maintain water and sewer services for residents within the District. Under state law (G.S. 162A-89), the County's Board of Commissioners serves as the governing board for the District and there is a financial benefit between the District and County. Central Nash was reported as an enterprise fund in the County's financial statements. The District does not issue separate financial statements.

Component Units

The County's three discretely presented component units described below are reported in separate combining government-wide financial statements.

- **Nash County Tourism Development Authority**

The fifteen members of the Nash County Tourism Development Authority's governing board, including the Chairman are appointed by the County. The Finance Officer for the County serves as ex-officio Finance Officer for the Authority. The County levies, collects, and remits a room occupancy tax on behalf of the Authority. The Authority, which has a June 30 year-end, is presented as a Component Unit.

- **Nash Health Care Systems and Subsidiaries of Nash County, North Carolina**

Nash Health Care Systems and Subsidiaries of Nash County is a Hospital Authority created pursuant to Article 12 of Chapter 131E of the North Carolina General Statutes (formerly Article 12 of Chapter 131). The subsidiaries are not-for-profit entities established under section 501(c)(3) of the Internal Revenue Code. The County appoints the fifteen-member governing board of the Authority, and there is a potential financial benefit/burden to the County. The Authority incudes the operations of Nash Hospitals Inc. and subsidiary, Nash Community Health Services, Inc., Nash MSO, In., Nash Medical Development Authority, NHCS Physicians, Inc., and Nash Health Care Foundation. The County leases the hospital facilities to the Authority in accordance with a thirty-year operating agreement (Note 5). The Authority, which has a June 30 year-end, is presented as a component unit.

- **Nash County ABC Board**

The five members of the Nash County ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surplus to the General Fund of the County. The ABC Board which has a June 30 year-end, is presented as a component unit.

Complete financial statements for each of the individual component units may be obtained at the administrative offices of those entities as follows:

Nash County Tourism Development Authority
120 W. Washington Street, Suite 3072
Nashville, NC 27856

Nash Health Care Systems and Subsidiaries of Nash County
Nash General Hospital
2460 Curtis Ellis Drive
Rocky Mount, NC 27804

Nash County ABC Board
1206 Eastern Avenue
Nashville, NC 27856

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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 *agency* – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

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

Major Funds: The General Fund, the Solid Waste Fund, the Water and Sewer Fund, Central Nash Water and Sewer District Fund, Northern Nash Water and Sewer Fund, and the Courthouse Expansion Capital Fund are major funds of the County. The General Fund is the primary operating fund of the County. It is used to account for a financial resources except those required to be accounted for in another fund. The Water and Sewer Fund is used to account for the County's water and sewer operations. The Solid Waste Fund is used to account for the County's solid waste disposal operations and convenience center operations. The Central Nash Water and Sewer District Fund (Blended Component Unit) is used to account for the water and sewer expenditures in the Central Nash Water and Sewer District. The Courthouse Expansion Capital Fund is used to account for the courthouse expansion transactions.

The County reports the following major governmental fund:

General Fund - The General Fund is the primary operating fund of the County. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The Revaluation Fund is a legally budgeted fund under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, it is consolidated in the General Fund. Additionally, the County has legally adopted an Economic Development Fund. Under GASB 54 guidance, the Economic Development Fund is consolidated in the General Fund. The budgetary comparisons for the Revaluation Fund and the Economic Development Fund have been included in the supplemental information.

Courthouse Expansion Capital Fund - This fund is used to account for the revenues, debt proceeds, and expenditures of the project.

Special Revenue Funds - The County has thirteen special revenue funds: Rural Operating Assistance Program Fund, Fire Districts Fund, Emergency Telephone System Fund, Controlled Substance Fund, Federal Asset Forfeiture Fund, Storm water Maintenance Fund, Tourism Fund, Homeland Security Grant Fund, Single Family Rehab Fund, Urgent Repair Program Fund, CDBG Grant Fund, Hazard Mitigation Plan Fund, and Debris Removal Fund.

Capital Project Funds - The County has eight capital project funds: Capital Reserve Fund, Middlesex Industrial Park Fund, Senior Center/Miracle Park Fund, School Capital Project Fund, Public Safety Radio Project Fund, Ag Center Renovation Project Fund, Highspeed Internet Project Fund, and Detention Facility Project Fund.

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Enterprise Funds - The County reports the following enterprise funds:

Water and Sewer Fund - This fund is used to account for the County's water and sewer operations.

Solid Waste Fund - This fund is used to account for the County's solid waste disposal operations and convenience center operations.

Central Nash Water and Sewer District Fund (blended component unit) - The district is used to account for the water and sewer expenditures in the Central Nash Water and Sewer District. The District operates the water distribution system with booster pump station and elevated storage tanks sewage pumping stations, and collection systems.

Northern Nash Water and Sewer Capital Project Fund - This fund is used to account for the construction of a water and sewer system in the northern area of Nash County.

Internal Service Funds - The Employee Healthcare Benefits and the Workers' Compensation Fund are used to account for cost of the County's healthcare and workers' compensation.

Fiduciary Funds - include the following fund type:

Agency Funds - Agency funds are used to account for assets the County holds on behalf of others. Agency funds are custodial in nature and do not involve measurement of results of operations. The County maintains five agency funds: the Social Services Trust Fund, which is used to account for monies deposited with the County's Social Services Department for the benefit of certain individuals for whom the County acts as agent; the Tax Collections Held for Municipalities Fund, which is used to account for tax monies collected for the benefit of municipalities located in the County; the Fines and Forfeitures Fund, which is used to account for monies collected by the Clerk of Court for the benefit of the Nash/Rocky Mount School System Fund; the Jail Inmate Fund, which is used to account for monies held for inmates; and the Rental Vehicle Taxes Fund, which accounts for vehicle rental taxes collected.

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

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

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

Sales taxes and certain intergovernmental revenues 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 is both restricted and unrestricted net position available to finance the program. It is the County's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General Fund, the special revenue funds (excluding grant projects), and enterprise funds. All annual appropriations lapse at fiscal year-end. Project ordinances are adopted for the special revenue grant funds, capital project funds and the enterprise capital project funds, which are consolidate with the operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the departmental level for the General Fund and at the functional level for the Special Revenue and the Enterprise Funds, and at the project level for the Capital Project Funds. The County Manager is authorized by the budget ordinance to transfer appropriations between departments (or function levels, as applicable) within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary. As a result, appropriated fund balance increased in the General Fund by \$6,603,703 which is largely the result of transfers to capital project funds. 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.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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

1. Deposits and Investments

All deposits of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County 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, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County 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, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's investments are carried at fair value. Non-participating interest earnings contracts are accounted for at cost. The North Carolina Capital Management Trust (NCCMT) is a SEC registered money market mutual fund allowable by G.S. 159-30(c)(8). The NCCMT Government Portfolio is a 2a-7 fund maintaining an AAAM rating from S&P. The NCCMT Term Portfolio is a bond fund, has no rating and has a duration of .11 years. Both the NCCMT Government and Term Portfolios are reported at fair value.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are considered cash and cash equivalents. The Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

3. Restricted Assets

Unexpended debt proceeds are classified as restricted assets because their use is completely restricted to the purpose for which the debt was originally issued. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The Reserve Contribution for Middlesex Elementary School is a required annual reserve contribution equivalent to 1/10th of the annual installment for a period of ten years and accumulation equivalent to one annual installment. Customer deposits held by the County in the Utilities Fund before any services are supplied are restricted to the service for which the deposit was collected. In the Central Nash Water and Sewer District the 2020 debt service payment on the USDA loan is restricted for future payment. The Healthview restricted balance is a contractual agreement for the purpose of securing the indemnification obligations as set forth in the Home Health sales agreement.

Governmental Activities

General Fund	Tax Revaluation	\$ 206,967
General Fund	Reserve Contribution - School Debt	273,606
General Fund	Healthview	250,000
Courthouse Expansion Fund	Unexpended Debt Issuances	32,498
Public Safety Radio Project Fund	Unexpended Debt Issuances	61,392
Total Governmental Activities		<u>824,463</u>

Business-Type Activities

Utilities Fund	Customer Deposits	107,227
Central Nash Water and Sewer District	Debt Service Reserve	207,000
Total Business-Type Activities		<u>314,227</u>
Total Restricted Cash		<u><u>\$ 1,138,690</u></u>

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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 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, 2018.

5. Allowance for Doubtful Accounts

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

6. Prepaid Items

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: \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Nash Community College and Nash Rocky Mount Schools 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 Nash Community College and Nash Rocky Mount Schools give those entities the facilities, and provide that the County will convey title to the property back to the respective entities, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of Nash Community College and Nash Rocky Mount Schools, respectively.

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

	<u>Estimated Useful Lives</u>	
	Primary Government	Component Units
Land Improvements	20 Years	5-40 Years
Buildings	40 Years	20-40 Years
Furniture and Equipment	3-20 Years	2-20 Years
Infrastructure	40 Years	
Vehicles	3-5 years	

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflow of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The County has several items that meets this criterion - a charge on refunding that had previously been classified as an asset, pension related deferrals, and contributions made to the pension plan in the current fiscal year. In addition to liabilities, the Statement of Net Position can also report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The County has three items that meet the criterion for this category - taxes receivable, prepaid taxes, and other pension related deferrals.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs are expensed in the reporting period in which they are incurred.

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

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. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2019 is recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first in, first out method of using accumulated compensated time. The portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the County 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 the County has no 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 is classified as net investment in capital assets; restricted and unrestricted. Restricted net position represents 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.

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

Prepaid Items – portion of fund balance that is not an available resource because it represents the year-end balance of prepaid items, which are not spendable resources.

Restricted Fund Balance - This classification includes revenue sources that are restricted to specific purposes externally imposed by creditors or imposed by law. Restricted fund balance is summarized as follows:

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

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 General Government - portion of fund balance that is restricted by revenue source for technology.

Restricted for Human Services - portion of fund balance that is restricted by revenue source for human services health program.

Restricted for Public Safety - portion of fund balance that is restricted by debt proceeds for the Courthouse Expansion project.

Restricted for Public Safety - portion of fund balance that is restricted by revenue source for the Emergency Telephone System Fund, Fire Protection, Controlled Substance, Federal Asset Forfeiture for law enforcement, Homeland Security, and Public Safety Radio Projects.

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for Economic Development through Travel and Tourism, Stormwater maintenance, CDBG Projects and Corporate Park Projects.

Restricted for Transportation - portion of fund balance that is restricted by revenue source for the rural operating assistance program.

Committed Fund Balance - Portion of fund balance that can only be used for specific purpose imposed by resolution of the County's Board of Commissioners (highest level of decision making authority). Any changes or removal of specific purposes requires majority action by the Board of Commissioners.

Committed for Public Safety - portion of fund balance that can only be used for Public Safety for Controlled Substance and the Detention Facility

Committed for Economic Development - portion of fund balance that can only be used for Economic Development

Committed for Education - portion of fund balance that has been committed though Board action for school construction

Committed for Tax Revaluation - portion of fund balance that can only be used for tax revaluation

Assigned Fund Balance - portion of fund balance that the County's Board of Commissioners has assigned.

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

Assigned for Capital Projects - portion of fund balance that is assigned by management for debt service for capital projects or capital projects

Unassigned Fund Balance - portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Nash 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-county funds, and county funds. For purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in-order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it's in the best interest of the County.

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct business in such a manner that available fund balance is at least equal to or greater than 15% of General Fund expenditures. In the event of an emergency of approved one-time use of fund balance in which the reserve falls below the recommended percentage of 15%, the County will adopt a plan to replenish the reserve to the policy standard within 36 months.

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	\$ 43,308,053
Less:	
Prepaid assets	10,105
Stabilization by State statute	8,164,334
Total available fund balance	<u>\$ 35,133,614</u>

12 Defined Benefit Pension and OPEB Plan

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

13 Accounting Estimates

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

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

The County presented a deficit fund balance in the Senior Center/Miracle Park Capital Project Fund in the amount of (\$443). This is a grant funded project, and expenditures exceeded reimbursements. The County provided resources to cover the expenditures. The County will review this program to determine what steps are necessary to correct the negative fund balance.

Excess of Expenditures over Appropriations

None

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

All of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board'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, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's agent in their respective names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board, 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 or the ABC Board or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board under the Pooling Method, the potential exists for the 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 County and the ABC Board do not have formal policies regarding custodial credit risk for deposits.

At June 30, 2019 the County's deposits had a carrying amount of \$27,456,736 and a bank balance of \$29,477,039. Of the bank balance, \$250,000 was covered by federal depository insurance; and \$29,227,039 in interest bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2019, Nash County had \$3,275 cash on hand.

At June 30, 2019, the carrying amount of deposits for the Nash County Tourism Development Authority's deposits was \$942,887 and a bank balance of \$944,223. Of the bank balance, \$250,000 was covered by federal depository insurance and \$694,223 was covered under the pooling method.

At June 30, 2019, the carrying amount of deposits for the Nash Health Care Systems and Subsidiaries' deposits was \$18,523,659 and a bank balance of \$20,641,009. Of the bank balance, \$2,156,324 was covered by federal depository insurance and \$14,151,742 was covered by collateral held by the State Treasurer. \$4,332,942 was held in non-interest bearing accounts.

At June 30, 2019, the carrying amount of deposits for the Nash County ABC Board's deposits was \$2,293,542 and a bank balance of \$2,259,034. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,759,034 was covered by collateral held by the State Treasurer.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

2. Investments

At June 30, 2019, the County had the following investments and maturities:

	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	Greater Than One Year	% Concentration
NCCMT - Government Portfolio	Fair Value- Level 1	14,271,845	14,271,845	-	-	47%
NCCMT - Term Portfolio*	Fair Value- Level 1	15,866,933	15,866,933	-	-	53%
Total		\$ 30,138,778	\$ 30,138,778	\$ -	\$ -	100%

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

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

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

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's policy limits its exposure to fair value losses from rising interest rates by limiting its investment portfolio to no less than 20% maintained in liquid investments at any point in time.

Credit Risk - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County policy allows investments in the NC Capital Management Trust Government Portfolio, US Treasury Securities, US Agency Securities specifically authorized in NCGS 159 and rated no lower than AAA, and commercial paper meeting the requirements of NCGS 159. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Concentration of Credit Risk - The County limits amounts invested in US Treasury of Agencies to no more than 20% of total investments and commercial paper to no more than 10% per investment. A minimum of 20% of available investments must be liquid. At June 30, 2019, investments in U.S. government agencies and commercial paper representing greater than 5% of the County's total investments were: NCCMT - Government Portfolio at 47%, and the NCCMT - Term Portfolio at 53%.

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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

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

Year			
Levied	Tax	Interest	Total
2016	2,549,067	834,819	3,383,886
2017	2,564,075	608,968	3,173,043
2018	2,866,639	422,829	3,289,468
2019	2,864,726	-	2,864,726
Total	\$ 10,844,507	\$ 1,866,616	\$ 12,711,123

4. Receivables

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

	Taxes and Related Accrued		
	Accounts	Interest	Total
Governmental Activities:			
General	\$ 1,529,288	\$ 3,601,483	\$ 5,130,771
Other Governmental	5,812,602	-	5,812,602
Total Receivables	7,341,890	3,601,483	10,943,373
Allowance for Doubtful Accts.	-	(1,312,382)	(1,312,382)
Total Gov't Activities	\$ 7,341,890	\$ 2,289,101	\$ 9,630,991
Business-type Activities:			
Water and Sewer	1,377,422	-	1,377,422
Solid Waste	40,724	-	40,724
Other Governmental	54,160	-	54,160
Total Receivables	1,472,306	-	1,472,306
Allowance for Doubtful Accts.	(112,934)	-	(112,934)
Total Business-type	\$ 1,359,372	\$ -	\$ 1,359,372

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

Governmental Activities:	
Local Option Sales Tax	\$ 2,805,152
Sales Tax Refund	651,910
Other Reimbursements	2,355,540
Total	\$ 5,812,602
Business-type Activities:	
Solid Waste	54,160
Total	\$ 54,160

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

5. Capital Assets

Primary Government

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

<u>Governmental Activities:</u>	Beginning				Ending
	Balances	Increases	Transfers	Retirements	Balances
Capital assets not being depreciated:					
Land	\$ 10,178,934	\$ 121,479	\$ -	\$ -	\$ 10,300,413
Construction in Progress	14,012,562	5,474,010	(3,520,540)	-	15,966,032
Total capital assets not being depreciated	24,191,496	5,595,489	(3,520,540)	-	26,266,445
Capital assets being depreciated:					
Land Improvements	347,752	-	-	-	347,752
Infrastructure	566,636	-	520,200	-	1,086,836
Buildings	54,626,309	43,451	2,583,933	-	57,253,693
Vehicles	6,431,922	1,575,291	-	(639,987)	7,367,226
Equipment	15,455,169	727,469	416,407	-	16,599,045
Total capital assets being depreciated:	77,427,788	2,346,211	3,520,540	(639,987)	82,654,552
Less accumulated depreciation for:					
Land Improvements	162,241	17,418	-	-	179,659
Infrastructure	214,823	22,836	-	-	237,659
Buildings	24,468,382	1,195,033	-	-	25,663,415
Vehicles	5,577,908	602,166	-	(629,903)	5,550,171
Equipment	12,775,016	614,039	-	-	13,389,055
Total accumulated depreciation:	43,198,370	\$ 2,451,492	\$ -	\$ (629,903)	45,019,959
Total capital assets being depreciated, net	34,229,418				37,634,593
Governmental activity capital assets, net	\$ 58,420,914				\$ 63,901,038

Depreciation expenses are charged to functions/ program of the governmental activity capital assets as follows:

General Government	\$ 1,238,075
Public Safety	888,089
Cultural and Recreational	3,367
Economic and Physical Development	176,545
Human Services	79,093
Education	66,323
Total Depreciation Expense	<u>\$ 2,451,492</u>

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Business-type activities:

	Beginning				Ending
	Balances	Increases	Transfers	Retirements	Balances
Water and Sewer Fund					
Capital assets not being depreciated:					
Construction in progress	\$ 265,253	\$ -	\$ (265,253)	\$ -	\$ -
Total capital assets not being depreciated:	265,253	-	(265,253)	-	-
Capital assets being depreciated:					
Infrastructure	18,601,935	-	-	-	18,601,935
Furniture, fixtures, and equipment	45,577	-	-	-	45,577
Vehicles	139,002	8,762	-	-	147,764
Total capital assets being depreciated :	18,786,514	8,762	-	-	18,795,276
Less accumulated depreciation for:					
Infrastructure	4,459,884	416,064	-	-	4,875,948
Furniture, fixtures, and equipment	44,602	973	-	-	45,575
Vehicles	108,013	12,081	-	-	120,094
Total accumulated depreciation:	4,612,499	\$ 429,118	\$ -	\$ -	5,041,617
Total capital assets being depreciated, net	14,174,015				13,753,659
Water and Sewer activity capital assets, net	<u>\$ 14,439,268</u>				<u>\$ 13,753,659</u>

Northern Nash Water System (NNWS):

Capital assets not being depreciated:					
Construction in Progress	\$ -	\$ 643,153	\$ 265,253	\$ -	\$ 908,406
Total capital assets not being depreciated:	<u>\$ -</u>	<u>\$ 643,153</u>	<u>\$ 265,253</u>	<u>\$ -</u>	<u>\$ 908,406</u>

	Beginning				Ending
	Balances	Increases	Transfers	Retirements	Balances
Solid Waste Fund					
Capital assets not being depreciated:					
Construction in Progress	\$ 441,396	\$ 86,742	\$ (528,138)	\$ -	\$ -
Land	238,000	-	-	-	238,000
Total capital assets not being depreciated:	679,396	86,742	(528,138)	-	238,000
Capital assets being depreciated:					
Land improvements	1,439,542	-	528,138	-	1,967,680
Buildings and building improvements	34,375	-	-	-	34,375
Furniture, fixtures, and equipment	1,864,425	8,002	-	-	1,872,427
Vehicles	26,541	4,900	-	-	31,441
Total capital assets being depreciated:	3,364,883	12,902	528,138	-	3,905,923
Less accumulated depreciation for:					
Land improvements	1,286,899	77,579	-	-	1,364,478
Buildings and building improvements	22,952	318	-	-	23,270
Furniture, fixtures, and equipment	1,817,871	30,296	-	-	1,848,167
Vehicles	26,541	612	-	-	27,153
Total accumulated depreciation	3,154,263	108,805	-	-	3,263,068
Total capital assets being depreciated, net	210,620				642,855
Solid Waste activity capital assets net	<u>890,016</u>				<u>880,855</u>

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Convenience Center Activity	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated:					
Land	70,185	-	-	-	70,185
Total capital assets not being depreciated:	70,185	-	-	-	70,185
Capital assets being depreciated:					
Land improvements	293,241	-	-	-	293,241
Buildings and building improvements	94,379	-	-	-	94,379
Furniture, fixtures, and equipment	108,667	-	-	-	108,667
Total capital assets being depreciated:	496,287	-	-	-	496,287
Less accumulated depreciation for:					
Land improvements	290,171	713	-	-	290,884
Buildings and building improvements	92,211	1,445	-	-	93,656
Furniture, fixtures, and equipment	108,667	-	-	-	108,667
Total accumulated depreciation	491,049	\$ 2,158	\$ -	\$ -	493,207
Total capital assets being depreciated, net	5,238				3,080
Convenience Center activity capital assets net	75,423				73,265
Total Solid Waste Fund capital assets net	\$ 965,439				\$ 954,120
Central Nash Water and Sewer District	Beginning Balances	Increases	Transfers	Retirements	Ending Balances
Capital assets not being depreciated :					
Construction in progress	\$ -	\$ -	\$ -	\$ -	\$ -
Total capital assets not being depreciated	-	-	-	-	-
Capital assets being depreciated					
Infrastructure	18,677,106	-	-	-	18,677,106
Total capital assets being depreciated	18,677,106	-	-	-	18,677,106
Less accumulated depreciation for:					
Infrastructure	622,571	466,927	-	-	1,089,498
Total accumulated depreciation	622,571	\$ 466,927	\$ -	\$ -	1,089,498
Total capital assets being depreciated ,net	18,054,535				17,587,608
CNWSD capital assets-net	\$ 18,054,535				\$ 17,587,608
Business-type activities capital assets, net	\$ 33,459,242				\$ 33,203,793

Nash County Implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of the Construction Period*, in the fiscal year ended June 30, 2018.

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

B. Liabilities

1. Payables

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

	<u>Vendors</u>
Governmental Activities:	
General	\$ 2,088,290
Other Governmental	393,137
Internal Service Fund	805,583
Total Governmental Activities	<u>\$ 3,287,010</u>
Business-type Activities:	
Water and Sewer	\$ 358,207
Solid Waste	199,369
Northern Nash Water and Sewer	3,112
Total Business-type Activities	<u>\$ 560,688</u>

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

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

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2019, was 8.50% of compensation for law enforcement officers, 7.81% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,367,216 for the year ended June 30, 2019.

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

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

At June 30, 2019, the County reported a liability of \$10,619,789 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2018, the County's proportion was 0.448%, which was an decrease of 0.009% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$2,935,349. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,638,381	\$ 54,976
Changes in assumptions	2,818,082	-
Net difference between projected and actual earnings on pension plan investments	1,457,781	-
Changes in proportion and differences between County contributions and proportionate share of contributions	-	163,892
County contributions subsequent to the measurement date	2,367,216	-
Total	<u>\$ 8,281,460</u>	<u>\$ 218,868</u>

\$2,367,216 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ 2,778,649
2021	1,800,984
2022	295,469
2023	820,274
2024	-
Thereafter	-
	<u>\$ 5,695,376</u>

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

Inflation	3.0 Percent
Salary Increases	3.50 percent
Investment Rate of Return	7.00 percent, net of pension plan investment expense, including inflation

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

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

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

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2019 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2017 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

Sensitivity of the County's proportionate share of the net pension 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 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:

	<u>1% Decrease (6.00%)</u>	<u>Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
County's proportionate share of the net pension liability (asset)	\$ 25,509,653	\$ 10,619,789	\$ (1,822,414)

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

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

Nash 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. The Separation allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

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

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	87
Total	<u>90</u>

Summary of Significant Accounting Policies :

Basis of Accounting

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2017 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

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

The discount rate is based on the S&P Municipal Bond 20 Year High Grade Rate Index.

Mortality rates are based on the RP-2014 Healthy Annuitant with adjustments for mortality improvements based MP-2015 scale, projected generationally.

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments 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 investments. The County paid \$54,309 as benefits came due for the reporting period.

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

At June 30, 2019, the County reported a total pension liability of \$2,514,518. The total pension liability was measured as of December 31, 2018 based on a December 31, 2017 actuarial valuation. The total pension liability was rolled forward to December 31, 2018 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2019, the County recognized pension expense of \$229,652.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 132,198	\$ -
Changes of assumptions	110,715	126,153
County benefit payments and plan administrative expense made subsequent to the measurement date	54,309	-
Total	<u>\$ 297,222</u>	<u>\$ 126,153</u>

\$54,309 reported as deferred outflows of resources related to pensions resulting for benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ 23,905
2021	23,905
2022	23,905
2023	26,493
2024	17,535
Thereafter	1,017

Sensitivity of the County's pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.64 percent, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.64 percent) or 1-percentage-point higher (4.64 percent) than the current rate:

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
County's proportionate share of the net pension liability (asset)	\$ 2,755,227	\$ 25,145,181	\$ 2,295,199

**NASH COUNTY, NORTH CAROLINA
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Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance

	2019
Beginning balance	\$ 2,341,157
Service Cost	131,672
Interest on the total pension liability	73,256
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	127,087
Changes of assumptions or other inputs	(112,798)
Benefit payments	(45,856)
Other changes	-
Ending balance of the total pension liability	<u>\$ 2,514,518</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.16 percent at December 31, 2017 to 3.64 percent at December 31, 2018.

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

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an experience study for the five year period ending December 31, 2014, completed by the Actuary for the Local Government Employees' Retirement System.

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 the State Treasurer and a Board of Trustees. The plan provides retirement benefits to law enforcement officers employed by the County. Article 5 of G.S. Chapter 135 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. The Supplemental Retirement Income Plan for Law Enforcement Officers is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes the pension trust fund financial statements for the Internal Revenue Code Section 401(k) plan that includes the Supplemental Retirement Income Plan for Law Enforcement Officers. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, or by calling (919) 981-5454.

Funding Policy

Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan.

The County's contributions for the year ended June 30, 2019 were \$237,971.

d. Deferred Compensation Plan 401(k)

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 401(k). The plan is sponsored by the State of North Carolina and is governed by the Department of State Treasurer and the plan's Board of Trustees. The Department and Board have contracted with Branch Banking and trust Company to be the plan administrator.

The plan is available to all County employees except for law enforcement officers who are covered by other supplemental retirement plans. The plan permits the employees to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or financial hardships. The County contributes up to 5.0% of qualified salary and all amounts contributed are vested immediately. The employees also may make voluntary contributions to the plan.

The County's contributions were calculated using a covered payroll amount of \$25,072,571. The County's total contributions for the year ended June 30, 2019 were \$1,253,630.

**NASH COUNTY, NORTH CAROLINA
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c. Registers of Deeds' Supplemental Pension Fund

Plan Description. Nash 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. ROSPF provides supplemental pension benefits to any eligible county register of deeds who is retired under the Local Government Employees' Retirement System (LERS) or an equivalent locally sponsored plan. 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 LERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

Benefits Provided. An individual's benefits for the year are calculated as a share of accumulated contributions available for benefits for that year, subject to certain statutory limits. An individual's eligibility is based on at least 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 \$7,305 for the year ended June 30, 2019.

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

At June 30, 2019, the County reported an asset of \$141,113 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating ROSPF employers. At June 30, 2018, the County's proportion was 0.8520%, which was an increase of 0.0187% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$25,453. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,244	\$ 6,441
Changes of assumptions	6,637	-
Net difference between projected and actual earnings on pension plan investments	22,492	-
Changes in proportion and differences between County contributions and proportionate share of contributions	70	2,771
County contributions subsequent to the measurement date	7,305	-
Total	<u>\$ 37,748</u>	<u>\$ 9,212</u>

\$7,305 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

NASH COUNTY, NORTH CAROLINA
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Year Ended June 30:

2020	\$ 10,761
2021	348
2022	6,628
2023	3,493
2024	-
Thereafter	-
	<u>\$ 21,230</u>

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

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	3.75 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study 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 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, 2019 is 1.4%.

The information above is based on 30 year expectations developed with the consulting actuary for the 2019 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from 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 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 or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (111,260)	\$ (141,113)	\$ (166,289)

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

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

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

	LGERS	ROD	LEOSSA	Total
Proportionate Share of Net Pension Liability (Asset)	\$ 10,619,789	\$ (141,113)	\$ -	\$ 10,478,676
Proportionate of the Net Pension Liability (Asset)	0.44765%	0.85198%	n/a	
Total Pension Liability	\$ -	\$ -	\$ 2,514,518	\$ 2,514,518
Pension Expense	\$ 2,935,349	\$ 25,453	\$ 229,652	\$ 3,190,454

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

	LGERS	ROD	LEOSSA	Total
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 1,638,381	\$ 1,244	\$ 132,198	\$ 1,771,823
Changes of assumptions	2,818,082	6,637	110,715	2,935,434
Net difference between projected and actual earnings on pension plan investment	1,457,781	22,492	-	1,480,273
Changes in proportion and differences between County contributions and proportionate share of contributions	-	70	-	70
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	2,367,216	7,305	54,309	2,428,830
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 54,976	\$ 6,441	\$ 126,153	\$ 187,570
Changes in proportion and differences between County contributions and proportionate share of contributions	163,892	2,771	-	166,663

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g. Other Postemployment Benefits

Plan Description. According to a County resolution, the County administers a single employer defined benefit plan to provide healthcare benefits (HCB Plan) and a Medicare Supplement Policy at age 65 to certain retirees of the County. This post employment health benefit is effective for retirees on or after January 1, 2001 and for employees hired before July 1, 2007, provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental employees' Retirement System (System) and have at least twenty years of continuous credible service with Nash County the retiree will receive 100% premium coverage at the same rate as active employees coverage, retirees with 19 to 15 years credible service will receive 75% of the premium coverage from Nash County and retirees with 14 to 10 years of credible service will receive 50% of the premium costs from Nash County. The benefit applies only to the retired employee, not dependents. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense; but not the supplement.

Effective for employees hired before July 1, 2012, the County will provide postemployment healthcare benefits to retirees to age 65 provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental Employees' System (System) and have at least twenty years of continuous credible service to Nash County. There is no supplement offered at age 65 to either the retiree or dependent. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense. Employees hired on or after July 1, 2012 are not eligible to participate in the plan. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. The County maintains health care coverage through a combination of self-insurance and private insurers.

Retired Employee's Continuous Years of Creditable Service	Hired Pre-July 1, 2007	Hired On or After July 1, 2007 and Before July 1, 2012	Hired On or After July 1, 2012
Less than 10 years	Not eligible for coverage	Not eligible for coverage	Not eligible for coverage
10-14 years	50% of health care benefits and 50% Medicare Supplement at age 65 (if selected at retirement)	50% of health care benefits paid by the County	Not eligible for coverage
15-19 years	75% of health care benefits and 75% Medicare supplement at age 65 (if selected at retirement)	75% of health care benefits paid by the County	Not eligible for coverage
20+ years	Full coverage of health care benefits and Medicare Supplement at age 65 (if selected at retirement)	Full coverage of health care benefits paid for by the County	Not eligible for coverage

Plan membership. Membership of the HCB Plan consisted of the following at June 30, 2018, the date of the latest actuarial valuation:

	General Employees:	Law Enforcement Officers:
Retirees and dependents receiving benefits	150	14
Terminated plan members entitled to but not yet receiving benefits	-	-
Active members	271	52
Total	421	66

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Funding Policy: The County's members pay the current active employee rate for dependent coverage, if the retiree elects to purchase the coverage. The County has chosen to fund the healthcare benefits on a pay as you go basis.

The County's total OPEB liability of \$53,789,781 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

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

Inflation	2.5 percent
Salary increases:	
General Employees	3.50 to 7.75 percent, including inflation
Law Enforcement Officers	3.5 to 7.35 percent, including inflation
Discount rate	3.56 percent
Healthcare cost trend rates:	
Medical and Prescription Drug	7.25 percent for 2018 decreasing to an ultimate rate of 4.75 percent by 2022
Dental	5.38 percent for 2018 decreasing to an ultimate rate of 4.00 percent by 2022

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

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

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 - December 31, 2014, adopted by the LGERS.

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

Sensitivity of the net OPEB liability to changes in the discount rate.

The following presents the net OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.89 percent) and 1-percentage-point higher (4.89 percent) than the current discount rate:

	1% Decrease (2.89 percent)	Discount Rate (3.89 Percent)	1% Increase (4.89 percent)
Total OPEB liability (asset)	\$ 62,997,182	\$ 53,789,781	\$ 46,459,745

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates.

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

	1% Decrease	Current	1% Increase
Total OPEB liability (asset)	\$ 45,960,326	\$ 53,789,781	\$ 63,703,259

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Changes in Total OPEB Liability, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB. At June 30, 2019, the County reported a total OPEB liability of \$53,789,781. The total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions.

At June 30, 2019, the components of the total OPEB liability of the County, measured as of June 30, 2018, were as follows:

	Total OPEB Liability
Balances at June 30, 2017	\$ 60,073,234
Changes for the Year:	
Service Cost	1,364,968
Interest	2,115,565
Differences between Expected and Actual experience	(6,474,724)
Changes of assumptions or other inputs	(1,983,313)
Benefit payments	(1,305,949)
Net Changes	(6,283,453)
Balances at June 30, 2018	<u>\$ 53,789,781</u>

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$880,855. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 5,295,685
Changes of assumptions	-	5,557,145
Net difference between projected and actual earnings on plan investments	-	-
Benefit payments and administrative costs made subsequent to the measurement date	1,317,562	-
Total	<u>\$ 1,317,562</u>	<u>\$ 10,852,830</u>

\$1,317,562 reported as deferred outflows of resources related to OPEB resulting from County benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease in the total OPEB liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

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Year ended June 30

2019	\$ (2,599,678)
2020	(2,599,678)
2021	(2,599,678)
2022	(2,599,678)
2023	(454,118)
Thereafter	-

h. 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 participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3 Closure and Post-Closure Costs

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$669,500 reported as landfill closure and post closure care liability at June 30, 2019 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. The County closed the facility on December 31, 1998. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County currently operates a Construction and Demolition landfill which was expanded in FY 2019. C & D closure liability is \$2,688,863 at June 30, 2019, based on the use of 85% of total estimated capacity. The County currently reports a combined liability of \$3,358,363 and will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled.

The County has met the requirements of a local government financial test that is one option under Federal and State laws and regulation that help determine if an entity is financially able to meet closure and post closure care requirements.

NASH COUNTY, NORTH CAROLINA
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4 Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 1,381,033	\$ -
Pensions - difference between expected and actual experience		
LGERS	1,638,381	54,976
Register of Deeds	1,244	6,441
LEOSSA	132,198	\$ 126,153
OPEB	-	\$ 5,295,685
Changes of assumptions		
LGERS	2,818,082	-
Register of Deeds	6,637	-
LEOSSA	110,715	-
OPEB	-	5,557,145
Pensions - difference between projected and actual investment		
LGERS	1,457,781	-
Register of Deeds	22,492	-
LEOSSA	-	-
OPEB	-	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	-	163,892
Register of Deeds	70	2,771
LEOSSA	-	-
Contributions, benefits and admin costs paid subsequent to measurement date		
LGERS	2,367,216	-
Register of Deeds	7,305	-
LEOSSA	54,309	-
Benefit payments for the OPEB plan paid subsequent to measurement date	1,317,562	-
Prepaid taxes not yet earned (General Fund)	-	105,215
Taxes receivable, net (General)	-	1,910,974
Total	<u>\$ 11,315,025</u>	<u>\$ 13,223,252</u>

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. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners Joint Risk Management Agency.

Through these pools, the County obtains property coverage equal to the replacement cost of owned property subject to total insured values, with sub-limits on coverage for specified perils; general, auto, professional, employment practices, and law enforcement liability coverage of \$2 million per occurrence (some members purchase higher limits); auto physical damage for owned autos at actual cash value; crime coverage of \$250,000 per occurrence; and workers' compensation coverage up to the statutory limits.

All property coverage and some liability coverage are subject to per occurrence deductibles, as selected by the County. The pools are audited annually by certified public accountants, and audited financial statements are available to the County upon request.

Both of the pools are reinsured through a multi-state public entity captive for single occurrence losses in excess of \$500,000, up to a \$2 million limit for liability coverage, and single occurrence losses in excess of \$750,000 for workers' compensation.

Through the captive, the Liability and Property Pool is reinsured for \$2,000,000 of annual aggregate losses in excess of \$500,000 per occurrence for property, auto physical damage and crime coverage, with additional limits of \$998 million purchased through a group of commercial carriers through the multi-state public entity captive.

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In accordance with G.S. 159-29, the County's employees that have access to \$100 or more at any given time of the County's funds are performance bonded through commercial crime coverage with a \$250,000 occurrence limit. Individuals holding positions requiring statutory bonds are covered elsewhere.

The County carries commercial coverage for other risks of loss. There have been no significant reductions in insurance coverage from the previous year, and settled claims have not exceeded coverage in any of the past three fiscal years.

6 Contingent Liabilities

a. Claims and Judgments

At June 30, 2019, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

b. Environmental Matters

During May 1993, the County discovered that property owned by the County, which was formerly leased to a service station is contaminated as a result of leakage from underground fuel storage tanks. Consultants hired by the County have assessed the extent of the contamination and estimated the cleanup cost to total approximately \$200,000. By letter dated November 30, 1993, the County has been notified that the cost is eligible for reimbursement for the North Carolina Commercial Trust Fund. In order to retain eligibility, the County must continue to proceed with corrective action. The Trust Fund has a \$20,000 deductible, which the County believes has been met as of June 30, 2019. To date, \$65,912 has been submitted for reimbursement of which \$42,079 has been reimbursed. The State has frozen spending pending revision of regulations governing cleanup of contaminated soil.

7 Long-Term Obligations

a. Capital Leases

The County has entered into agreements to lease certain equipment. The lease agreements qualify as capital leases for accounting purposes, and therefore, have been recorded at the present value of the future minimum lease payments as of the date of lease inception.

An agreement was executed on October 6, 2015 for the lease of defibrillators and requires five annual payments of \$127,063, beginning in 2015 and ending in 2019. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on June 1, 2016 for the lease of VOIP System and requires 59 monthly payments of \$7,246, beginning in 2016 and ending in 2021. Under the terms of the agreement, title passes to the County at the end of the lease term.

Classes of Property	Cost	Accumulated Depreciation	Net Book Value
Equipment	\$ 995,887	\$ 702,054	\$ 293,833
Total	<u>\$ 995,887</u>	<u>\$ 702,054</u>	<u>\$ 293,833</u>

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The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2019 were as follows:

<u>Year Ending June 30</u>	
2020	214,019
2021	65,217
2022	-
Total minimum lease payment	<u>279,236</u>
Less: amount representing interest	<u>9,068</u>
Present Value of minimum lease payments	<u>\$ 270,168</u>

b. Installment Purchase

Serviced by Governmental Activities:

\$1,700,000 issued September 20, 2017, to fund the Nash County Middlesex Shell Building property, with annual principal installments of \$340,000 plus interest at 2.04%. The first payment is due on June 1, 2018, and the final payment is due on June 1, 2022. The County's outstanding noted from direct placement related to governmental activities of \$1,020,000 (shell building) is secured with collateral of the building. The note contains provisions that an event of default could a) declare the unpaid portion of the principal and interest components immediately due and payable b) proceed by appropriate court action to enforce performance by the County of the applicable covenants of the agreement or to recover for the breach thereof c) As provided in the Project Fund Agreement, pay over any balance remaining in the Project Fund to be applied against outstanding required payments in any manner reasonably deemed appropriate d) exercise all the rights and remedies of a secured party under the Uniform Commercial Code and may proceed as to the personal property portion of the Mortgaged Property in the same manners as provided in the Agreement for the real property portion, having no obligation to proceed against real or personal property in preference to the other e) direct the Deed of Trust Trustee to institute foreclosure proceedings and sell the property f) loss the right to possess, use and enjoy the Mortgaged Property (but may remain in possession of the Mortgaged Property as a tenant at will), and thereupon shall pay monthly in advance a fair and reasonable rental value for the use and occupation of the Mortgage property and upon demand, shall deliver possession of the Mortgaged property to the purchases of the Mortgage Property at any judicial or foreclosure sale under this agreement. \$ 1,020,000

\$19,034,000 Limited Obligation Refunding Bond Series 2016 on November 15, 2016, with interest due semi-annually on October 1 and April 1 and principal due on Oct 1 through 2030, interest rate of 2.07%. The County's outstanding note from direct borrowings related to governmental activities of \$18,419,000 is secured with collateral from buildings. The note contains provision that an event of default could require the County to prepay the obligations in in whole b) exercise all remedies available at law or in equity or under the Deed of Trust, include sale of the Mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorney's fees toward the principal component and accrued and unpaid interest of the balance. 18,419,000

\$14,000,000 October 11, 2016 to fund the courthouse expansion project, principal payments plus interest, at 1.85% rate, are due in annual installments through October 2031. The County's outstanding note from direct borrowings related to governmental activities of \$12,132,000 (Court House) is secured with collateral from the buildings. The note contains provision that an event of default could require the County to prepay the obligations in in whole b) exercise all remedies available at law or in equity or under the Deed of Trust, include sale of the Mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorney's fees toward the principal component and accrued and unpaid interest of the balance. 12,132,000

\$3,787,000 issued December 18, 2014 for Refunding Certificate of Participation 2004, due in principal annual installments , plus semi-annual interest, interest rate of 1.42% through December 2021. COPS debt includes \$1,486,551 for Community College, \$1,346,516 for schools, \$599,648 for Industrial Development and \$354,285 for Courthouse renovations. The County's outstanding note from direct borrowings related to governmental activities of \$821,000 is secured with collateral from buildings. The note contains provision that an event of default could require the County to prepay the obligations in in whole b) exercise all remedies available at law or in equity or under the Deed of Trust, include sale of the Mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorney's fees toward the principal component and accrued and unpaid interest of the balance. 821,000

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\$7,342,300 issued March 17, 2010 for Middlesex Elementary due in interest only quarterly installments through September 2012, thereafter, annual principal plus interest installments of \$399,274, interest rate of 2.05% through November 2042. The County's outstanding note from direct placement related to governmental activities of \$6,410,257 (Middlesex Elementary) is secured with collateral from the building. The note contains provision that an event of default could require the County to prepay the obligations in in whole b) exercise all remedies available at law or in equity or under the Deed of Trust, include sale of the Mortgaged property, and apply the proceeds of any such sale or other disposition, after deducting all costs and expenses, including court costs and reasonable attorney's fees toward the principal component and accrued and unpaid interest of the balance.

6,410,257

\$3,200,000 issued August 15, 2018 for Public Safety Radio Project, with semi-annual principal installments of \$320,000 plus interest at 2.6%. The first payment is on February 15, 2019, and final payment is due August 15, 2023. The County's outstanding note from direct placement related to governmental activities of \$2,880,000 (Radio Project) is secured with collateral from the equipment. The note contains provision that an event of default could require the County to prepay the obligations in in whole.

2,880,000

Total

\$ 41,682,257

Refunding

On December 18, 2014, the County issued \$3,787,000 of installment purchase refunding COPS bonds to be used for debt service payments of \$4,405,000 of COPS installments. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$10,744. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This refunding was undertaken to reduce total debt service payments over the next 7 years and resulted in an economic gain of \$501,256.

On November 15, 2016, for the purpose of refunding a portion of the County's outstanding Limited Obligation Bonds, Series 2010, the County issued \$19,034,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust to be used for all future debt service payments of \$16,540,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,494,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,645,175 and resulted in an economic gain of \$1,410,871.

Serviced by Business-Type Activities:

\$1,122,000 issued on December 31, 2006 for Bailey Water Project, due in semi-annual installments of fixed principal \$56,100, plus interest of 2.305% through May 2027. The County's outstanding note from direct placement related to enterprise activities of \$448,800 (Bailey Water Project) is secured with collateral of the system. The note contains provision that an event of default could require the County to prepay the obligations in in whole.

\$ 448,800

\$1,500,000 issued on October 19, 2006 for Bailey/BOR/Bentridge water line construction project due in semi-annual installments of fixed principal \$75,000, plus interest of 4.35% through October 2026. The County's outstanding note from direct placement related to enterprise activities of \$562,500 (Water line construction) is secured with collateral of the system. The note contains provision that an event of default could require the County to prepay the obligations in in whole.

562,500

Total

\$ 1,011,300

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 2,708,915	\$ 927,791	\$ 131,100	\$ 33,998
2021	2,713,037	870,094	131,100	29,442
2022	4,281,373	795,470	131,100	24,887
2023	3,682,931	706,397	131,100	20,331
2024	3,333,719	626,421	131,100	15,775
2025-2029	14,602,021	2,179,262	355,800	19,993
2030-2034	7,325,108	842,601	-	-
2035-2039	1,571,437	424,933	-	-
2040-2044	1,463,716	130,110	-	-
Total	\$ 41,682,257	\$ 7,503,079	\$ 1,011,300	\$ 144,426

c. Limited Obligation Bonds

The County issued \$28,355,000 Limited Obligation Bonds on March 25, 2010, which were used to finance construction and renovation of school facilities, storage building, and EMS building.

On November 15, 2016, for the purpose of refunding a portion of the County's outstanding Limited Obligation Bonds, Series 2010, the County issued \$19,034,000 of limited obligation advance refunding bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for to be used for all future debt service payments of \$16,540,000 of limited obligation bonds. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,494,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$1,645,175 and resulted in an economic gain of \$1,410,871.

\$4,695,000 from the Limited Obligation Bonds, Series 2010 remains as the unrefunded bond debt service with principal installments due annually and interest due at semi-annual rates ranging from 3.5% to 5.0% through October 1, 2020.

Annual debt service requirements to maturity for the County's limited obligation bonds are as follows:

Year Ending June 30	Governmental Activities	
	Principal	Interest
2020	\$ 1,645,000	\$ 113,150
2021	1,645,000	40,125
Total	\$ 3,290,000	\$ 153,275

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

d. General Obligation Indebtedness

The County issued \$9,310,000 General Obligation Bonds on October 15, 2013, which will be used to finance construction of two buildings at Nash Community College. Principal and interest are due annually, in installments ranging from \$470,000 to \$465,000, beginning fiscal year 2015 through November 2033; interest due in semi-annual installments at rates ranging from 2.0% to 3.7%. Outstanding balance at June 30, 2019 is \$6,975,000.

Nash County's Water and Sewer District issues general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds, which are recorded in the Central Nash Water and Sewer District Fund, are collateralized by the full faith credit and taxing power of the District. Principal and interest payments are appropriated when due.

The County's general obligation bonds payable at June 30, 2019, which are serviced by the business-type activities are comprised of the following individual issues:

Serviced by Business-Type Activities:

\$5,239,000 of General Obligation Water Bonds issued May 26, 2009, due on June 1 in annual installments ranging \$ 4,612,000 from \$60,000 to \$235,000 through December 2048; interest rate of 3.625% to 4.5%.

\$2,804,400 of General Obligation Water Bonds issued January 23, 2012, due on June 1 in annual installments ranging 2,539,000 from \$42,000 to \$119,000 through December 2051; interest rate of 3.0%.

\$4,766,000 of General Obligation Water Bonds issued June 23, 2014, due on June 1 in annual installments ranging 4,561,000 from \$67,000 to \$209,000 through December 2054; interest rate of 3.25%.

Total	\$ 11,712,000
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Debt Related to Capital Assets

Of the total Governmental Activities debt listed only \$30,887,300 relates to assets the County holds title. Unspent restricted cash related to this debt amounts to \$14,964,668.

Annual debt service requirements to maturity for the County's general obligation bonds are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2020	\$ 465,000	\$ 233,895	\$ 207,000	\$ 426,195
2021	465,000	217,620	215,000	418,640
2022	465,000	199,020	223,000	410,774
2023	465,000	180,420	231,000	402,618
2024	465,000	161,820	239,000	394,150
2025-and thereafter	4,650,000	811,426	10,597,000	6,029,519
Total	<u>\$ 6,975,000</u>	<u>\$ 1,804,201</u>	<u>\$ 11,712,000</u>	<u>\$ 8,081,896</u>

NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

e. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2019:

	Beginning Balance			Ending Balance	Current Portion of
	July 1, 2018	Increases	Decreases	June 30, 2019	Balance
Governmental Activities:					
General obligation bonds	\$ 7,440,000	\$ -	\$ 465,000	\$ 6,975,000	\$ 465,000
Limited obligation bonds	4,695,000	-	1,405,000	3,290,000	1,645,000
Capitalized leases	469,967	-	199,800	270,167	206,205
Direct placement Installment purchase contracts	8,054,641	3,200,000	944,384	10,310,257	2,708,915
Direct borrowings placement					
Installment purchase contracts	33,319,000	-	1,947,000	31,372,000	
Unamortized premium/discounts	301,740	-	22,649	279,091	-
Compensated Absences	2,672,474	3,245,262	2,993,587	2,924,149	146,207
Net pension liability (LGRS)	6,785,537	3,542,208	-	10,327,745	-
Net pension liability (LEOSSA)	2,341,157	332,015	158,654	2,514,518	-
OPEB liability	58,547,374	-	6,123,853	52,423,521	-
Total governmental activities	\$ 124,626,890	\$ 10,319,485	\$ 14,259,927	\$ 120,686,448	\$ 5,171,327
Business-type Activities:					
Central Nash Water and Sewer District:					
General Obligation Water Bonds	\$ 11,911,000	\$ -	\$ 199,000	\$ 11,712,000	\$ 207,000
Total	11,911,000	-	199,000	11,712,000	207,000
Water and Sewer Fund:					
Direct placement Installment purchase contracts	1,142,400	-	131,100	1,011,300	131,100
Compensated absences	19,272	29,804	12,718	36,358	1,818
Net pension liability (LGRS)	151,620	79,150	-	230,770	-
OPEB liability	546,666	-	57,179	489,487	-
Total	1,859,958	108,954	200,997	1,767,915	132,918
Solid Waste Fund:					
Accrued landfill closure and post-closure costs	3,335,132	67,731	44,500	3,358,363	-
Compensated absences	4,063	3,611	4,509	3,165	158
Net pension liability (LGRS)	40,259	21,016	-	61,275	-
OPEB liability	979,194	-	102,421	876,773	-
Total	4,358,648	92,358	151,430	4,299,576	158
Total Business-type activities	\$ 18,129,606	\$ 201,312	\$ 551,427	\$ 17,779,491	\$ 340,076

Compensated absences typically have been liquidated in the General Fund and are accounted for on a FIFO basis. The unfunded Special Separation Allowance has been liquidated in the General Fund. OPEB has been liquidated in the Employee Insurance Fund.

State statutes provide for a legal debt margin of 8% of the County's appraised valuation. The County had a legal debt margin of \$593,304,248 at June 30, 2019.

f. Conduit Debt Obligation

Nash County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the county, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019, there were no outstanding balances.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

C. Interfund Balances and Activity

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

From the General Fund to the Revaluation Fund to provide funding for County revaluation in 2025	\$ 100,000
From the General Fund to the Highspeed Internet Project to provide funding for the Highspeed Internet pilot project	340,500
From the General Fund to the County Capital Project Fund to Home Health proceeds to use for Health Department Construction/Renovations.	1,750,000
From the General Fund to the Ag Center Renovation Project to provide funding for the renovation project	550,725
From the General Fund to the County Capital Miracle Park at Coopers Project Fund to provide additional funding for additional for project costs.	275,000
From the General Fund to the School Capital Projects Fund to provide funding for initial phase for anticipated construction of a Northern Nash Elementary School.	750,000
From the General Fund to the Public Safety Radio Project Capital Fund to provide funding to begin infrastructure construction and radio purchases prior to finalizing financing.	1,865,000
From the Public Safety Radio Project Capital to the General Fund to return unspent project funds appropriated from the General Fund back to the General Fund.	3,200,000
From the Other Middlesex Corporate Centre Shell Building to the General Fund to transfer remaining unspent finance funds for debt service paid from the General Fund	174,560
From the Other Middlesex Corporate Center (MCC) closed projects General Fund appropriations to the Middlesex Corporate Center Water, Sewer, Road Project to provide a portion of the match from the County for grant funds from the Golden LEAF Foundation Grant.	624,000
From the Economic Development to the Middlesex Corporate Center Water, Sewer, Road Project to provide a portion of the match from the County for grant funds from the Golden LEAF Foundation Grant.	187,200
From the Early College Project - School Capital Projects Fund to the General Fund to return unspent project funds to the General Fund	81,519
From the Southern Nash Senior Center Project - County Capital Projects Fund to the General Fund to return unspent project funds to the General Fund	84,166
From the Water and Sewer Fund to the Central Nash Water and Sewer District to provide funding for debt service.	632,460
From the C & D Landfill Expansion Capital Project to the Solid Waste Fund to return unspent project funds to the Solid Waste Fund	84,862
Total	<u>\$ 10,699,992</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Balances due to/from other funds as of June 30, 2019, consist of the following:

Due to the General Fund from the Single Family Rehab Fund to cover fund costs.	\$ 12,064
Due to the General Fund from the Hazard Mitigation Plan Fund to cover fund costs.	162,082
Due to the General Fund from the Water and Sewer Fund to cover fund costs.	261,444
Due to the Water and Sewer Fund from the Central Nash Water & Sewer Fund to cover restricted cash requirements.	207,000
Due to the Water & Sewer Fund from the NNWS Project Fund to cover fund costs.	905,294
	<u>\$ 1,547,884</u>

The interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

D. Net Investment in Capital Assets

Debt Related to Capital Activities - Of the Governmental Activities debt listed, only \$18,164,000 relates to assets the County holds title.

The total net investment in capital assets at June 30, 2019 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets (Net of depreciation)	\$ 63,901,038	\$ 33,203,793
Add:		
Deferred charges (capital related)	83,488	-
Total capital assets and related deferred charges	<u>63,984,526</u>	<u>33,203,793</u>
Total debt, gross	52,496,515	12,723,300
Less:		
Other non-capital related debt	34,332,515	-
Capital related unspent debt issuances	93,890	-
Total capital debt	<u>18,070,110</u>	<u>12,723,300</u>
Net investment in capital assets	<u>\$ 45,914,416</u>	<u>\$ 20,480,493</u>

E. Fund Balance

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

Total Fund Balance - General Fund	\$ 43,308,053
Less:	
Prepaid Assets	10,105
Stabilization by State Statute	8,164,334
General Government	54,981
Human Services	1,864,472
Economic Development	640,454
Education	-
Tax Revaluation	206,967
Appropriated fund balance in 2020 budget	5,315,447
Remaining Fund Balance	<u>27,051,293</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end.

	General Fund	Nonmajor Governmental Funds
Encumbrances	\$ 644,711	\$ 76,128

NOTE IV: Joint Ventures

Nash Community College

The County, in conjunction with the State of North Carolina and the Rocky Mount Nash Board of Education, participates in a joint venture to operate the Nash Community College (Community College). Each of the three entities appoints four members of the twelve-member Board of Trustees of the Community College. The Community College is a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and for providing some financial support for the Community College's operation. The County has an ongoing financial responsibility for the college because of statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,300,000 to the Community College for operating purposes and \$294,166 for capital outlay during the year ended June 30, 2019. The participants in the joint venture do not have any equity interest in the Community College; therefore no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the Community College may be obtained from the college's administrative offices at Old Carriage Road, Rocky Mount, North Carolina 27804.

Trillium

Effective July 1, 2017, the County Transitioned its joint venture Local Management Entity (LME) participation from Eastpointe to Trillium Health Resources (Trillium). Trillium now operates with twenty-five other counties (including Nash County). Nash County appoints two board members to the seventeen Central Regional Advisory board of Trillium. The County will have an ongoing financial responsibility of the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity will be reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$120,000 from the General Fund to Trillium to supplement its activities for the fiscal year ending June 30, 2019. Complete financial statement for Trillium may be obtained from Trillium's office at 1708 E. Arlington Blvd., Greenville, NC 27858-5872.

Rocky Mount - Wilson Airport Authority

The County in conjunction with the City of Rocky Mount, City of Wilson, County of Edgecombe and Wilson County participates in a joint venture to operate the Rocky Mount - Wilson Airport Authority (the Authority) for the joint benefit of all co-sponsors. Upon dissolution of the Authority, the assets would be shared in proportion to each sponsor's original contribution. The County's initial contribution totaled \$100,000, which represents one-seventh of the total contribution. A seven-member board governs the Authority, two from each City and one from each County. All co-sponsors are obligated by contract to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The County contributed \$47,857 for operating purposes and \$92,881 in capital for a Mobilization Local Match for a Runway/Taxiway Pavement Rehab Project to the Authority during the year ended June 30, 2019. The participating governments have an equity interest in the joint venture. The County has a share of 14% in the joint venture, and accordingly, an equity interest has been reflected in the County's financial statements in the Statement of Net Position as a non-current asset in the amount of \$1,159,449 at June 30, 2019. This amount represents 14% of the net position of the Authority shown in their draft audited financial statement report dated June 30, 2018. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 250 Airport Drive, Elm City, North Carolina 27822.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Joint Cooperative Agreement - Down East Home Consortium

The County, in conjunction with the City of Rocky Mount, Edgecombe County and several towns in the two counties, participated in a joint venture to operate the Down East HOME Consortium (the "DEHC"), with the City of Rocky Mount acting as Lead Agency. The agreement commenced on June 30, 1996. Each of the participating governments appointed one member to a DEHC Home Coordinating committee. As part of the agreement, each participating government was allocated a percentage of the federal HOME funds based on a proration of its population and to be responsible for providing matching funds required by the federal regulations for any HOME funds allocated and accepted for use by that government. As of June 30, 2019 as in the prior fiscal years, Nash County's match contribution was not required due to other funds leveraged by the consortium.

On September 17, 2018, Nash County Board of Commissioners approved a resolution to discontinue membership in the DEHC. While no future funding or match requirement will be allocated to Nash County (beginning FY 19), funding from prior years is still outstanding. The County continues to participate until the DEHC completes the home repair commitments from previous DEHC funding years. The DEHC currently holds applications for nine (9) housing repair units in Nash County, estimated at approximately \$500,000. All are home rehabilitations in Nash County outside the City of Rocky Mount.

Complete financial statements for the DEHC may be obtained from the DEHC's administrative offices at 331 S. Franklin Street, Rocky Mount, North Carolina 27802.

Carolinas Gateway Partnership, Inc.

The County, in conjunction with Edgecombe County, the Town of Tarboro, the Town of Nashville, and the City of Rocky Mount, participates in a joint venture to operate Carolinas Gateway Partnership, Inc. (Partnership). As of June 30, 2019, \$160,782 in pledges and contributions have been received from 100 donors from the private sector and \$732,370 in public funding. As of June 30, 2019, the County contributed \$322,370 to support the Partnership. Complete financial statements for the Partnership may be obtained from the Partnership's administrative offices at 427 Falls Road, Rocky Mount, North Carolina 27804.

Braswell Memorial Library

The County, in conjunction with the Library Association, the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Braswell Memorial Library (Library). Each of the entities appoints members of the fourteen-member Board of Trustees of the Library. The County appoints five of the fourteen Board members. The County contributed \$850,739 to the Library's operating purposes and \$14,000 for branch library needs during the year ended June 30, 2019. In addition, the County has contributed \$137,464 of federal and State funds; primarily the State equalizing and block grants, to supplement the County's funding. Complete financial statements for the Library may be obtained from the Library's administrative offices at 727 N. Grace Street, Rocky Mount, North Carolina 27804.

NOTE V: Related Party Transactions

Nash County Healthcare Systems

During 1995, Nash County Healthcare Systems (Systems) renegotiated the existing operating lease agreement with Nash County for the use of the land and building originally purchased by the County (the "First Amendment"). Systems prepaid the lease amount of \$12 million in 1995. The renegotiated lease agreement, before extensions, was scheduled to expire in May 2000. During December 1997, Systems and the County extended the lease through May 2011 (the "Second Amendment"). Under the Second Amendment, additional considerations of \$300,000 per year was paid through 2001. During May 2001, Systems and the County extended the lease through May 2031 (the "Third Amendment"). Under the Third Amendment, Systems will pay the County additional consideration of 4.5 percent of System's net income, as defined from its immediately preceding fiscal year beginning with the lease year starting May 2002. In addition, the Third Amendment provided that additional consideration of \$300,000 would be paid to the County for the lease year ending April 2002. As of January 1, 2012, Systems and the County amended and restated the existing operating agreement (the Restated Agreement). The term of the restated Agreement expires on December 31, 2046, provided, however, that if any of the Series 2003 Bonds or any other additional bonds issued are outstanding as of the date of termination the term shall be extended until such time the such additional bonds are paid in full but in no event shall the term be extended beyond December 31, 2049. Under the Restated Agreement, Systems will pay the County consideration of 4.5% of Systems' net income, as defined, from its immediate preceding fiscal year.

Due to Systems' net loss in 2018, 2017, and 2016 there were no payments made to the County in 2019, 2018, 2017 and 2016.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

NOTE VI: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE VII: Significant Effects of Subsequent Events

On July 16, 2018 Nash County received notification of final approval for a State Loan and Grant from the Water Infrastructure Fund through the North Carolina Department of Environmental Quality, Division of Water Infrastructure (DWI) in the amount of \$9,545,000. The State Loan offered is \$6,545,000 (an interest rate of 1.03% on \$3,545,000 and a 0% interest rate on \$3,000,000) with a loan term of 20 years and the Grant is \$3,000,000. These funds will be used for the construction of the Northern Nash Water System project. In September 2019, Nash County received the first draw on the grant/loan funds.

Effective October 1, 2019 Nash County ended its Joint Venture membership in the Carolina Gateway Partnership. Nash County invested in a Retail Economic Developer during Fiscal Year 2017-2018 and will be establishing its own Economic Development Department in Fiscal Year 2019-2020 with plans to hire an Economic Development Director. This department will expand the County's focus in urban and rural areas for retail development as well as continuation of large business and industry development throughout Nash County. The Board of Commissioners anticipate having an internal department will allow a more direct line of communication for expansion opportunities and negotiations.

NOTE VIII: Special Item - Sale of Home Health

On August 31, 2018, the County entered into an asset purchase agreement with Health View Home Health & Hospice, LLC, selling substantially all of the assets relating to the operations of the County's Home Health Agency for \$2,000,000. As required by the agreement to secure for potential indemnification obligations of the county, at closing the County restricted \$250,000 from the purchase price and on each anniversary date of the closing, the county can release \$125,000 of the restricted funds if there are no pending or unresolved claims.

NOTE IX: Restatement - Northern Nash Water and Sewer Fund

The Northern Nash Water and Sewer Fund is being used to account for the construction of a water and sewer system in northern Nash County. Once the construction is complete, It will also be used for the operations of the Northern Nash Water and Sewer. This restatement is being used to separate the Northern Nash Water and Sewer Fund balances and activities from the Nash County Water and Sewer Fund.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- 1 ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- 2 ~ Schedule of County Contributions (LGERS)
- 3 ~ Schedule of County's Proportionate Share of Net Pension Asset Register of Deeds'
Supplemental Pension Fund
- 4 ~ Schedule of County Contributions Register of Deeds' Supplemental Pension Fund
- 5 ~ Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special
Separation Allowance.
- 6 ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers'
Special Separation Allowance.
- 7 ~ Schedule of Changes in the Total OPEB Liability and Related Ratios

Nash County, North Carolina
Schedule of Proportionate Share of Net Pension Liability (Asset)
Local Government Employees' Retirement System
Last Six Fiscal Years*

	Local Government Employees' Retirement System					
	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.448%	0.457%	0.459%	0.454%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$10,619,789	\$ 6,977,416	\$ 9,741,518	\$ 2,039,095	\$ (2,729,877)	\$ 5,559,231
County's covered payroll	\$28,220,995	\$27,818,357	\$ 27,356,637	\$26,653,776	\$26,582,280	\$ 24,856,328
County's proportionate share of the net pension liability(asset) as a percentage of its covered-employee payroll	37.63%	25.08%	35.61%	7.65%	-10.27%	22.37%
Plan fiduciary net position as a percentage of the total pension liability**	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

*** Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2024

Nash County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System
Last Six Fiscal Years

Local Government Employees' Retirement System						
	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 2,367,216	\$ 2,163,717	\$ 2,065,349	\$ 1,862,572	\$ 1,896,931	\$ 1,886,865
Contributions in relation to the contractually required contribution	2,367,216	2,163,717	2,065,349	1,862,572	1,896,931	1,886,865
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 29,889,575	\$ 28,220,995	\$ 27,818,357	\$ 27,356,637	\$ 26,653,776	\$ 26,582,280
Contributions as a percentage of covered-employee payroll	7.92%	7.67%	7.42%	6.81%	7.12%	7.10%

* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2024.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.852%	0.833%	0.832%	0.835%	0.841%	0.857%
County's proportionate share of the net pension liability (\$)	\$(141,113)	\$(142,234)	\$ (155,609)	\$ (193,505)	\$ (190,650)	\$ (183,092)
Plan fiduciary net position as a percentage of the total pension liability **	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

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

***Information is not required to be presented retroactively.

This schedule will NOT present 10 years' worth of information until fiscal year 2024.

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 7,305	\$7,291	\$ 7,240	\$ 6,799	\$ 6,682	\$ 6,867
Contributions in relation to contractually required contribution	<u>7,305</u>	<u>7,291</u>	<u>7,240</u>	<u>6,799</u>	<u>6,682</u>	<u>6,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

* Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2024.

Nash County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning Balance	\$ 2,341,157	\$ 2,019,702	\$ 1,939,698
Service Cost	131,672	112,396	108,605
Interest on the total pension liability	73,256	76,739	68,511
Changes of benefit terms	-	-	-
Differences between expected and actual experience in the measurement of the total pension liability	127,087	35,774	-
Changes of assumptions or other inputs	(112,798)	159,813	(55,869)
Benefit payments	(45,856)	(63,267)	(41,243)
Other changes	-	-	-
Ending balance of the total pension liability	<u>\$ 2,514,518</u>	<u>\$ 2,341,157</u>	<u>\$ 2,019,702</u>

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

* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2027.

Nash County, North Carolina
Schedule of Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2019

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 2,514,518	\$ 2,341,157	\$ 2,019,702
Covered payroll	4,550,839	4,478,620	4,064,900
Total pension liability as a percentage of covered payroll	55.25%	52.27%	49.69%

Note to the schedules:

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

* Information is not required to be presented retroactively.

This schedule will not present 10 years' worth of information until fiscal year 2027.

Nash County, North Carolina
Schedule of Changes in Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2019*

	<u>2019</u>	<u>2018</u>
Total OPEB Liability		
Service cost	\$ 1,364,968	\$ 1,549,505
Interest	2,115,565	1,899,497
Changes of benefit terms	-	-
Differences between expected and actual experience	(6,474,724)	(125,628)
Changes of assumptions	(1,983,313)	(5,816,560)
Benefit payments	(1,305,949)	(1,071,621)
Net change in total OPEB liability	<u>(6,283,453)</u>	<u>(3,564,807)</u>
Total OPEB liability - beginning	<u>60,073,234</u>	<u>63,638,041</u>
Total OPEB liability - ending	<u><u>\$ 53,789,781</u></u>	<u><u>\$ 60,073,234</u></u>
 Covered payroll	 \$ 15,367,273	 \$ 18,149,878
Total OPEB liability as a percentage of covered payroll	350.03%	330.98%

Notes to Schedule

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

Discount Rate	3.89%	3.56
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* Plan measurement date is the reporting date. Employer measurement date is one year prior to reporting date.

Combining and Individual Fund
Statements and Schedules

MAJOR GOVERNMENTAL FUNDS

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Ad valorem Taxes				
Current year	\$ 47,968,225	50,620,963	\$ 2,652,738	49,028,278
Prior Year	550,000	641,128	91,128	694,166
Penalties and interest	75,000	327,518	252,518	259,464
Total	48,593,225	51,589,609	2,996,384	49,981,908
Other Taxes and Licenses				
Local option sales taxes	14,763,166	15,947,743	1,184,577	14,858,386
Real estate transfer taxes	255,000	310,172	55,172	306,263
Rental vehicle tax	81,500	90,073	8,573	87,612
Privilege licenses	5,645	5,645	-	5,125
Total	15,105,311	16,353,633	1,248,322	15,257,386
Unrestricted Intergovernmental Revenues				
Beer and wine	180,000	180,554	554	178,639
ABC 5% bottle tax	45,000	39,828	(5,172)	38,635
Video programming tax	108,000	77,962	(30,038)	108,029
Total	333,000	298,344	(34,656)	325,303
Restricted Intergovernmental Revenues				
Restricted state DSS	8,733,697	8,124,018	(609,679)	8,777,538
Restricted State health	1,836,949	1,697,851	(139,098)	1,622,435
Restricted State other	3,235,734	3,226,649	(9,085)	2,907,385
Restricted federal health	4,016,659	2,381,601	(1,635,058)	3,050,242
Restricted local grants	382,840	331,212	(51,628)	341,658
Total	18,205,879	15,761,331	(2,444,548)	16,699,258
Permits and Fees				
Register of Deeds	350,000	362,618	12,618	360,662
Building permits	363,000	386,325	23,325	561,359
Imaging system payback	28,055	27,949	(106)	76,428
Other permits and fees	395,579	398,511	2,932	399,958
Total	1,136,634	1,175,403	38,769	1,398,407
Sales and Services				
Sheriff's officer fees	15,000	14,313	(687)	14,241
Jail Fees	135,000	342,668	207,668	160,040
Home health - other	4,650	(17)	(4,667)	11,846
Environmental fees	109,000	154,575	45,575	147,923
Ambulance collections	3,715,000	3,086,241	(628,759)	3,572,550
Ambulance cost settlement	560,000	903,962	343,962	563,043
Local health	171,000	200,707	29,707	202,551
Other sales and services	295,016	297,611	2,595	289,330
Total	5,004,666	5,000,060	(4,606)	4,961,524
Interest on investments	650,000	943,188	293,188	580,215

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Miscellaneous				
Sales tax refund	-	12,256	12,256	39,619
Contribution from ABC Board	378,347	421,210	42,863	418,687
TDA funds - economic development	110,000	111,900	1,900	98,989
Home Health Sale Proceeds	1,750,000	1,750,000	-	-
Miscellaneous	524,479	484,691	(39,788)	592,259
Total	2,762,826	2,780,057	17,231	1,149,554
Total Revenues	91,791,541	93,901,625	2,110,084	90,353,555
Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	73,383	73,131	252	69,883
Professional services	1,450	1,393	57	-
Other operating expenditures	45,635	43,681	1,954	39,318
Total	120,468	118,205	2,263	109,201
Administration				
Salaries and employee benefits	638,397	626,025	12,372	610,623
Professional services	3,700	1,275	2,425	2,477
Other operating expenditures	44,135	39,434	4,701	37,927
Total	686,232	666,734	19,498	651,027
Finance				
Salaries and employee benefits	577,094	574,062	3,032	532,534
Other operating expenditures	32,929	27,671	5,258	20,375
Total	610,023	601,733	8,290	552,909
Disaster Recovery				
Salaries and employee benefits	160,000	143,195	16,805	-
Other operating expenditures	40,000	17,226	22,774	-
Total	200,000	160,421	39,579	-
Human Resources				
Salaries and employee benefits	223,863	210,871	12,992	229,088
Professional services	7,500	6,301	1,199	5,622
Other operating expenditures	26,300	12,057	14,243	6,645
Total	257,663	229,229	28,434	241,355
Board of Elections				
Salaries and employee benefits	205,207	196,151	9,056	186,172
Other operating expenditures	77,100	70,186	6,914	62,550
Total	282,307	266,337	15,970	248,722
Election Cost				
Salaries and employee benefits	77,788	74,843	2,945	73,792
Other operating expenditures	86,092	66,824	19,268	77,047
Capital Outlay	-	-	-	50,000
Total	163,880	141,667	22,213	200,839

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Tax Supervisor and Data Processing				
Salaries and employee benefits	1,440,832	1,384,198	56,634	1,295,365
Professional services	65,090	53,178	11,912	68,919
Other operating expenditures	314,816	296,613	18,203	280,209
Capital Outlay	8,765	8,751	14	-
Total	1,829,503	1,742,740	86,763	1,644,493
Legal				
Professional services	185,000	165,033	19,967	280,006
Total	185,000	165,033	19,967	280,006
Register of Deeds				
Salaries and employee benefits	294,701	293,152	1,549	274,221
Other operating expenditures	78,845	75,545	3,300	121,851
Total	373,546	368,697	4,849	396,072
Management Information Services				
Salaries and employee benefits	638,286	621,729	16,557	521,039
Professional services	44,740	31,844	12,896	17,984
Other operating expenditures	38,420	24,450	13,970	19,043
Total	721,446	678,023	43,423	558,066
Technology				
Other operating expenditures	872,747	834,812	37,935	1,054,089
Capital Outlay	174,671	174,671	-	-
Total	1,047,418	1,009,483	37,935	1,054,089
Public Buildings				
Professional services	5,000	4,390	610	4,119
Other operating expenditures	408,635	380,900	27,735	336,403
Capital Outlay	36,250	36,250	-	70,126
Total	449,885	421,540	28,345	410,648
Non-Departmental Costs				
Professional services	1,060,847	1,002,804	58,043	862,251
Other operating expenditures	452,536	372,906	79,630	362,141
Total	1,513,383	1,375,710	137,673	1,224,392
Administration Building				
Salaries and employee benefits	604,550	552,896	51,654	526,450
Professional services	8,500	6,760	1,740	4,516
Other operating expenditures	299,708	263,186	36,522	292,884
Capital Outlay	49,761	15,956	33,805	30,300
Total	962,519	838,798	123,721	854,150
Court Facilities				
Salaries and employee benefits	-	-	-	2,250
Professional services	2,350	1,824	526	-
Other operating expenditures	286,950	279,478	7,472	177,893
Total	313,300	281,302	31,998	180,143

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
County Capital Improvements				
Other operating expenditures	2,147	-	2,147	8,947
Capital Outlay	128,280	127,849	431	172,423
Total	130,427	127,849	2,578	181,370
Total General Government	9,847,000	9,193,501	653,499	8,787,482
Public safety:				
Sheriff				
Salaries	4,921,102	4,818,909	102,193	4,624,122
Professional services	5,855	5,805	50	2,483
Other operating expenditures	1,438,826	1,339,651	99,175	1,219,367
Capital Outlay	325,389	300,602	24,787	269,498
Total	6,691,172	6,464,967	226,205	6,115,470
Highway Safety Grant				
Salaries and employee benefits	87,382	70,862	16,520	-
Other operating expenditures	51,500	21,276	30,224	-
Capital outlay	51,775	50,679	1,096	-
Total	190,657	142,817	47,840	-
Court Security				
Salaries and employee benefits	1,139,234	1,025,303	113,931	909,977
Total	1,139,234	1,025,303	113,931	909,977
School Officers NRMS				
Salaries and employee benefits	332,251	324,825	7,426	306,831
Other operating expenditures	30,550	20,993	9,557	14,925
Total	362,801	345,818	16,983	321,756
Jail				
Salaries and employee benefit	2,816,180	2,742,180	74,000	2,585,662
Professional services	590,971	580,757	10,214	491,577
Other operating expenditures	1,245,654	1,215,454	30,200	1,080,533
Capital outlay	9,999	9,999	-	46,370
Total	4,662,804	4,548,390	114,414	4,204,142
Court Liaison Grant - ARRA				
Salaries and employee benefits	58,499	58,145	354	55,358
Other operating expenditures	43,500	38,473	5,027	38,374
Total	101,999	96,618	5,381	93,732
Communications				
Salaries and employee benefits	1,573,755	1,534,981	38,774	1,456,486
Professional services	118,196	24,543	93,653	-
Other operating expenditures	103,658	91,229	12,429	111,475
Capital outlay	355,172	324,190	30,982	-
Total	2,150,781	1,974,943	175,838	1,567,961
Emergency services				
Salaries and employee benefits	570,855	555,784	15,071	523,617
Other operating expenditures	119,483	84,363	35,120	88,508
Total	690,338	640,147	50,191	612,125

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Emergency Medical Services				
Salaries and employee benefit	6,184,753	6,063,185	121,568	5,728,000
Professional services	216,500	183,117	33,383	202,486
Other operating expenditures	1,104,072	1,069,793	34,279	1,048,738
Capital Outlay	581,801	572,796	9,005	177,744
Total	8,087,126	7,888,891	198,235	7,156,968
Fire and Rescue				
Professional services	235,660	235,660	-	235,660
Total	235,660	235,660	-	235,660
Animal Control				
Salaries and employee benefits	270,211	266,755	3,456	257,948
Professional services	42,500	41,853	647	39,760
Other operating expenditures	53,575	45,940	7,635	48,361
Total	366,286	354,548	11,738	346,069
Forestry				
Other operating expenditures	102,555	89,024	13,531	106,085
Total	102,555	89,024	13,531	106,085
Medical Examiner				
Professional services	105,000	104,250	750	91,900
Total	105,000	104,250	750	91,900
Total Public Safety	24,886,413	23,911,376	975,037	21,761,845
Transportation:				
Airport				
Other operating expenditures	47,857	47,857	-	47,857
Capital outlay	220,601	92,881	127,720	-
Total	268,458	140,738	127,720	47,857
Rural Transportation Planning				
Salaries and employee benefits	78,852	78,733	119	69,998
Professional services	32,389	820	31,569	-
Other operating expenditures	28,969	24,495	4,474	22,175
Total	140,210	104,048	36,162	92,173
Total transportation	408,668	244,786	163,882	140,030
Economic and Physical Development:				
Planning				
Salaries and employee benefits	316,316	307,762	8,554	284,075
Professional services	36,195	28,820	7,375	8,471
Other operating expenditures	28,060	25,504	2,556	25,087
Total	380,571	362,086	18,485	317,633

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Inspections				
Salaries and employee benefits	359,990	350,853	9,137	300,257
Other operating expenditures	39,021	36,942	2,079	35,288
Capital outlay	117,808	117,807	1	8,250
Total	516,819	505,602	11,217	343,795
Cooperative Extension				
Salaries and employee benefits	59,775	55,812	3,963	52,011
Professional services	209,275	205,689	3,586	180,348
Other operating expenditures	73,947	72,049	1,898	65,799
Capital outlay	-	-	-	6,920
Total	342,997	333,550	9,447	305,078
Soil Conservation				
Salaries and employee benefits	321,545	309,671	11,874	296,862
Other operating expenditures	44,099	38,098	6,001	49,300
Capital outlay	33,403	28,120	5,283	29,948
Total	399,047	375,889	23,158	376,110
Economic Development				
Salaries and employee benefits	75,121	74,731	390	47,486
Professional services	4,075	4,074	1	400
Operating expenditures	394,370	334,165	60,205	337,477
Outside allocations/grants	14,000	14,000	-	14,000
Economic development incentives	991,486	971,486	20,000	670,442
Total	1,479,052	1,398,456	80,596	1,069,805
Total Economic and Physical Develop	3,118,486	2,975,583	142,903	2,412,421
Human services:				
Health				
Administration				
Salaries and employee benefits	1,422,442	1,223,120	199,322	1,226,813
Professional services	116,042	113,271	2,771	111,701
Other operating expenditures	494,670	377,266	117,404	352,065
Total	2,033,154	1,713,657	319,497	1,690,579
Family Planning				
Salaries and employee benefits	792,383	746,665	45,718	749,145
Professional services	45,672	44,700	972	44,495
Other operating expenditures	163,500	145,446	18,054	116,818
Total	1,001,555	936,811	64,744	910,458
Home Health				
Salaries and employee benefits	925,527	380,887	544,640	827,736
Professional services	690,526	102,376	588,150	514,147
Other operating expenditures	210,336	46,413	163,923	135,511
Total	1,826,389	529,676	1,296,713	1,477,394

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
CAP				
Salaries and employee benefits	218,433	218,063	370	207,528
Other operating expenditures	31,778	31,749	29	28,319
Total	250,211	249,812	399	235,847
Child Service Coordinator				
Salaries and employee benefits	196,582	195,082	1,500	185,461
Professional services	105	105	-	105
Other operating expenditures	27,163	21,220	5,943	19,112
Total	223,850	216,407	7,443	204,678
Child Health				
Salaries and employee benefits	314,848	310,486	4,362	294,588
Professional services	30,310	29,360	950	29,496
Other operating expenditures	308,165	298,996	9,169	275,661
Total	653,323	638,842	14,481	599,745
Maternal Health				
Salaries and employee benefits	570,858	558,372	12,486	507,638
Professional services	66,698	65,372	1,326	65,953
Other operating expenditures	65,857	63,562	2,295	42,442
Total	703,413	687,306	16,107	616,033
AIDS				
Salaries and employee benefits	61,356	61,080	276	49,063
Other operating expenditures	29,144	23,177	5,967	25,875
Total	90,500	84,257	6,243	74,938
Health Promotion				
Salaries and employee benefits	78,031	77,584	447	74,000
Other operating expenditures	42,175	11,345	30,830	8,530
Total	120,206	88,929	31,277	82,530
Environmental Health				
Salaries and employee benefits	692,139	679,680	12,459	567,238
Other operating expenditures	61,185	60,372	813	50,107
Capital outlay	26,283	26,251	32	-
Total	779,607	766,303	13,304	617,345
Diabetic Care				
Professional services	1,500	-	1,500	250
Other operating expenditures	250	-	250	90
Total	1,750	-	1,750	340

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Tuberculosis				
Salaries and employee benefits	150,062	147,702	2,360	140,037
Professional services	3,500	3,324	176	4,961
Other operating expenditures	9,913	9,242	671	6,505
Total	163,475	160,268	3,207	151,503
WIC Administration				
Salaries and employee benefits	521,284	440,635	80,649	500,072
Professional services	10,500	9,963	537	-
Other operating expenditures	51,722	40,162	11,560	18,946
Total	583,506	490,760	92,746	519,018
Communicable Disease				
Salaries and employee benefits	137,512	131,902	5,610	102,065
Professional services	31,472	31,472	-	31,724
Other operating expenditures	12,610	11,931	679	9,708
Total	181,594	175,305	6,289	143,497
Healthy Start Baby Love Plus				
Salaries and employee benefits	94,098	93,369	729	87,706
Professional services	105	105	-	105
Other operating expenditures	32,321	28,789	3,532	10,485
Total	126,524	122,263	4,261	98,296
Breast and Cervical Cancer				
Salaries and employee benefits	14,045	13,991	54	13,274
Professional services	46,655	42,186	4,469	40,369
Other operating expenditures	500	475	25	-
Total	61,200	56,652	4,548	53,643
Immunization Action Plan				
Salaries and employee benefits	33,772	33,637	135	31,797
Other operating expenditures	825	789	36	201
Total	34,597	34,426	171	31,998
Lead Grant				
Salaries and employee benefits	6,460	-	6,460	-
Other operating expenditures	7,990	-	7,990	750
Total	14,450	-	14,450	750

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Bioterrorism Program				
Salaries and employee benefits	34,917	34,663	254	33,467
Other operating expenditures	2,498	2,157	341	2,876
Total	37,415	36,820	595	36,343
Community Care of Eastern North Carolina				
Salaries and employee benefits	167,000	90,157	76,843	147,196
Other operating expenditures	22,373	854	21,519	3,753
Total	189,373	91,011	98,362	150,949
OB Case Management				
Salaries and employee benefits	236,964	231,479	5,485	216,787
Professional services	105	105	-	105
Other operating expenditures	46,916	22,092	24,824	23,317
Total	283,985	253,676	30,309	240,209
Total Health	9,360,077	7,333,181	2,026,896	7,936,093
Office of Juvenile Justice				
Other operating expenditures	356,598	356,598	-	356,598
Total	356,598	356,598	-	356,598
Mental Health				
Other operating expenditures	255,077	241,829	13,248	228,638
Total	255,077	241,829	13,248	228,638
Home Care Community Block Grant				
Other operating expenditures	831,780	813,306	18,474	771,462
Total	831,780	813,306	18,474	771,462
Social Services:				
General				
Salaries	9,262,615	8,717,784	544,831	8,232,855
Professional services	15,400	10,402	4,998	11,059
Assistance payments	1,023,862	819,105	204,757	853,035
Other operating expenditures	580,058	451,185	128,873	445,827
Capital outlay	-	-	-	76,747
Total	10,881,935	9,998,476	883,459	9,619,523
Title IVD-1571				
Salaries and employee benefits	1,223,583	1,165,477	58,106	1,152,866
Other operating expenditures	54,807	45,682	9,125	33,300
Total	1,278,390	1,211,159	67,231	1,186,166

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Work First				
Salaries and employee benefits	272,011	271,510	501	294,743
Other operating expenditures	8,665	1,938	6,727	4,104
Total	280,676	273,448	7,228	298,847
Social Services - Other				
WFFA charges	1,000	-	1,000	158
Special assistance	710,000	655,543	54,457	706,650
Other assistance	801,554	593,517	208,037	1,455,823
Total	1,512,554	1,249,060	263,494	2,162,631
DNS - County Only Participation				
Non-reimbursable	22,750	15,098	7,652	12,789
Foster children	5,000	2,457	2,543	3,427
Pauper burials	2,000	1,269	731	1,182
Total	29,750	18,824	10,926	17,398
Total social services	13,983,305	12,750,967	1,232,338	13,284,565
Aging				
Salaries and employee benefits	294,616	243,015	51,601	154,880
Other operating expenditures	127,403	91,601	35,802	86,274
Contracts and grants	49,459	49,459	-	-
Total	471,478	384,075	87,403	241,154
Senior Center Caregiver Grant				
Salaries and employee benefits	18,245	18,152	93	5,793
Other operating expenditures	7,300	6,799	501	5,602
Total	25,545	24,951	594	11,395
Senior Health Insurance Info Program				
Other operating expenditures	12,362	7,964	4,398	8,666
Total	12,362	7,964	4,398	8,666
Medical Impr Patient Provider Act				
Other operating expenditures	9,322	4,261	5,061	-
Total	9,322	4,261	5,061	-
Veteran's Services				
Salaries and employee benefits	99,036	93,137	5,899	81,193
Other operating expenditures	3,950	2,422	1,528	3,245
Total	102,986	95,559	7,427	84,438

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Local Human Services				
Spaulding Center	40,000	40,000	-	40,000
Tri-County industries	42,000	42,000	-	42,000
My Sisters House	9,200	9,200	-	9,200
Beaver Control BMAP	4,000	4,000	-	4,000
Nash County Arts Council	30,000	30,000	-	30,000
Nashville Boys Cub	25,000	25,000	-	50,000
House the Children	30,000	30,000	-	30,000
Downeast Partnership for Children	10,000	10,000	-	10,000
Other outside allocations	2,350	2,000	350	750
Total	192,550	192,200	350	215,950
Total Human Services	25,601,080	22,204,891	3,396,189	23,138,959
Cultural:				
Recreation				
Salaries and employee benefits	388,554	372,560	15,994	337,933
Professional services	87,754	87,024	730	68,455
Other operating expenditures	130,890	128,771	2,119	103,623
Total	607,198	588,355	18,843	510,011
Facility Maintenance				
Salaries and employee benefits	109,770	91,921	17,849	93,895
Other operating expenditures	130,970	116,962	14,008	89,360
Total	240,740	208,883	31,857	183,255
Libraries				
Braswell Library	858,738	850,739	7,999	850,739
NC Library Block Grant	135,344	129,310	6,034	142,626
LSTA Grants	12,550	8,154	4,396	-
Local libraries	75,000	70,000	5,000	70,000
Total	1,081,632	1,058,203	23,429	1,063,365
Total Cultural	1,929,570	1,855,441	74,129	1,756,631
Education:				
Nash Community College				
Operating expenditures	2,200,000	2,200,000	-	2,095,185
Capital outlay	538,166	294,166	244,000	285,000
Total	2,738,166	2,494,166	244,000	2,380,185
Nash Rocky Mount Schools				
Operating expenditures	21,300,261	20,500,261	800,000	20,320,261
Capital outlay	1,396,890	1,396,890	-	1,396,890
Total	22,697,151	21,897,151	800,000	21,717,151
Total Education	25,435,317	24,391,317	1,044,000	24,097,336
Debt service:				
Principal retirement	4,961,186	4,961,183	3	4,732,482
Interest and fees	1,384,366	1,384,045	321	1,444,449
Total debt service	6,345,552	6,345,228	324	6,176,931
Total expenditures	97,572,086	91,122,123	6,449,963	88,271,635
Revenue over (under) expenditures	(5,780,545)	2,779,502	8,560,047	2,081,920

Nash County, North Carolina
General Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2018

	2019		2018	
	Budget	Actual	Variance Positive (Negative)	Actual
Other financing sources (uses):				
Transfers to other funds:				
Special revenue funds	-	-	-	(35)
Capital project funds	(5,531,225)	(5,531,225)	-	(1,815,900)
Tax Revaluation Fund	(100,000)	(100,000)	-	(65,000)
Transfers from other funds				
Special revenue funds	-	-	-	50,000
Capital project funds	-	3,540,245	3,540,245	-
Contingency	(25,000)	-	25,000	-
Appropriated fund balance	11,436,770	-	(11,436,770)	-
Total other financing sources (uses)	<u>5,780,545</u>	<u>(2,090,980)</u>	<u>(7,871,525)</u>	<u>(1,830,935)</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	688,522	<u>\$ 688,522</u>	250,985
Fund balance- July 1		<u>41,772,110</u>		<u>41,521,125</u>
Fund balance- June 30		<u>\$ 42,460,632</u>		<u>\$ 41,772,110</u>

Nash County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts for the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ -	\$ 3,223	\$ 3,223	\$ 1,263
<u>EXPENDITURES</u>				
Revaluation of tax base	100,000	-	100,000	80,000
Revenues over (under) expenditures	(100,000)	3,223	103,223	(78,737)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds	100,000	100,000	-	65,000
Total other financing sources (uses)	100,000	100,000	-	65,000
Revenues and other sources over (under) expenditures and other uses	\$ -	103,223	\$ 103,223	(13,737)
Fund balance, beginning		103,744		117,481
Fund balance, ending		\$ 206,967		\$ 103,744

Nash County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures
and Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For The Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>EXPENDITURES</u>				
Economic and physical development	\$ -	\$ (26,990)	\$ 26,990	\$ 50,000
Revenues Over (Under) Expenditures	-	26,990	26,990	(50,000)
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to other funds	(187,200)	(187,200)	-	-
Appropriated fund balance	187,200	-	(187,200)	-
Total other financing sources (uses)	-	(187,200)	(187,200)	-
Revenues and other sources over (under) expenditures and other uses	\$ -	(160,210)	\$ (160,210)	(50,000)
<u>FUND BALANCE</u>				
Beginning of year- July 1		800,664		850,664
End of year- June 30		\$ 640,454		\$ 800,664

Nash County, North Carolina
Courthouse Expansion Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Sales tax refund	\$ 100,881	\$ 100,882	\$ 5,059	\$ 105,941	\$ 5,060
Interest on investments	149,621	127,966	22,097	150,063	442
Total Revenue	250,502	228,848	27,156	256,004	5,502
<u>EXPENDITURES</u>					
Capital Outlay:					
Public Safety:					
Construction	13,130,503	11,382,471	1,671,922	13,054,393	76,110
Legal and professional services	175,352	30,180	145,172	175,352	-
Engineering, survey, and design	904,647	863,420	41,226	904,646	1
Contingency	40,000	-	-	-	40,000
Total	14,250,502	12,276,071	1,858,320	14,134,391	116,111
Revenues over (under) expenditures	(14,000,000)	(12,047,223)	(1,831,164)	(13,878,387)	121,613
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from other funds	2,000,000	2,000,000	-	2,000,000	-
Transfer to other funds	(2,000,000)	-	-	-	2,000,000
Issuance of debt	14,000,000	14,000,000	-	14,000,000	-
Total Other Financing Sources (Uses)	14,000,000	16,000,000	-	16,000,000	2,000,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 3,952,777	(1,831,164)	\$ 2,121,613	\$ 2,121,613
Fund balance, beginning			3,952,777		
Fund balance, ending			\$ 2,121,613		

NON-MAJOR GOVERNMENTAL FUNDS

Nash County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

Exhibit C-1
(continued)

	Special Revenue Funds					
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 79,860	\$ 529,049	\$ 262,841	\$ 33,943	\$ 430,024	\$ 43,224
Restricted cash and cash equivalents	-	-	-	-	-	-
Due from other governments	-	42,291	41,336	-	-	-
Total assets	<u>\$ 79,860</u>	<u>\$ 571,340</u>	<u>\$ 304,177</u>	<u>\$ 33,943</u>	<u>\$ 430,024</u>	<u>\$ 43,224</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 50,488	\$ 3,795	\$ 9,818	\$ 44	\$ 62,367	\$ -
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>50,488</u>	<u>3,795</u>	<u>9,818</u>	<u>44</u>	<u>62,367</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	42,291	41,336	-	-	-
Public Safety	-	427,874	188,889	-	287,157	-
Transportation	29,372	-	-	-	-	-
Economic Development	-	-	-	-	-	43,224
Committed:						
Economic Development	-	-	-	-	-	-
Education	-	-	-	-	-	-
Public Safety	-	-	-	22,899	-	-
Assigned:						
Capital Projects	-	-	-	-	-	-
Subsequent year's expenditures	-	97,380	64,134	11,000	80,500	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>29,372</u>	<u>567,545</u>	<u>294,359</u>	<u>33,899</u>	<u>367,657</u>	<u>43,224</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 79,860</u>	<u>\$ 571,340</u>	<u>\$ 304,177</u>	<u>\$ 33,943</u>	<u>\$ 430,024</u>	<u>\$ 43,224</u>

Nash County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

Exhibit C-1
(continued)

	Special Revenue Funds							Total
	Tourism Fund	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	CDBG Grant Fund	Hazard Mitigation Plan Fund	Storm Debris Removal Fund	Non-Major Special Revenue Funds
ASSETS								
Current Assets:								
Cash and cash equivalents	\$ 286,824	\$ 123	\$ -	\$ -	\$ 10,600	\$ -	\$ -	\$ 1,676,488
Restricted cash and cash equivalents	-	-	-	-	-	-	-	-
Due from other governments	-	84	12,064	-	-	162,082	-	257,857
Total assets	<u>\$ 286,824</u>	<u>\$ 207</u>	<u>\$ 12,064</u>	<u>\$ -</u>	<u>\$ 10,600</u>	<u>\$ 162,082</u>	<u>\$ -</u>	<u>\$ 1,934,345</u>
LIABILITIES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ 2,824	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,336
Due to other funds	-	-	12,064	-	-	162,082	-	174,146
Total liabilities	<u>2,824</u>	<u>-</u>	<u>12,064</u>	<u>-</u>	<u>-</u>	<u>162,082</u>	<u>-</u>	<u>303,482</u>
Fund balances:								
Restricted:								
Stabilization by State Statute	-	84	12,064	-	-	162,082	-	257,857
Public Safety	-	123	-	-	-	-	-	904,043
Transportation	-	-	-	-	-	-	-	29,372
Economic Development	284,000	-	-	-	10,600	-	-	337,824
Committed:								
Economic Development	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	22,899
Assigned:								
Capital Projects	-	-	-	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-	-	-	253,014
Unassigned	-	-	(12,064)	-	-	(162,082)	-	(174,146)
Total fund balances	<u>284,000</u>	<u>207</u>	<u>-</u>	<u>-</u>	<u>10,600</u>	<u>-</u>	<u>-</u>	<u>1,630,863</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 286,824</u>	<u>\$ 207</u>	<u>\$ 12,064</u>	<u>\$ -</u>	<u>\$ 10,600</u>	<u>\$ 162,082</u>	<u>\$ -</u>	<u>\$ 1,934,345</u>

Nash County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

Exhibit C-1
(continued)

	Capital Project Funds					
	Capital Reserve Fund	Middlesex Industrial Park Fund	Senior Center/ Miracle Park Capital Fund	School Capital Project Fund	Public Safety Project Fund	Ag Center Renovation Project Fund
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 4,066,596	\$ 1,329,160	\$ 113,680	\$ 750,000	\$ 220,456	\$ 293,694
Restricted cash and cash equivalents	-	-	-	-	61,392	-
Due from other governments	-	-	-	-	-	-
Total assets	<u>\$ 4,066,596</u>	<u>\$ 1,329,160</u>	<u>\$ 113,680</u>	<u>\$ 750,000</u>	<u>\$ 281,848</u>	<u>\$ 293,694</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 200	\$ 114,123	\$ -	\$ -	\$ 131,329
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>200</u>	<u>114,123</u>	<u>-</u>	<u>-</u>	<u>131,329</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	-	-	-	-	-
Public Safety	-	-	-	-	281,848	-
Transportation	-	-	-	-	-	-
Economic Development	-	1,328,960	-	-	-	-
Committed:						
Economic Development	-	-	-	-	-	162,365
Education	-	-	-	750,000	-	-
Public Safety	-	-	-	-	-	-
Assigned:						
Capital Projects	4,066,596	-	-	-	-	-
Subsequent year's expenditures	-	-	-	-	-	-
Unassigned	-	-	(443)	-	-	-
Total fund balances	<u>4,066,596</u>	<u>1,328,960</u>	<u>(443)</u>	<u>750,000</u>	<u>281,848</u>	<u>162,365</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,066,596</u>	<u>\$ 1,329,160</u>	<u>\$ 113,680</u>	<u>\$ 750,000</u>	<u>\$ 281,848</u>	<u>\$ 293,694</u>

Nash County, North Carolina
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2019

Exhibit C-1
(continued)

	Capital Project Funds			
	Highspeed Internet Project Fund	Detention Facility Project Fund	Total Non-Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS				
Current Assets:				
Cash and cash equivalents	\$ 115,835	\$ 52,792	\$ 6,942,213	\$ 8,618,701
Restricted cash and cash equivalents	-	-	61,392	61,392
Due from other governments	-	-	-	257,857
Total assets	<u>\$ 115,835</u>	<u>\$ 52,792</u>	<u>\$ 7,003,605</u>	<u>\$ 8,937,950</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 12,090	\$ 257,742	\$ 387,078
Due to other funds	-	-	-	174,146
Total liabilities	<u>-</u>	<u>12,090</u>	<u>257,742</u>	<u>561,224</u>
Fund balances:				
Restricted:				
Stabilization by State Statute	-	-	-	257,857
Public Safety	-	-	281,848	1,185,891
Transportation	-	-	-	29,372
Economic Development	-	-	1,328,960	1,666,784
Committed:				
Economic Development	115,835	-	278,200	278,200
Education	-	-	750,000	750,000
Public Safety	-	40,702	40,702	63,601
Assigned:				
Capital Projects	-	-	4,066,596	4,066,596
Subsequent year's expenditures	-	-	-	253,014
Unassigned	-	-	(443)	(174,589)
Total fund balances	<u>115,835</u>	<u>40,702</u>	<u>6,745,863</u>	<u>8,376,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 115,835</u>	<u>\$ 52,792</u>	<u>\$ 7,003,605</u>	<u>\$ 8,937,950</u>

Nash County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

Exhibit C-2
(continued)

	Special Revenue Funds						
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund	Tourism Fund
REVENUES							
Ad valorem taxes	\$ -	\$ 3,507,293	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental Grants	189,583	-	496,032	13,793	952,098	16,700	533,500
Investment earnings	2,567	18,375	7,093	1,012	9,866	691	6,544
Miscellaneous	-	-	-	7,401	-	-	350
Total revenues	192,150	3,525,668	503,125	22,206	961,964	17,391	540,394
EXPENDITURES							
Public Safety	-	3,575,728	515,651	44,495	816,124	-	-
Transportation	190,216	-	-	-	-	-	-
Economic Development	-	-	-	-	-	-	529,031
Education	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-
Total expenditures	190,216	3,575,728	515,651	44,495	816,124	-	529,031
Revenues over (under) Expenditures	1,934	(50,060)	(12,526)	(22,289)	145,840	17,391	11,363
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Change in Fund Balances	1,934	(50,060)	(12,526)	(22,289)	145,840	17,391	11,363
Fund Balance- July 1	27,438	617,605	306,885	56,188	221,817	25,833	272,637
Fund Balance- June 30	\$ 29,372	\$ 567,545	\$ 294,359	\$ 33,899	\$ 367,657	\$ 43,224	\$ 284,000

Nash County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

Exhibit C-2
(continued)

	Special Revenue Funds						Total
	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	CDBG Grant Fund	Hazard Mitigation Plan Fund	Storm Debris Removal Fund	Non-Major Special Revenue Funds
<u>REVENUES</u>							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,507,293
Restricted intergovernmental Grants	2,254	428,865	-	(143,314)	162,082	301,339	2,952,932
Investment earnings	-	-	-	-	-	-	46,148
Miscellaneous	-	-	-	-	-	-	7,751
Total revenues	2,254	428,865	-	(143,314)	162,082	301,339	6,514,124
<u>EXPENDITURES</u>							
Public Safety	2,170	-	-	-	-	-	4,954,168
Transportation	-	-	-	-	-	-	190,216
Economic Development	-	428,865	-	(149,042)	162,082	301,339	1,272,275
Education	-	-	-	-	-	-	-
Human Services	-	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-	-
Total expenditures	2,170	428,865	-	(149,042)	162,082	301,339	6,416,659
Revenues over (under) Expenditures	84	-	-	5,728	-	-	97,465
<u>OTHER FINANCING SOURCES (USES)</u>							
Transfers from other funds	-	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-	-
Debt issued	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Change in Fund Balances	84	-	-	5,728	-	-	97,465
Fund Balance- July 1	123	-	-	4,872	-	-	1,533,398
Fund Balance- June 30	\$ 207	\$ -	\$ -	\$ 10,600	\$ -	\$ -	\$ 1,630,863

Nash County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

Exhibit C-2
(continued)

	Capital Project Funds					
	Capital Reserve Fund	Middlesex Industrial Park Fund	Senior Center/ Miracle Park Capital Fund	School Capital Project Fund	Public Safety Project Fund	Ag Center Renovation Project Fund
REVENUES						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental Grants	-	25,000	801,721	-	-	-
Investment earnings	63,264	39	-	-	4,726	-
Miscellaneous	-	-	5,914	-	216,456	5,726
Total revenues	63,264	25,039	807,635	-	221,182	5,726
EXPENDITURES						
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	-	534,426	-	-	2,931,714	394,086
Education	-	-	-	668,481	-	-
Human Services	-	-	816,727	-	-	-
Cultural and Recreational	-	-	1,268,916	-	-	-
Total expenditures	-	534,426	2,085,643	668,481	2,931,714	394,086
Revenues over (under) Expenditures	63,264	(509,387)	(1,278,008)	(668,481)	(2,710,532)	(388,360)
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	1,750,000	811,200	275,000	750,000	1,865,000	550,725
Transfers to other funds	-	(798,560)	(84,166)	(81,519)	(3,200,000)	-
Debt issued	-	-	-	-	3,200,000	-
Total other financing sources (uses)	1,750,000	12,640	190,834	668,481	1,865,000	550,725
Change in Fund Balances	1,813,264	(496,747)	(1,087,174)	-	(845,532)	162,365
Fund Balance- July 1	2,253,332	1,825,707	1,086,731	750,000	1,127,380	-
Fund Balance- June 30	\$ 4,066,596	\$ 1,328,960	\$ (443)	\$ 750,000	\$ 281,848	\$ 162,365

Nash County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2019

Exhibit C-2
(continued)

	Capital Project Funds			Total Non-Major Governmental Funds
	Highspeed Internet Project Fund	Detention Facility Project Fund	Non-Major Capital Project Funds	
REVENUES				
Ad valorem taxes	\$ -	\$ -	\$ -	\$ 3,507,293
Restricted intergovernmental Grants	-	-	826,721	3,779,653
Investment earnings	-	-	68,029	114,177
Miscellaneous	-	64,351	292,447	300,198
Total revenues	-	64,351	1,187,197	7,701,321
EXPENDITURES				
Public Safety	-	23,649	23,649	4,977,817
Transportation	-	-	-	190,216
Economic Development	224,665	-	4,084,891	5,357,166
Education	-	-	668,481	668,481
Human Services	-	-	816,727	816,727
Cultural and Recreational	-	-	1,268,916	1,268,916
Total expenditures	224,665	23,649	6,862,664	13,279,323
Revenues over (under) Expenditures	(224,665)	40,702	(5,675,467)	(5,578,002)
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	340,500	-	6,342,425	6,342,425
Transfers to other funds	-	-	(4,164,245)	(4,164,245)
Debt issued	-	-	3,200,000	3,200,000
Total other financing sources (uses)	340,500	-	5,378,180	5,378,180
Change in Fund Balances	115,835	40,702	(297,287)	(199,822)
Fund Balance- July 1	-	-	7,043,150	8,576,548
Fund Balance- June 30	\$ 115,835	\$ 40,702	\$ 6,745,863	\$ 8,376,726

Nash County, North Carolina
Rural Operating Assistance Program
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted Intergovernmental - Grants:				
EDTAP	\$ 106,432	\$ 106,384	\$ (48)	\$ 86,432
Workfirst	5,470	5,425	(45)	20,964
Rural General Public Program	78,314	77,774	(540)	78,314
Total restricted intergovernmental - grants	<u>190,216</u>	<u>189,583</u>	<u>(633)</u>	<u>185,710</u>
Investment earnings	<u>-</u>	<u>2,567</u>	<u>2,567</u>	<u>1,538</u>
Total revenues	<u>190,216</u>	<u>192,150</u>	<u>1,934</u>	<u>187,248</u>
<u>EXPENDITURES</u>				
Transportation:				
EDTAP	106,432	106,432	-	107,967
Workfirst	5,470	5,470	-	-
Rural General Public Program	78,314	78,314	-	77,743
Total Expenditures	<u>190,216</u>	<u>190,216</u>	<u>-</u>	<u>185,710</u>
Revenues and Other Sources over (under)				
Expenditures and other uses	<u>\$ -</u>	<u>1,934</u>	<u>\$ 1,934</u>	<u>1,538</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>27,438</u>		<u>25,900</u>
Fund balance, ending - June 30		<u>\$ 29,372</u>		<u>\$ 27,438</u>

Nash County, North Carolina
Fire Districts Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Ad valorem taxes	\$ 3,366,753	\$ 3,507,293	\$ 140,540	\$ 3,401,947
Investment earnings	-	18,375	18,375	10,121
Total Revenues	<u>3,366,753</u>	<u>3,525,668</u>	<u>158,915</u>	<u>3,412,068</u>
<u>EXPENDITURES</u>				
Public safety:				
Stanhope	72,244	72,244	-	72,965
Stony Creek	10,891	10,404	487	10,612
Green Hornet	190,045	189,954	91	171,589
Harrison	191,160	191,160	-	179,598
Ferrells	216,120	216,120	-	204,432
N.S. Gulley	490,572	490,572	-	448,369
Silver Lake	10,202	10,202	-	9,637
Sims	8,346	8,346	-	8,037
Tri-County	188,703	188,703	-	93,474
Salem	165,635	165,635	-	190,272
West Mount	357,568	357,568	-	343,380
Coopers	300,850	300,850	-	302,151
Castalia	135,795	135,795	-	133,316
Spring Hope	278,718	278,718	-	233,092
Middlesex	156,175	156,175	-	152,441
Whitakers	238,701	238,701	-	235,850
Red Oak	393,211	393,211	-	377,915
Momeyer	171,370	171,370	-	166,495
Total Expenditures	<u>3,576,306</u>	<u>3,575,728</u>	<u>578</u>	<u>3,333,625</u>
Revenues over (under) expenditures	<u>(209,553)</u>	<u>(50,060)</u>	<u>159,493</u>	<u>78,443</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	209,553	-	(209,553)	-
Total Other Financing Sources (uses)	<u>209,553</u>	<u>-</u>	<u>(209,553)</u>	<u>-</u>
Revenues and Other Sources over (under)				
Expenditures and other uses	<u>\$ -</u>	<u>(50,060)</u>	<u>\$ (50,060)</u>	<u>78,443</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>617,605</u>		<u>539,162</u>
Fund balance, ending - June 30		<u>\$ 567,545</u>		<u>\$ 617,605</u>

Nash County, North Carolina
Emergency Telephone System Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental - Wireless E911	\$ 496,031	\$ 496,032	\$ 1	\$ 472,433
Investment earnings	-	7,093	7,093	4,034
Total Revenues	<u>496,031</u>	<u>503,125</u>	<u>7,094</u>	<u>476,467</u>
<u>EXPENDITURES</u>				
Public safety:				
Telephone	182,632	177,306	5,326	114,474
Software	300,964	252,757	48,207	107,893
Hardware	25,915	22,915	3,000	104,545
Training	7,772	5,624	2,148	7,274
Implementation functions	62,681	57,049	5,632	76,173
Total Expenditures	<u>579,964</u>	<u>515,651</u>	<u>64,313</u>	<u>410,359</u>
Revenues over (under) expenditures	<u>(83,933)</u>	<u>(12,526)</u>	<u>71,407</u>	<u>66,108</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds	-	-	-	35
Appropriated fund balance	<u>83,933</u>	<u>-</u>	<u>(83,933)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>83,933</u>	<u>-</u>	<u>(83,933)</u>	<u>35</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(12,526)</u>	<u>\$ (12,526)</u>	<u>66,143</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>306,885</u>		<u>240,742</u>
Fund balance, ending - June 30		<u>\$ 294,359</u>		<u>\$ 306,885</u>

Nash County, North Carolina
Controlled Substance Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Controlled substance funds	\$ 10,000	\$ 13,793	\$ 3,793	\$ 40,389
Investment earnings	-	1,012	1,012	1,476
Miscellaneous income	-	7,401	7,401	11,728
Total Revenues	<u>10,000</u>	<u>22,206</u>	<u>12,206</u>	<u>53,593</u>
<u>EXPENDITURES</u>				
Public safety	<u>51,455</u>	<u>44,495</u>	<u>6,960</u>	<u>54,563</u>
Total Expenditures	<u>51,455</u>	<u>44,495</u>	<u>6,960</u>	<u>54,563</u>
Revenues over (under) expenditures	<u>(41,455)</u>	<u>(22,289)</u>	<u>19,166</u>	<u>(970)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds	-	-	-	(50,000)
Appropriated fund balance	<u>41,455</u>	<u>-</u>	<u>(41,455)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>41,455</u>	<u>-</u>	<u>(41,455)</u>	<u>(50,000)</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(22,289)</u>	<u>\$ (22,289)</u>	<u>(50,970)</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>56,188</u>		<u>107,158</u>
Fund balance, ending - June 30		<u>\$ 33,899</u>		<u>\$ 56,188</u>

Nash County, North Carolina
Federal Asset Forfeiture Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Federal asset forfeitures	\$ 915,460	\$ 952,098	\$ 36,638	\$ 229,387
Investment earnings	-	9,866	9,866	3,310
Total Revenues	915,460	961,964	46,504	232,697
<u>EXPENDITURES</u>				
Public safety	1,036,084	816,124	219,960	249,130
Total Expenditures	1,036,084	816,124	219,960	249,130
Revenues over (under) expenditures	(120,624)	145,840	266,464	(16,433)
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	120,624	-	(120,624)	-
Total Other Financing Sources (uses)	120,624	-	(120,624)	-
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	145,840	\$ 145,840	(16,433)
FUND BALANCE				
Fund balance, beginning- July 1		221,817		238,250
Fund balance, ending - June 30		\$ 367,657		\$ 221,817

Nash County, North Carolina
Stormwater Maintenance Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Stormwater maintenance fees	\$ -	\$ 16,700	\$ 16,700	\$ -
Investment earnings	-	691	691	393
Total Revenues	-	17,391	17,391	393
Revenues over (under) expenditures	-	17,391	17,391	393
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	17,391	\$ 17,391	393
FUND BALANCE				
Fund balance, beginning- July 1		25,833		25,440
Fund balance, ending - June 30		\$ 43,224		\$ 25,833

Nash County, North Carolina
Tourism Fund
Statement of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Year Ended June 30, 2019
With Comparative Actual Amounts For the Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Restricted intergovernmental	\$ 533,500	\$ 533,500	\$ -	\$ 493,501
Investment earnings	-	6,544	6,544	4,582
Miscellaneous Income	-	350	350	-
Total Revenues	<u>533,500</u>	<u>540,394</u>	<u>6,894</u>	<u>498,083</u>
<u>EXPENDITURES</u>				
Economic and physical development:				
Salaries	71,322	71,026	296	67,562
Operating expenditures	<u>468,810</u>	<u>458,005</u>	<u>10,805</u>	<u>422,180</u>
Total Expenditures	<u>540,132</u>	<u>529,031</u>	<u>11,101</u>	<u>489,742</u>
Revenues over (under) expenditures	<u>(6,632)</u>	<u>11,363</u>	<u>17,995</u>	<u>8,341</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Appropriated fund balance	<u>6,632</u>	<u>-</u>	<u>\$ (6,632)</u>	<u>-</u>
Total Other Financing Sources (uses)	<u>6,632</u>	<u>-</u>	<u>(6,632)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>11,363</u>	<u>\$ 11,363</u>	<u>8,341</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>272,637</u>		<u>264,296</u>
Fund balance, ending - June 30		<u>\$ 284,000</u>		<u>\$ 272,637</u>

Nash County, North Carolina
Homeland Security Grant
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
<u>REVENUES</u>					
Public Safety:					
Homeland Security Grant	\$ 1,240,782	\$ 1,141,668	\$ 2,254	\$ 1,143,922	\$ (96,860)
Restricted Local Grants	170,000	167,914	-	167,914	(2,086)
Emergency Operations Planning Grant	29,950	29,000	-	29,000	(950)
Investment earnings	-	1,832	-	1,832	1,832
Total Revenue	<u>1,440,732</u>	<u>1,340,414</u>	<u>2,254</u>	<u>1,342,668</u>	<u>(98,064)</u>
<u>EXPENDITURES</u>					
Public Safety:					
Planning	29,950	29,000	-	29,000	950
Supplies	76,040	74,350	2,170	76,520	(480)
Training	107,719	99,758	-	99,758	7,961
Equipment	1,236,485	1,137,183	-	1,137,183	99,302
Total	<u>1,450,194</u>	<u>1,340,291</u>	<u>2,170</u>	<u>1,342,461</u>	<u>107,733</u>
Revenues over (under) expenditures	<u>(9,462)</u>	<u>123</u>	<u>84</u>	<u>207</u>	<u>9,669</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Appropriated fund balance	9,462	-	-	-	(9,462)
Total Other Financing Sources (Uses)	<u>9,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,462)</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 123</u>	<u>84</u>	<u>\$ 207</u>	<u>\$ 207</u>
Fund balance, beginning			<u>123</u>		
Fund balance, ending			<u>\$ 207</u>		

Nash County, North Carolina
Single Family Rehabilitation
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
<u>REVENUES</u>					
Economic and physical development:					
Single Family Rehabilitation Grant 2014	\$ 796,600	\$ 722,538	\$ -	\$ 722,538	\$ (74,062)
Single Family Rehabilitation Grant 2017	490,000	73,124	185,293	258,417	(231,583)
Single Family Rehabilitation Disaster Recovery	700,000	29,228	243,572	272,800	(427,200)
Total Revenue	<u>1,986,600</u>	<u>824,890</u>	<u>428,865</u>	<u>1,253,755</u>	<u>(732,845)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Single Family Rehabilitation Grant 2014	796,600	722,538	-	722,538	74,062
Single Family Rehabilitation Grant 2017	490,000	73,124	185,293	258,417	231,583
Single Family Rehabilitation Disaster Recovery	700,000	29,228	243,572	272,800	427,200
Total	<u>1,986,600</u>	<u>824,890</u>	<u>428,865</u>	<u>1,253,755</u>	<u>732,845</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

Nash County, North Carolina
Urgent Repair Program
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
<u>REVENUES</u>					
Economic and physical development:					
Urgent Repair Grant 2016	\$ 100,000	\$ 100,000	\$ -	\$ 100,000	\$ -
Urgent Repair Grant 2017	75,000	71,754	-	71,754	(3,246)
Investment earnings	376	597	-	597	221
Total Revenue	<u>175,376</u>	<u>172,351</u>	<u>-</u>	<u>172,351</u>	<u>(3,025)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Urgent Repair Project 2016	100,376	100,376	-	100,376	-
Urgent Repair Project 2017	<u>75,000</u>	<u>71,975</u>	<u>-</u>	<u>71,975</u>	<u>3,025</u>
Total	<u>175,376</u>	<u>172,351</u>	<u>-</u>	<u>172,351</u>	<u>3,025</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ -</u>		

Nash County, North Carolina
CDBG Grant Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Community Development Grants:					
Nutkao	\$ 750,000	\$ 600,000	\$ (150,000)	\$ 450,000	\$ (300,000)
Neighborhood revitalization grant	750,000	-	-	-	(750,000)
Disaster recovery grant	1,000,000	-	6,686	6,686	(993,314)
Total Revenue	<u>2,500,000</u>	<u>600,000</u>	<u>(143,314)</u>	<u>456,686</u>	<u>(2,043,314)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Community Development Grants:					
Nutkao	750,000	600,000	(150,000)	450,000	300,000
Neighborhood revitalization	755,000	-	898	898	754,102
Disaster recovery	995,000	128	60	188	994,812
Total	<u>2,500,000</u>	<u>600,128</u>	<u>(149,042)</u>	<u>451,086</u>	<u>2,048,914</u>
Revenues over (under) expenditures	<u>-</u>	<u>(128)</u>	<u>5,728</u>	<u>5,600</u>	<u>5,600</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from other funds	-	5,000	-	5,000	5,000
Total Other Financing Sources (Uses)	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>5,000</u>	<u>5,000</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 4,872</u>	5,728	<u>\$ 10,600</u>	<u>\$ 10,600</u>
Fund balance, beginning			<u>4,872</u>		
Fund balance, ending			<u>\$ 10,600</u>		

**Nash County, North Carolina
Hazard Mitigation Plan Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019**

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted Intergovernmental:					
Hazard Mitigation Hurricane Matthew	\$ 516,912	\$ -	\$ 162,082	\$ 162,082	\$ (354,830)
SARF Guyout Program	181,500	-	-	-	(181,500)
Total Revenue	<u>698,412</u>	<u>-</u>	<u>162,082</u>	<u>162,082</u>	<u>(536,330)</u>
<u>EXPENDITURES</u>					
Economic and physical development:					
Hazard Mitigation Hurricane Matthew	516,912	-	162,082	162,082	354,830
SARF Guyout Program	181,500	-	-	-	181,500
Total	<u>698,412</u>	<u>-</u>	<u>162,082</u>	<u>162,082</u>	<u>536,330</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

Nash County, North Carolina
Storm Debris Removal Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Restricted Intergovernmental:					
NC Division of Soil and Water	\$ 252,096	\$ -	\$ 202,084	\$ 202,084	\$ (50,012)
Golden Leaf	132,000	-	99,255	99,255	(32,745)
Total Revenue	384,096	-	301,339	301,339	(82,757)
<u>EXPENDITURES</u>					
Economic and physical development:					
Stoney Creek Debris Removal	284,840	-	202,084	202,084	82,756
Tar River Debris Removal	99,256	-	99,255	99,255	1
Total	384,096	-	301,339	301,339	82,757
Revenues over (under) expenditures	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

Nash County, North Carolina
Capital Reserve Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019
With Comparative Amounts For The Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ -	\$ 63,264	\$ 63,264	\$ 34,250
Revenues over (under) expenditures	-	63,264	63,264	34,250
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds	-	1,750,000	1,750,000	-
Total Other Financing Sources (uses)	-	1,750,000	1,750,000	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	<u>1,813,264</u>	<u>\$ 1,813,264</u>	<u>34,250</u>
Fund balance, beginning -July 1		<u>2,253,332</u>		<u>2,219,082</u>
Fund balance, ending- June 30		<u><u>\$ 4,066,596</u></u>		<u><u>\$ 2,253,332</u></u>

**Nash County, North Carolina
Middlesex Industrial Park
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019**

		Actual				
	Project Authorization	Actual Prior Years	Actual Current Year	Completed Project	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>						
DOT Reimbursement	\$ 1,100,000	\$ 1,100,000	\$ -	\$ -	\$ 1,100,000	\$ -
Town of Middlesex - Water Improvements	10,235	10,235	-	-	10,235	-
Rural Hope Grant-Park Improvements	32,000	32,000	-	-	32,000	-
Duke Energy Grant	-	-	25,000	-	25,000	25,000
Golden Leaf Foundation	1,250,000	-	-	-	-	(1,250,000)
NC Commerce Rural Ready Grant	1,514,600	-	-	-	-	(1,514,600)
Investment earnings	1,703	1,659	39	-	1,698	(5)
Total Revenue	3,908,538	1,143,894	25,039	-	1,168,933	(2,739,605)
<u>EXPENDITURES</u>						
Economic Development						
Road Project	1,194,785	1,194,785	-	-	1,194,785	-
Water Improvements	15,440	15,440	-	-	15,440	-
Park Improvements	90,193	90,193	-	-	90,193	-
Shell Building Project	1,525,607	1,053,584	472,021	(1,525,605)	-	1,525,607
Water. Sewer & Road Project	2,061,200	-	38,154	-	38,154	2,023,046
Tank and Water Loop Project	1,514,600	-	24,251	-	24,251	1,490,349
Total	6,401,825	2,354,002	534,426	(1,525,605)	1,362,823	5,039,002
Revenues over (under) expenditures	(2,493,287)	(1,210,108)	(509,387)	1,525,605	(193,890)	2,299,397
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfer to other projects - Water Sewer Rd	(679,165)	-	(624,000)	-	(624,000)	55,165
Transfer to General Fund - Shell Building	(674,563)	-	(174,560)	174,560	-	674,563
Transfer from other funds - Road Project	128,000	128,000	-	-	128,000	-
Transfer from General Fund - Road Project	95,715	95,715	-	-	95,715	-
Transfer from other project - Park Improvements	624,000	-	624,000	-	624,000	-
Transfers from Economic Development	187,200	-	187,200	-	187,200	-
Transfers from other funds - Park Improvements	612,100	612,100	-	-	612,100	-
Transfer from other funds - Shell Building	500,000	500,000	-	(500,000)	-	(500,000)
Debt issue - Shell Building	1,700,000	1,700,000	-	(1,200,165)	499,835	(1,200,165)
Total Other Financing Sources (Uses)	2,493,287	3,035,815	12,640	(1,525,605)	1,522,850	(970,437)
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	\$ -	\$ 1,825,707	(496,747)	\$ -	\$ 1,328,960	\$ 1,328,960
Fund balance, beginning			1,825,707			
Fund balance, ending			\$ 1,328,960			

Nash County, North Carolina
Senior Center/Miracle Park Capital Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual				
	Project Authorization	Actual Prior Years	Actual Current Year	Completed Project	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>						
Senior Center Project						
Miscellaneous revenue	\$ 6,945	\$ 6,945	\$ -	\$ (6,945)	\$ -	\$ (6,945)
Total Senior Center Project revenues	6,945	6,945	-	(6,945)	-	(6,945)
Miracle Park Project						
PARTF Grant	500,000	-	401,690	-	401,690	(98,310)
DNCR Park Grant	125,000	-	125,000	-	125,000	-
Trillium Health Resource Grant	750,000	-	215,031	-	215,031	(534,969)
Major League Baseball Grant	60,000	-	60,000	-	60,000	-
Donations	250,000	-	-	-	-	(250,000)
Miscellaneous Revenue	-	-	5,914	-	5,914	5,914
Total Miracle Park Project revenues	1,685,000	-	807,635	-	807,635	(877,365)
Total revenues	1,691,945	6,945	807,635	(6,945)	807,635	(884,310)
<u>EXPENDITURES</u>						
Human Services:						
Senior Center Project						
Construction	1,000,499	261,686	738,813	(1,000,499)	-	1,000,499
Legal and professional services	14,857	5,168	9,688	(14,856)	-	14,857
Engineering, survey, and design	42,973	39,198	3,775	(42,973)	-	42,973
Office Equipment	64,451	-	64,451	-	64,451	-
Contingency	-	-	-	-	-	-
Total Senior Center Project expenditures	1,122,780	306,052	816,727	(1,058,328)	64,451	1,058,329
Miracle Park Project						
Construction	1,588,000	16,745	1,027,741	-	1,044,486	543,514
Equipment	480,000	-	215,031	-	215,031	264,969
Property acquisition	210,000	209,835	-	-	209,835	165
Legal and professional services	25,500	11,418	300	-	11,718	13,782
Engineering, survey, and design	131,500	76,164	25,844	-	102,008	29,492
Contingency	25,000	-	-	-	-	25,000
Total Miracle Park Project expenditures	2,460,000	314,162	1,268,916	-	1,583,078	876,922
Total expenditures	3,582,780	620,214	2,085,643	(1,058,328)	1,647,529	1,935,251
Revenues over (under) expenditures	(1,890,835)	(613,269)	(1,278,008)	1,051,383	(839,894)	1,050,941
<u>OTHER FINANCING SOURCES (USES)</u>						
Senior Center Project						
Transfers from other funds	1,200,000	1,200,000	275,000	(1,051,383)	423,617	(776,383)
Transfers to other funds	(84,165)	-	(84,166)	-	(84,166)	(1)
Miracle Park Project						
Transfers from other funds	775,000	500,000	-	-	500,000	(275,000)
Total Other Financing Sources (Uses)	1,890,835	1,700,000	190,834	(1,051,383)	839,451	(1,051,384)
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	\$ -	\$ 1,086,731	(1,087,174)	\$ -	\$ (443)	\$ (443)
Fund balance, beginning			1,086,731			
Fund balance, ending			\$ (443)			

Nash County, North Carolina
School Capital Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
<u>EXPENDITURES</u>					
Education:					
Early College Project					
Administration	\$ (82,621)	\$ -	\$ (82,621)	\$ (82,621)	\$ -
Equipment and Furnishings	117,530	-	117,530	117,530	-
Construction	633,572	-	633,572	633,572	-
Total	668,481	-	668,481	668,481	-
Revenues over (under) expenditures	(668,481)	-	(668,481)	(668,481)	-
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from other funds	750,000	750,000	750,000	1,500,000	\$ 750,000
Transfer to other funds	(81,519)	-	(81,519)	(81,519)	-
Total Other Financing Sources (Uses)	668,481	750,000	668,481	1,418,481	750,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 750,000	-	\$ 750,000	\$ 750,000
Fund balance, beginning			750,000		
Fund balance, ending			\$ 750,000		

Nash County, North Carolina
Public Safety Radio Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

		Actual				
	Project Authorization	Actual Prior Years	Actual Current Year	Completed Project	Actual Total to Date	Variance Positive (Negative)
REVENUES						
Restricted intergovernmental:						
Fire Department Reimbursements	\$ 430,391	\$ -	\$ 216,456	\$ -	\$ -	\$ (430,391)
Investment earnings	3,900	-	4,726	-	-	(3,900)
Total Revenue	<u>434,291</u>	<u>-</u>	<u>221,182</u>	<u>-</u>	<u>-</u>	<u>(434,291)</u>
EXPENDITURES						
Public Safety:						
Construction	995,200	127,750	867,450	(936,607)	58,593	936,607
Equipment	2,121,211	79,750	2,041,461	-	2,121,211	-
Legal and professional services	22,923	120	22,803	-	22,923	-
Miscellaneous	494,957	-	-	-	-	494,957
Total	<u>3,634,291</u>	<u>207,620</u>	<u>2,931,714</u>	<u>(936,607)</u>	<u>2,202,727</u>	<u>1,431,564</u>
Revenues over (under) expenditures	<u>(3,200,000)</u>	<u>(207,620)</u>	<u>(2,710,532)</u>	<u>936,607</u>	<u>(2,202,727)</u>	<u>997,273</u>
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	3,200,000	-	3,200,000	-	3,200,000	-
Transfers from other funds	3,200,000	1,335,000	1,865,000	(936,607)	2,263,393	(936,607)
Transfers to other funds	(3,200,000)	-	(3,200,000)	-	(3,200,000)	-
Total Other Financing Sources (Uses)	<u>3,200,000</u>	<u>1,335,000</u>	<u>1,865,000</u>	<u>(936,607)</u>	<u>2,263,393</u>	<u>(936,607)</u>
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 1,127,380</u>	<u>(845,532)</u>	<u>\$ -</u>	<u>\$ 60,666</u>	<u>\$ 60,666</u>
Fund balance, beginning			<u>1,127,380</u>			
Fund balance, ending			<u>\$ 281,848</u>			

Nash County, North Carolina
Ag Center Renovation Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Miscellaneous Income	\$ -	\$ -	\$ 5,726	\$ 5,726	\$ 5,726
Total Revenue	-	-	5,726	5,726	5,726
<u>EXPENDITURES</u>					
Economic Development					
Legal and administration	2,500	-	740	740	1,760
Equipment supply	40,000	-	13,926	13,926	26,074
Equipment	52,500	-	30,629	30,629	21,871
Building Improvement	144,000	-	86,616	86,616	57,384
HVAC Construction	281,725	-	262,175	262,175	19,550
Contingency	30,000	-	-	-	30,000
Total	550,725	-	394,086	394,086	156,639
Revenues over (under) expenditures	(550,725)	-	(388,360)	(388,360)	162,365
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers from other funds	550,725	-	550,725	550,725	-
Total Other Financing Sources (Uses)	550,725	-	550,725	550,725	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	162,365	\$ 162,365	\$ 162,365
Fund balance, beginning			-		
Fund balance, ending			\$ 162,365		

Nash County, North Carolina
Highspeed Internet Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>EXPENDITURES</u>					
Economic Development					
Legal and administration	\$ 4,000	\$ -	\$ 3,665	\$ 3,665	\$ 335
Pilot Program	336,500	-	221,000	221,000	115,500
Total	<u>340,500</u>	<u>-</u>	<u>224,665</u>	<u>224,665</u>	<u>115,835</u>
Revenues over (under) expenditures	<u>(340,500)</u>	<u>-</u>	<u>(224,665)</u>	<u>(224,665)</u>	<u>115,835</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfers from other funds	340,500	-	340,500	340,500	-
Total Other Financing Sources (Uses)	<u>340,500</u>	<u>-</u>	<u>340,500</u>	<u>340,500</u>	<u>-</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	115,835	<u>\$ 115,835</u>	<u>\$ 115,835</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 115,835</u>		

**Nash County, North Carolina
Detention Facility Project Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Year Ended June 30, 2019**

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
<u>REVENUES</u>					
Federal Inmate Revenue	\$ 56,275	\$ -	\$ 64,351	\$ 64,351	\$ 8,076
Total Revenue	<u>56,275</u>	<u>-</u>	<u>64,351</u>	<u>64,351</u>	<u>8,076</u>
<u>EXPENDITURES</u>					
Public Safety:					
Building Improvements	56,275	-	23,649	23,649	32,626
Total	<u>56,275</u>	<u>-</u>	<u>23,649</u>	<u>23,649</u>	<u>32,626</u>
Revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>40,702</u>	<u>40,702</u>	<u>40,702</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>40,702</u>	<u>\$ 40,702</u>	<u>\$ 40,702</u>
Fund balance, beginning			<u>-</u>		
Fund balance, ending			<u>\$ 40,702</u>		

ENTERPRISE 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 government's council is that the cost of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; where the government's council has decided that the periodic determination of net income is appropriated for accountability purposes.

- **Water and Sewer Fund:** This fund is used to account for the County's water and sewer operations.
- **Solid Waste Fund:** This fund is used to account for of the County's solid waste disposal operations.
- **Central Nash Water and Sewer District Fund (blended component unit):** This fund is used to account for the water and sewer project expenditures in the Central Nash Water and Sewer District.
- **Northern Nash Water System:** This fund is used to account for the water and sewer project expenditures in the Northern Nash area of Nash County.

Nash County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019
With Comparative Amounts For The Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Operating Revenues:				
Changes for service	\$ 2,692,200	\$ 2,834,941	\$ 142,741	\$ 2,284,354
Other Operating revenues	33,000	39,504	6,504	36,787
Total operating revenues	<u>2,725,200</u>	<u>2,874,445</u>	<u>149,245</u>	<u>2,321,141</u>
Non-Operating Revenues:				
Capital contributions	-	-	-	67,716
Interest on investments	12,000	25,147	13,147	16,066
Total non-operating revenues	<u>12,000</u>	<u>25,147</u>	<u>13,147</u>	<u>83,782</u>
Total Revenues	<u>2,737,200</u>	<u>2,899,592</u>	<u>162,392</u>	<u>2,404,923</u>
<u>EXPENDITURES</u>				
Operating Expenditures:				
Administration				
Salaries and employee benefits	158,740	158,721	19	155,905
Professional services	-	-	-	1,755
Operating expenses	46,877	44,993	1,884	33,862
Total	<u>205,617</u>	<u>203,714</u>	<u>1,903</u>	<u>191,522</u>
Water Operations:				
Salaries and employee benefits	241,370	235,961	5,409	193,310
Professional services	65,879	53,157	12,722	62,901
Operating expenses	733,744	718,003	15,741	684,043
Repairs and maintenance	4,500	4,056	444	3,181
Capital outlay	36,768	8,762	28,006	-
Total	<u>1,082,261</u>	<u>1,019,939</u>	<u>62,322</u>	<u>943,435</u>
Sewer Operations:				
Salaries and employee benefits	37,351	37,344	7	30,511
Professional services	7,960	4,205	3,755	7,185
Operating expenses	601,891	544,668	57,223	497,105
Total	<u>647,202</u>	<u>586,217</u>	<u>60,985</u>	<u>534,801</u>
Total Operating Expenditures	<u>1,935,080</u>	<u>1,809,870</u>	<u>125,210</u>	<u>1,669,758</u>
Non-Operating Expenditures:				
Debt principal payment	131,100	131,100	-	-
Debt interest payment	38,560	40,320	(1,760)	43,109
Total Non-Operating Expenditures	<u>169,660</u>	<u>171,420</u>	<u>(1,760)</u>	<u>43,109</u>
Total Expenditures	<u>2,104,740</u>	<u>1,981,290</u>	<u>123,450</u>	<u>1,712,867</u>
Revenues over (under) expenditures	<u>632,460</u>	<u>918,302</u>	<u>285,842</u>	<u>692,056</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers to other funds	(632,460)	(632,460)	-	(633,495)
Total other financing sources (uses)	<u>(632,460)</u>	<u>(632,460)</u>	<u>-</u>	<u>(633,495)</u>
Revenues over (under) sources and other uses	<u>\$ -</u>	<u>\$ 285,842</u>	<u>\$ 285,842</u>	<u>\$ 58,561</u>

Nash County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019
With Comparative Amounts For The Year Ended June 30, 2018

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Excess of revenues over (under) expenditures	\$ 285,842
Reconciling items:	
Capital Outlay	8,762
Depreciation	(429,118)
(Increase) decrease in accrued interest	883
Principal retirement	131,100
Increase (decrease) in deferred outflows of resources - pensions	65,393
Increase (decrease) in deferred outflows of resources - OPEB	105
(Increase) Decrease in deferred inflows of resources - pensions	1,411
(Increase) Decrease in deferred inflows of resources - OPEB	(44,687)
(Increase) decrease in net pension liability	(79,150)
(Increase) decrease in OPEB liability	57,179
(Increase) decrease in accrued compensated absences	(17,086)
Change in net position	<u>\$ (19,366)</u>

Nash County, North Carolina
Rural Center Grants Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		Actual			
	Project	Actual	Actual	Actual	Variance
	Authorization	Prior	Current	Total	Positive
		Years	Year	to Date	(Negative)
<u>REVENUES</u>					
Rural Center Grant	\$ 120,000	\$ 120,000	\$ -	\$ 120,000	\$ -
Investment earnings	-	35	-	35	35
Total Revenues	<u>120,000</u>	<u>120,035</u>	<u>-</u>	<u>120,035</u>	<u>35</u>
<u>EXPENDITURES</u>					
Feasibility study and drought plan	<u>257,900</u>	<u>257,779</u>	<u>-</u>	<u>257,779</u>	<u>121</u>
Total Expenditures	<u>257,900</u>	<u>257,779</u>	<u>-</u>	<u>257,779</u>	<u>121</u>
Revenues over (under) expenditures	<u>(137,900)</u>	<u>(137,744)</u>	<u>-</u>	<u>(137,744)</u>	<u>156</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer From Other Funds	<u>137,900</u>	<u>137,900</u>	<u>-</u>	<u>137,900</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>137,900</u>	<u>137,900</u>	<u>-</u>	<u>137,900</u>	<u>-</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 156</u>

Nash County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019
With Comparative Amounts For The Year Ended June 30, 2018

	2019		Variance	2018
	Budget	Actual	Positive (Negative)	Actual
<u>REVENUES</u>				
Operating Revenues:				
Solid waste charges	\$ 376,198	\$ 455,682	\$ 79,484	\$ 413,229
Miscellaneous	58,000	12,460	(45,540)	31,671
Rural household fees	2,223,125	2,270,376	47,251	2,253,285
Recycling fees	2,200	800	(1,400)	1,586
Total Operating Revenues	<u>2,659,523</u>	<u>2,739,318</u>	<u>79,795</u>	<u>2,699,771</u>
Non-Operating Revenues:				
Solid waste disposal tax	-	38,811	38,811	34,167
Scrap tire disposal tax	126,000	132,260	6,260	126,114
White Goods disposal tax	-	39,036	39,036	60,447
Recycling Grant	-	-	-	6,849
Interest on investments	63,000	153,864	90,864	100,240
Total Non-Operating Revenues	<u>189,000</u>	<u>363,971</u>	<u>174,971</u>	<u>327,817</u>
Total Revenues	<u>2,848,523</u>	<u>3,103,289</u>	<u>254,766</u>	<u>3,027,588</u>
<u>EXPENDITURES</u>				
Operating Expenditures:				
Salaries and employee benefits	654,445	619,848	34,597	590,253
Professional services	36,473	21,944	14,529	37,537
Operating expenses	2,036,958	1,952,818	84,140	1,751,855
Repairs and maintenance	181,716	142,349	39,367	124,522
Capital outlay	8,031	-	8,031	-
Total Operating Expenditures	<u>2,917,623</u>	<u>2,736,959</u>	<u>180,664</u>	<u>2,504,167</u>
Revenues over (under) expenditures	<u>(69,100)</u>	<u>366,330</u>	<u>435,430</u>	<u>523,421</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds	-	-	-	(268,000)
Transfer from other funds	-	84,862	84,862	-
Appropriated fund balance	-	-	-	-
Insurance proceeds	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>84,862</u>	<u>84,862</u>	<u>(268,000)</u>
Revenues over (under) sources and other uses	<u>\$ (69,100)</u>	<u>\$ 451,192</u>	<u>\$ 520,292</u>	<u>\$ 255,421</u>

Nash County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019
With Comparative Amounts For The Year Ended June 30, 2018

	2019		2018
	Budget	Actual	Actual
			Variance Positive (Negative)
RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:			
Excess of revenues over (under) expenditures		\$ 451,192	
Reconciling items:			
Capital assets purchased		-	
Depreciation		(110,963)	
Increase (decrease) in deferred outflows of resources - pensions		17,364	
Increase (decrease) in deferred outflows of resources - OPEB		189	
(Increase) Decrease in deferred inflows of resources - pensions		374	
(Increase) Decrease in deferred inflows of resources - OPEB		(80,043)	
(Increase) decrease in net pension liability		(21,016)	
(Increase) decrease in OPEB liability		102,421	
(Increase) decrease in accrued compensated absences		898	
(Increase) decrease in landfill post-closure liability		(23,231)	
Transfer from capital project fund (Exh D-2a)		(84,862)	
Change in net position		<u>\$ 252,323</u>	

Nash County, North Carolina
Solid Waste C&D Expansion
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		Actual				
	Project Authorization	Actual Prior Years	Actual Current Year	Completed Project	Actual Total to Date	Variance Positive (Negative)
<u>EXPENDITURES</u>						
Solid Waste C&D:						
Administration	\$ 2,495	\$ 2,495	\$ -	\$ (2,495)	\$ -	\$ 2,495
Engineering and Construction	580,643	493,902	86,741	(580,643)	-	580,643
Total Operating Expenditures	583,138	496,397	86,741	(583,138)	-	583,138
Total Expenditures	583,138	496,397	86,741	(583,138)	-	583,138
Revenues over (under) expenditures	(583,138)	(496,397)	(86,741)	583,138	-	583,138
<u>OTHER FINANCING SOURCES (USES)</u>						
Transfer From Other Funds						
Solid Waste Fund	668,000	668,000	-	(668,000)	-	(668,000)
Transfer to Other Funds						
Solid Waste Fund	(84,862)	-	(84,862)	84,862	-	84,862
Total Other Financing Sources (Uses)	583,138	668,000	(84,862)	(583,138)	-	(583,138)
Revenues and Other Financing Sources						
Over (Under) Expenditures and Other Uses	\$ -	\$ 171,603	\$ (171,603)	\$ -	\$ -	\$ -

Nash County, North Carolina
Central Nash Water and Sewer District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive (Negative)
REVENUES					
Operating Revenues:					
Tap Fees	\$ 366,062	\$ 366,062	\$ -	\$ 366,062	\$ -
Miscellaneous collections	53,159	53,197	-	53,197	38
Total Operating Revenues	419,221	419,259	-	419,259	38
Non-Operating Revenues:					
Capital Contributions - Grants	5,958,912	5,958,910	-	5,958,910	(2)
Interest in Investments	60,723	60,722	-	60,722	(1)
Total Non-Operating Revenues	6,019,635	6,019,632	-	6,019,632	(3)
Total Revenues	6,438,856	6,438,891	-	6,438,891	35
EXPENDITURES					
Operating Expenditures:					
Water Project Startup					
Administration	53,626	53,626	-	53,626	-
Equipment Supply	389,337	389,337	-	389,337	-
Engineering and Construction	38,555	38,555	-	38,555	-
Total	481,518	481,518	-	481,518	-
Highway 97 Project:					
Administration	3,750	3,750	-	3,750	-
Engineering and Construction	914,151	900,130	-	900,130	14,021
Total	917,901	903,880	-	903,880	14,021
Capital Items:					
Phase I	3,492,929	3,492,929	-	3,492,929	-
Phase II	3,287,519	3,280,379	-	3,280,379	7,140
Phase III	3,894,425	3,894,422	-	3,894,422	3
Phase IV	7,075,769	7,070,691	-	7,070,691	5,078
Total	17,750,642	17,738,421	-	17,738,421	12,221
Total Operating Expenditures	19,150,061	19,123,819	-	19,123,819	26,242
Non-Operating Expenditures:					
Debt Principal Payment	1,097,000	898,000	199,000	1,097,000	-
Debt Interest Payment	3,547,433	3,113,972	433,460	3,547,432	1
Total Non-Operating Expenditures	4,644,433	4,011,972	632,460	4,644,432	1
Total Expenditures	23,794,494	23,135,791	632,460	23,768,251	26,243
Revenues over (under) expenditures	(17,355,638)	(16,696,900)	(632,460)	(17,329,360)	26,278
OTHER FINANCING SOURCES (USES)					
Transfer From Other Funds	4,546,638	3,887,900	632,460	4,520,360	(26,278)
Debt Issued	12,809,000	12,809,000	-	12,809,000	-
Total Other Financing Sources (Uses)	17,355,638	16,696,900	632,460	17,329,360	(26,278)
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:

Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ -
Reconciling Items:	
Capital assets purchased	-
Depreciation	(466,927)
(Increase) decrease in accrued interest	587
Principal payment	<u>199,000</u>
Change in net position	<u>\$ (267,340)</u>

Nash County, North Carolina
Northern Nash Water and Sewer Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2019

		Actual			
	Project Authorization	Actual Prior Years	Actual Current Year	Actual Total to Date	Variance Positive Negative
REVENUES					
State Revolving Fund Grant	\$ 3,000,000	\$ -	\$ 908,406	\$ 908,406	\$ (2,091,594)
Total Revenues	3,000,000	-	908,406	908,406	(2,091,594)
EXPENDITURES					
Administration	175,900	-	175,900	175,900	-
Contingency	721,060	-	-	-	721,060
Total Administration Expenditures	896,960	-	175,900	175,900	721,060
Capital items:					
Construction Administration	396,833	14,141	101,933	116,074	280,759
Property and Equipment Acquisition	150,000	-	115,840	115,840	34,160
Engineering and Construction	8,277,107	251,112	425,380	676,492	7,600,615
Total Capital Expenditures	8,823,940	265,253	643,153	908,406	7,915,534
Total Expenditures	9,720,900	265,253	819,053	1,084,306	8,636,594
Revenues over (under) expenditures	(6,720,900)	(265,253)	89,353	(175,900)	6,545,000
OTHER FINANCING SOURCES (USES)					
Transfer From Other Funds	175,900	175,900	-	175,900	-
Long-term debt issued	6,545,000	-	-	-	(6,545,000)
Total Other Financing Sources (Uses)	6,720,900	175,900	-	175,900	(6,545,000)
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ (89,353)	\$ 89,353	\$ -	\$ -

INTERNAL SERVICE FUNDS

Internal Service funds are used to account for the cost of the County's healthcare and workers' compensation. The following funds are Internal Service funds.

- **Employee Healthcare Fund**
- **Workers' Compensation Fund**

Nash County, North Carolina
Internal Service Funds
Combining Statement of Net Position
June 30, 2019

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
Assets			
Current assets:			
Cash and investments	\$ 661,082	\$ 1,277,352	\$ 1,938,434
Accounts receivable	-	-	-
Total assets	<u>661,082</u>	<u>1,277,352</u>	<u>1,938,434</u>
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	<u>150,000</u>	<u>655,583</u>	<u>805,583</u>
Net Position			
Unrestricted	<u>\$ 511,082</u>	<u>\$ 621,769</u>	<u>\$ 1,132,851</u>

Nash County, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For Year Ended June 30, 2019

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
OPERATING REVENUES			
Contributions from employer	\$ 1,294,384	\$ 170,113	\$ 1,464,497
OPERATING EXPENDITURES			
Claims costs	1,192,568	264,262	1,456,830
Wellness Program costs	77,137	-	77,137
Total operating expenditures	1,269,705	264,262	1,533,967
Operating Income (Loss)	24,679	(94,149)	(69,470)
Non-Operating Revenues			
Investment earnings	14,766	26,495	41,261
Income before transfers	39,445	(67,654)	(28,209)
Net Position			
Beginning of year - July 1	471,637	689,423	1,161,060
End of year - June 30	\$ 511,082	\$ 621,769	\$ 1,132,851

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

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
Cash Flows from Operating Activities			
Cash received from employer	\$ 1,294,384	\$ 170,113	\$ 1,464,497
Cash paid for goods and services	(1,272,085)	(219,198)	(1,491,283)
Net cash provided (used) by operating activities	<u>22,299</u>	<u>(49,085)</u>	<u>(26,786)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>14,766</u>	<u>26,495</u>	<u>41,261</u>
Net increase (decrease) in cash and cash equivalents	37,065	(22,590)	14,475
Cash and cash equivalents - July 1	<u>624,017</u>	<u>1,299,942</u>	<u>1,923,959</u>
Cash and cash equivalents - June 30	<u><u>\$ 661,082</u></u>	<u><u>\$ 1,277,352</u></u>	<u><u>\$ 1,938,434</u></u>
Reconciliation of Operating Income (Loss) to			
Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ 24,679	\$ (94,149)	\$ (69,470)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	-	-	-
Increase (decrease) in accounts payable and accrued liabilities	<u>(2,380)</u>	<u>45,064</u>	<u>42,684</u>
Net cash provided (used) by operating activities	<u><u>\$ 22,299</u></u>	<u><u>\$ (49,085)</u></u>	<u><u>\$ (26,786)</u></u>

Nash County, North Carolina
Employee Healthcare Benefits
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Contributions from employer	<u>\$ 5,727,700</u>	<u>\$ 1,294,384</u>	<u>\$(4,433,316)</u>
OPERATING EXPENDITURES			
Claims costs	5,633,000	1,192,568	4,440,432
Wellness Program costs	<u>101,200</u>	<u>77,137</u>	<u>24,063</u>
Total operating expenditures	<u>5,734,200</u>	<u>1,269,705</u>	<u>4,464,495</u>
Operating Income (Loss)	<u>(6,500)</u>	<u>24,679</u>	<u>31,179</u>
Non-Operating Revenues			
Investment earnings	<u>6,500</u>	<u>14,766</u>	<u>8,266</u>
Other Financing Sources (Uses)			
Appropriated fund balance	<u>-</u>	<u>-</u>	<u>-</u>
Changes in net position	<u>\$ -</u>	<u>\$ 39,445</u>	<u>\$ 39,445</u>

Nash County, North Carolina
Workers' Compensation Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2019

	Budget	Actual	Variance Positive (Negative)
OPERATING REVENUES			
Contributions from employer	\$ 155,000	\$ 170,113	\$ 15,113
OPERATING EXPENDITURES			
Workers' compensation claims	400,000	264,262	135,738
Operating Income (Loss)	(245,000)	(94,149)	150,851
Non-Operating Revenues			
Investment earnings	15,000	26,495	11,495
Other Financing Sources (Uses)			
Appropriated fund balance	230,000	-	(230,000)
Changes in net position	\$ -	\$ (67,654)	\$ (67,654)

AGENCY FUND

Agency funds are used to account for assets held by the County as an agent for individuals and local governments.

Nash County, North Carolina
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019
<u>Social Service Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 23,034	\$ 130,681	\$ 133,796	\$ 19,919
Liabilities				
Due to individuals	\$ 23,034	\$ 130,681	\$ 133,796	\$ 19,919
<u>Jail Inmate Fund</u>				
Assets				
Cash and cash equivalents	\$ 34,621	\$ 324,429	\$ 321,801	\$ 37,249
Liabilities				
Due to inmates	\$ 34,621	\$ 324,429	\$ 321,801	\$ 37,249
<u>Property Tax Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 3,587	\$ -	\$ 3,587	\$ -
Receivables	335,876	3,318,262	3,327,240	326,898
Total Assets	\$ 339,463	\$ 3,318,262	\$ 3,330,827	\$ 326,898
Liabilities				
Due to Other Funds	\$ -	\$ 674	\$ -	\$ 674
Due for Taxes Receivable	339,463	3,318,262	3,331,501	326,224
Intergovernmental payable	\$ 339,463	\$ 3,318,936	\$ 3,331,501	\$ 326,898
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 838,803	\$ 838,803	\$ -
Liabilities				
Due to Other governments- Nash Rocky Mount School Board	\$ -	\$ 838,803	\$ 838,803	\$ -
<u>Rental Vehicle Taxes Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ 86,986	\$ 86,986	\$ -
Liabilities				
Miscellaneous Liabilities	\$ -	\$ 86,986	\$ 86,986	\$ -
<u>Total- All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 61,242	\$ 1,380,899	\$ 1,384,973	\$ 57,168
Accounts Receivable	335,876	3,318,262	3,327,240	326,898
Total Assets	\$ 397,118	\$ 4,699,161	\$ 4,712,213	\$ 384,066
Liabilities				
Due to Individuals	\$ 23,034	\$ 217,667	\$ 220,782	\$ 19,919
Due to Inmates	34,621	324,429	321,801	37,249
Due to Other Funds	-	674	-	674
Due for Taxes Receivable	339,463	3,405,248	3,418,487	326,224
Due to Other governments- Nash Rocky Mount School Board	-	838,803	838,803	-
Total Liabilities	\$ 397,118	\$ 4,786,821	\$ 4,799,873	\$ 384,066

OTHER SCHEDULES

This schedule contains additional information required on property taxes

- Schedule of Ad Valorem Taxes Receivables
- Analysis of Current Tax Levy- County- Wide Levy

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Nash County
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2019

	County Wide			Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
	Property Valuation	Rate	Total Levy		
Original Levy:					
Property taxed at current years rate	\$ 6,697,004,776	0.67	\$ 44,869,932	\$ 44,869,932	\$ -
Motor Vehicles	958,615,224	0.67	6,422,722	-	6,422,722
Dogs	-		14,171	14,171	-
Total	<u>7,655,620,001</u>		<u>51,306,825</u>	<u>44,884,103</u>	<u>6,422,722</u>
Discoveries:					
Current year taxes	1,553,284	0.67	<u>10,407</u>	<u>10,407</u>	<u>-</u>
Releases:	(7,282,687)	0.67	<u>(48,794)</u>	<u>(48,794)</u>	<u></u>
Total Property Valuation	<u>\$ 7,649,890,598</u>				
Net Levy			51,268,438	44,845,716	6,422,722
Uncollected taxes June 30, 2019			<u>588,704</u>	<u>588,704</u>	<u>-</u>
Current years taxes collected			<u>\$ 50,679,734</u>	<u>\$ 44,257,012</u>	<u>\$ 6,422,722</u>
Current levy collection percentage			<u>98.85%</u>	<u>98.69%</u>	<u>100.00%</u>
Prior year collection percentage			<u>98.73%</u>	<u>98.56%</u>	<u>100.00%</u>

Statistical Section

Statistical Section

The Statistical Section includes unaudited schedules showing relevant information on Nash County presented in the following five categories:

Financial Trends - Tables 1 - 4

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

Revenue Capacity - Tables 5 - 9

These tables contain information to help the reader assess the government's most significant local revenue source - the property tax.

Debt Capacity - Tables 10 - 13

These tables present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information - Tables 14 - 15

These tables offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information - Tables 16 - 18

These tables contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

Nash County, North Carolina
Financial Statements and Schedules

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Table 1

NASH COUNTY, NORTH CAROLINA

Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 38,100	\$ 26,720	\$ 10,065	\$ 8,212	\$ 6,576	\$ 250	\$ 2,028	\$ 2,288	\$ 43,546	\$ 45,915
Restricted	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093	11,546	14,980
Unrestricted	27,497	18,170	16,346	21,635	21,345	24,959	22,372	13,907	(59,691) *	(59,506)
Total Governmental activities net position	\$ 66,302	\$ 51,588	\$ 37,572	\$ 38,046	\$ 39,399	\$ 34,871	\$ 33,997	\$ 36,288	\$ (4,599)	\$ 1,389
Business-type activities										
Net investment in capital assets	\$ 15,355	\$ 16,852	\$ 14,599	\$ 15,616	\$ 16,973	\$ 17,472	\$ 19,925	\$ 20,343	\$ 20,406	\$ 20,480
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	4,663	2,483	5,241	2,488	1,588	1,732	2,647	2,851	1,507	2,131
Total business-type activities net position	\$ 20,018	\$ 19,335	\$ 19,840	\$ 18,104	\$ 18,561	\$ 19,204	\$ 22,572	\$ 23,194	\$ 21,913	\$ 22,611
Primary government										
Net investment in capital assets	\$ 53,455	\$ 43,572	\$ 24,664	\$ 23,828	\$ 23,549	\$ 17,722	\$ 21,953	\$ 22,631	\$ 63,952	\$ 66,395
Restricted	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093	11,546	14,980
Unrestricted	32,160	20,653	21,587	24,123	22,933	26,691	25,019	16,758	(58,184) *	(57,375)
Total primary government net position	\$ 86,320	\$ 70,923	\$ 57,412	\$ 56,150	\$ 57,960	\$ 54,075	\$ 56,569	\$ 59,482	\$ 17,314	\$ 24,000

* Net position decreased in 2018 as a result of the implementation of GASB 75.

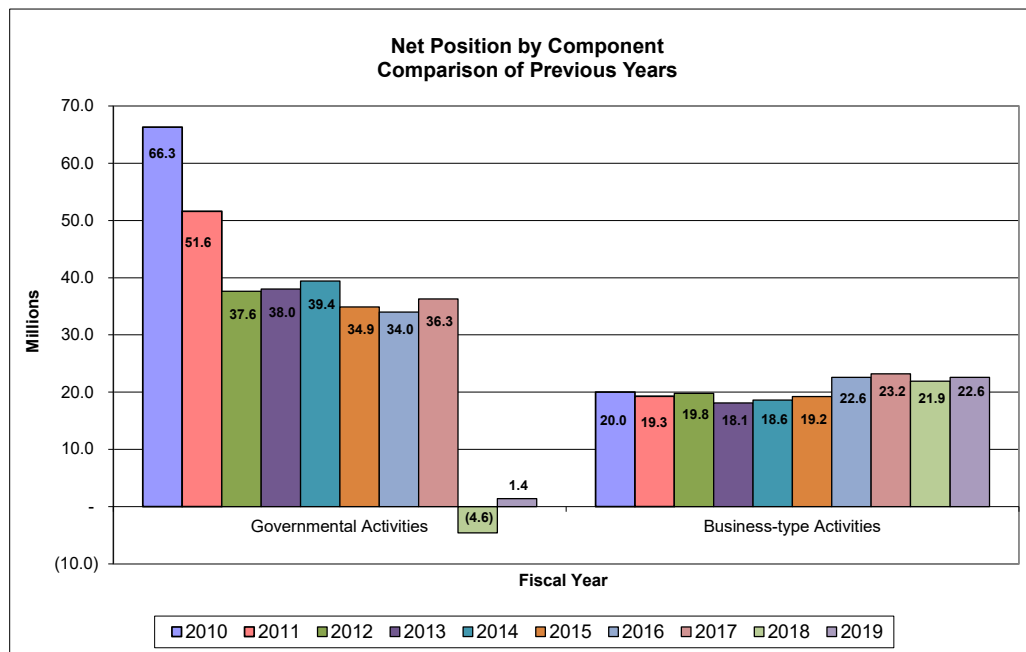


Table 2

NASH COUNTY, NORTH CAROLINA

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 9,249	\$ 10,626	\$ 10,641	\$ 9,106	\$ 9,411	\$ 8,971	\$ 11,128	\$ 10,643	\$ 10,876	\$ 10,061
Public safety	22,426	22,185	23,518	24,181	24,142	23,903	26,065	26,152	27,342	27,115
Transportation	411	408	409	338	322	300	329	308	326	270
Economic and physical development	2,936	3,513	2,825	3,849	3,265	1,533	2,563	3,358	2,283	7,458
Human services	27,004	25,781	26,593	26,211	26,866	25,982	26,151	27,150	24,078	22,795
Cultural and recreation	1,583	1,704	1,614	1,602	1,682	1,605	1,684	1,725	1,783	1,102
Education	26,042	51,507	38,579	25,383	26,031	30,548	24,706	24,514	24,164	25,126
Interest on long-term debt	708	2,012	1,904	1,858	2,424	1,991	1,626	1,901	1,408	1,464
Total governmental activities expenses	90,359	117,736	106,083	92,528	94,143	94,833	94,252	95,751	92,260	95,391
Business-type activities:										
Water and sewer	1,988	2,179	1,965	2,099	2,292	2,684	2,018	2,599	3,076	3,362
Solid waste disposal	2,336	3,023	2,368	3,944	2,058	2,065	2,608	2,643	2,709	2,851
Convenience centers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	4,324	5,202	4,333	6,043	4,350	4,749	4,626	5,242	5,785	6,213
Total primary governmental expenses	94,683	122,938	110,416	98,571	98,493	99,582	98,878	100,993	98,045	101,604
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 3,097	\$ 3,116	\$ 2,445	\$ 3,782	\$ 2,832	\$ 1,967	\$ 2,005	\$ 1,949	\$ 2,097	\$ 924
Public safety	4,525	4,009	3,575	3,798	3,382	4,433	4,671	4,889	4,814	5,278
Environmental protection	-	-	-	-	-	-	-	-	-	162
Economic & physical development	-	-	-	-	-	-	-	-	148	261
Human services	570	614	1,511	1,048	720	515	551	280	214	243
Cultural and recreation	-	-	-	-	-	-	-	-	-	198
Operating grants and contributions	22,778	34,239	22,819	22,406	24,480	22,868	21,578	20,374	17,256	19,020
Capital grants and contributions	856	1,236	114	65	57	82	252	2,145	1,759	1,119
Total governmental activities program revenues	31,826	43,214	30,464	31,099	31,471	29,865	29,057	29,637	26,288	27,205
Business-type activities:										
Charges for services:										
Water and sewer	1,097	1,205	1,167	1,232	1,534	1,615	1,833	2,370	2,321	2,875
Solid waste disposal	2,056	2,046	3,267	2,157	2,150	2,190	2,853	2,873	2,927	2,739
Convenience centers	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	2,587	1,239	379	889	1,120	1,134	1,790	886	68	908
Total business-type activities program revenues	5,740	4,490	4,813	4,278	4,804	4,939	6,476	6,129	5,316	6,522
Total primary governmental program revenues	\$ 37,566	\$ 47,704	\$ 35,277	\$ 35,377	\$ 36,275	\$ 34,804	\$ 35,533	\$ 35,766	\$ 31,604	\$ 33,727
Net (expense)/revenue										
Governmental activities	(\$58,533)	(\$74,522)	(\$75,619)	(\$61,429)	\$ (62,672)	\$ (64,968)	\$ (65,195)	\$ (66,114)	\$ (65,972)	\$ (68,186)
Business-type activities	1,416	(712)	480	(1,764)	454	190	1,850	887	(469)	309
Total primary governmental net expense	(\$57,117)	(\$75,234)	(\$75,139)	(\$63,193)	(\$62,218)	(\$64,778)	(\$63,345)	(\$65,227)	(\$66,441)	(\$67,877)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 48,476	\$ 48,436	\$ 49,155	\$ 49,874	\$ 51,846	\$ 51,317	\$ 51,884	\$ 53,962	\$ 53,079	\$ 54,842
Sales taxes	11,758	10,810	12,071	11,619	11,747	12,641	13,429	14,335	14,858	15,948
Excise taxes	182	142	144	186	203	211	261	246	306	310
Other taxes	68	72	77	80	82	79	87	92	93	96
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	280	348	156	143	147	122	165	400	726	1,083
Miscellaneous	-	-	-	-	-	-	-	-	-	145
Special item - Home Health Sale Proceeds	-	-	-	-	-	-	-	-	-	1,750
Transfers	-	-	-	-	-	(558)	(1,505)	302	(176)	-
Total governmental activities	60,764	59,808	61,603	61,902	64,025	63,812	64,321	69,337	68,886	74,174
Business-type activities:										
Other taxes & licenses	-	-	-	-	-	-	-	-	-	210
Investment earnings	81	29	25	29	3	5	13	37	116	179
Miscellaneous	-	-	-	-	-	-	-	2	-	-
Transfers	-	-	-	-	-	558	1,505	(302)	176	-
Total business-type activities	81	29	25	29	3	563	1,518	(263)	292	389
Total primary government	\$ 60,845	\$ 59,837	\$ 61,628	\$ 61,931	\$ 64,028	\$ 64,375	\$ 65,839	\$ 69,074	\$ 69,178	\$ 74,563
Change in Net Position										
Governmental activities	\$ 2,231	(\$14,714)	\$ (14,016)	\$ 474	\$ 1,353	\$ (1,156)	\$ (874)	\$ 3,223	\$ 2,914	\$ 5,988
Business-type activities	1,497	(683)	505	(1,736)	457	753	3,368	622	(177)	698
Total primary government	\$ 3,728	\$ (15,397)	\$ (13,511)	\$ (1,262)	\$ 1,810	\$ (403)	\$ 2,494	\$ 3,845	\$ 2,737	\$ 6,686

Table 3

NASH COUNTY, NORTH CAROLINA

**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General fund										
Reserved	\$7,242	-	-	-	-	-	-	-	-	-
Unreserved	23,169	-	-	-	-	-	-	-	-	-
Non Spendable		15	17	19	22	23	24	21	25	10
Restricted		5,543	6,524	6,980	11,032 ²	8,707	8,386	7,831	7,845	10,084
Committed		239	279	319	513	423	229	968	1,655	847
Assigned		3,323	2,199	4,476	7,061 ²	6,832	4,148	3,383	4,833	5,316
Unassigned		21,155	22,937	22,936	21,447	24,836	27,329	30,286	28,319	27,051
Total general fund	<u>\$30,411</u>	<u>\$30,275</u>	<u>\$31,956</u>	<u>\$34,730</u>	<u>\$40,075</u>	<u>\$40,821</u>	<u>\$40,116</u>	<u>\$42,489</u>	<u>\$42,677</u>	<u>\$43,308</u>
All other governmental funds										
Reserved	\$36,349	-	-	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,492	-	-	-	-	-	-	-	-	-
Capital projects funds	347	-	-	-	-	-	-	-	-	-
Restricted	-	4,156	1,583	1,399	1,812	987	1,243	1,503	6,071	5,262
Committed	-	2,539	2,417	2,286	2,287	5,353	5,561	2,350	3,021	1,092
Assigned	-	228	214	243	1,600	105	155	3,075	3,437	4,319
Unassigned	-	(505)	(76)	(408)	(951)	(14)	(112)	(168)	0	(175)
Restricted in Capital Project	-	18,991	3,054	1,213	-	-	-	-	-	-
Unassigned in Capital Project	-	(1,970)	-	-	-	-	-	-	-	-
Restricted in Bond Fund	-	-	-	-	6,855 ²	-	-	-	-	-
Committed in Bond Project	-	-	-	-	385	-	-	-	-	-
Total all other governmental funds	<u>\$40,188</u>	<u>\$23,439</u>	<u>\$7,192</u>	<u>\$4,733</u>	<u>\$11,988</u>	<u>\$6,431</u>	<u>\$6,847</u>	<u>\$6,760</u>	<u>\$12,529</u>	<u>\$10,498</u>

¹ The 2010 increase in reserved for capital projects funds is due to \$28,967,319 of Capital Projects Fund and \$7,308,333 capital projects in Other Governmental Funds.

² The 2014 increase in restricted General Fund is due to \$8,221,349 of unspent debt proceeds as of June 30, 2014. Increase in assigned fund balance is primarily due to receipt of NC Eastern Region payout funds for Nash County of \$1,570,743 and Eastern Region debt proceeds of \$576,923. The increase in restricted bond project funds is due to \$7,240,896 of capital outlays for the Nash Community College.

NOTE: GASB Statement #54 (Fund Balance Reporting) established new fund balance classifications in FY11. Fiscal years 2009 and 2010 are prior to the implementation of GASB Statement #54 and the second section beginning with fiscal year 2011 shows the fund balance information after the implementation of GASB Statement #54.

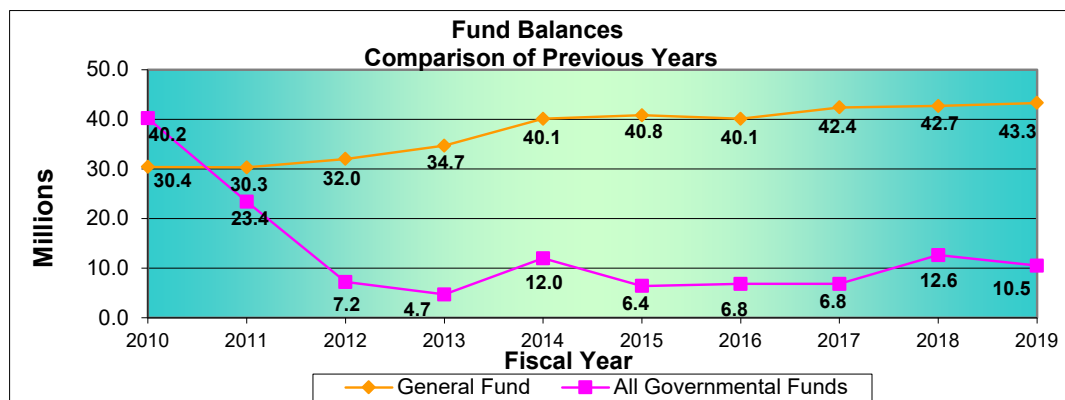


Table 4

NASH COUNTY, NORTH CAROLINA

Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Ad valorem taxes	\$48,278	\$48,301	\$48,978	\$49,612	\$52,673	\$51,834	\$52,170	\$53,619	\$53,384	\$55,097
Other taxes and licenses	12,008	11,024	12,292	11,884	12,032	12,931	13,777	14,672	15,257	16,354
Intergovernmental	23,054	34,015	22,981	21,928	22,716	22,698	21,690	22,340	18,784	19,839
Permits and fees	920	917	983	1,151	1,010	943	1,127	1,086	1,398	1,175
Sales and services	5,139	4,531	4,186	4,374	3,872	4,816	5,112	5,136	4,962	5,000
Investment earnings	274	291	154	142	146	120	160	400	726	1,083
Miscellaneous	2,555	3,584	2,147	3,457	3,688	1,224	956	1,044	1,255	3,085
Total revenues	<u>\$92,228</u>	<u>\$102,663</u>	<u>\$91,721</u>	<u>\$92,548</u>	<u>\$96,137</u>	<u>\$94,566</u>	<u>\$94,992</u>	<u>\$98,297</u>	<u>\$95,766</u>	<u>\$101,633</u>
Expenditures										
General government	8,826	10,472	10,039	8,446	8,616	8,309	8,861	8,828	9,900	9,193
Public safety	21,825	22,368	23,639	23,222	23,161	23,644	25,518	28,063	34,937	30,748
Transportation	397	381	343	301	315	300	329	308	326	435
Economic and physical development	5,233	3,706	2,654	3,652	3,085	3,219	2,727	3,306	3,154	8,306
Human services	26,231	25,683	25,626	25,483	25,999	26,074	25,529	26,059	23,139	23,022
Cultural and recreation	1,562	1,675	1,581	1,543	1,655	1,616	1,662	1,951	2,121	3,124
Education	25,976	51,431	38,513	25,316	25,964	30,481	24,640	24,447	24,097	25,060
Revaluation	-	-	-	-	-	-	-	-	-	-
Debt Service:										
Principal	2,580	2,800	3,132	2,876	3,388	7,256	3,839	3,269	4,732	4,961
Interest	708	2,012	1,905	1,858	1,980	1,933	1,667	1,729	1,444	1,384
Issuance	-	-	-	-	-	95	-	-	-	-
Total expenditures	<u>93,338</u>	<u>120,528</u>	<u>107,432</u>	<u>92,697</u>	<u>94,163</u>	<u>102,927</u>	<u>94,772</u>	<u>97,960</u>	<u>103,850</u>	<u>106,233</u>
Excess of revenues over (under) expenditures	(\$1,110)	(\$17,865)	(\$15,711)	(\$149)	\$1,974	(\$8,361)	\$220	\$337	(\$8,084)	(\$4,600)
Other financing sources (uses)										
Transfers in	505	730	27	354	2,780	1,945	1,150	1,597	1,755	9,983
Transfers out	(505)	(730)	(27)	(354)	(2,780)	(2,504)	(2,655)	(1,295)	(1,931)	(9,983)
Issuance of debt	-	-	-	-	-	-	-	14,000	1,700	3,200
Bonds issued	36,937	-	-	-	9,310	-	-	-	-	-
Refunding bonds issued	-	-	-	-	-	3,787	-	19,034	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(18,871)	-	-
Bond premium	994	-	-	-	380	-	-	-	-	-
Long-term debt issued	-	-	-	-	577	-	-	-	-	-
Sale of capital assets	-	-	70	-	-	-	-	-	-	-
Capital lease obligations issued	-	979	1,075	465	359	322	996	-	-	-
Total other financing sources (uses)	<u>37,931</u>	<u>979</u>	<u>1,145</u>	<u>465</u>	<u>10,626</u>	<u>3,550</u>	<u>(509)</u>	<u>14,465</u>	<u>1,524</u>	<u>3,200</u>
Net change in fund balances	<u>\$36,821</u>	<u>(\$16,886)</u>	<u>(\$14,566)</u>	<u>\$316</u>	<u>\$12,600</u>	<u>(\$4,811)</u>	<u>(\$289)</u>	<u>\$14,802</u>	<u>(\$6,560)</u>	<u>(\$1,400)</u>
Debt service as a percentage of noncapital expenditures	3.71%	4.17%	4.90%	5.23%	5.79%	9.31%	5.95%	5.37%	6.71%	6.46%

Table 5

NASH COUNTY, NORTH CAROLINA

General Government Tax Revenues By Source Last Ten Fiscal Years (modified accrual basis of accounting) (amounts expressed in thousands)

Fiscal Year	Property Tax	Intangible Tax	Sales Tax	Real Estate Transfer Tax	Rental Vehicle Tax	Privilege Licenses Tax	Total
2010	\$45,834	\$0	\$11,758	\$182	\$54	\$14	\$57,842
2011	45,832	-	10,810	142	56	16	56,856
2012	46,424	-	12,071	144	63	14	58,716
2013	46,965	-	11,619	186	65	15	58,850
2014	49,842	-	11,746	203	69	14	61,874
2015	48,902	-	12,641	211	72	7	61,833
2016	49,060	-	13,429	261	81	6	62,837
2017	50,342	-	14,335	246	86	6	65,015
2018	49,982	-	14,858	306	88	5	65,239
2019	51,590	-	15,948	310	90	6	67,944

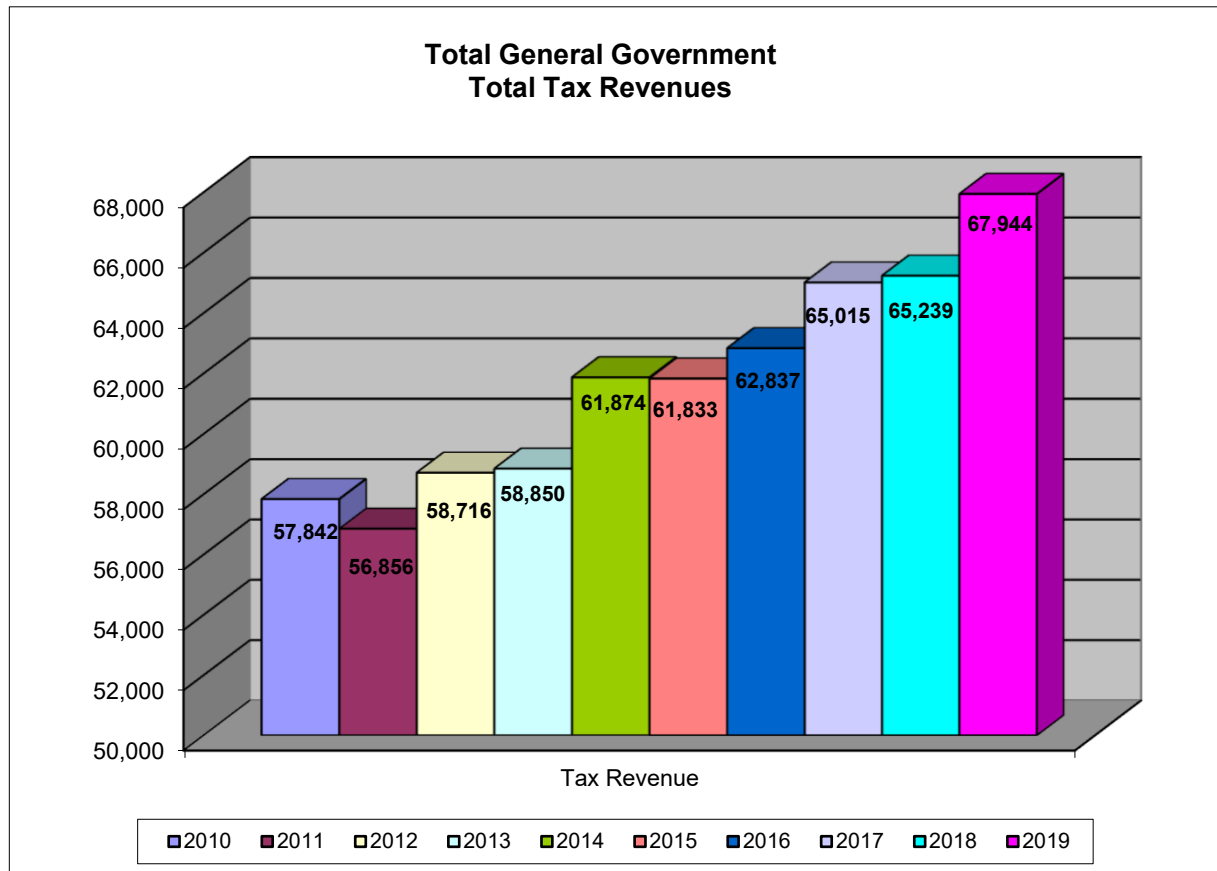


Table 6

NASH COUNTY, NORTH CAROLINA

Assessed Value and Estimated Actual Value of Taxable Property Last Ten Fiscal Years (in thousands of dollars)

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a % of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2010	\$3,752,284	\$2,510,928	\$679,641	\$958,630	(\$1,000,154)	\$6,901,329	0.67	\$7,097,942	97.23%
2011	3,769,534	2,539,620	643,305	960,321	(1,019,267)	6,893,513	0.67	7,125,815	96.74%
2012	3,792,117	2,638,493	682,422	956,318	(1,111,614)	6,957,736	0.67	7,001,848	99.37%
2013	3,803,337	2,634,284	731,442	954,638	(1,109,318)	7,014,383	0.67	6,971,162	100.62%
2014	3,826,638	2,654,172	860,376 ¹	933,828	(1,113,587)	7,240,869	0.67	7,190,535	100.70%
2015	3,867,641	2,687,683	789,100	978,586	(1,115,407)	7,207,603	0.67	7,078,074	101.83%
2016	3,906,983	2,715,023	829,198	938,467	(1,116,963)	7,272,708	0.67	7,181,503	101.27%
2017	4,146,726	2,771,996	889,136	920,771	(1,236,748)	7,491,881	0.67	7,327,740	102.24%
2018	3,776,711	3,209,327	917,626	1,046,530	(1,540,272)	7,409,922	0.67	7,528,878	98.42%
2019	4,123,075	3,503,774	958,615	1,048,864	(1,984,438)	7,649,890	0.67	8,265,683	92.55%

¹ This reporting year only - There are 4 months of Motor Vehicle Value overlap due to old RMV system billing 4 months in arrears, but the new VTS billing at front of cycle. This will not occur in subsequent years.

Source: County tax assessor

Note: Property in the county is reassessed every eight years. Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$100 of assessed value.

Table 7

NASH COUNTY, NORTH CAROLINA

Property Tax Rates Direct and Overlapping Governments Last Ten Fiscal Years

	Year Taxes Are Payable									
	¹ 2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	¹ 2017-18	2018-19
Nash County	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700
<u>Municipality Rates:</u>										
City of Rocky Mount	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800	0.6050	0.6050	0.6600	0.6850
Town of Sharpsburg	0.5000	0.5000	0.5250	0.5500	0.6500	0.6500	0.6500	0.6500	0.5500	0.5500
Town of Spring Hope	0.5700	0.5700	0.5700	0.5700	0.5700	0.6000	0.6300	0.6300	0.6300	0.6700
Town of Bailey	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6300
Town of Middlesex	0.5500	0.5500	0.5500	0.5000	0.5000	0.5200	0.5700	0.5700	0.5700	0.5700
Town of Whitakers	0.6900	0.6900	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200
Town of Nashville	0.5100	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5800
Town of Castalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2500	0.2500	0.3000	0.3000	0.3200
Town of Momeyer	0.0900	0.0900	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
<u>Other Districts:</u>										
Rocky Mount Municipal District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Nashville Municipal District	-	-	-	-	-	-	-	-	0.1000	0.1000
<u>Fire Districts:</u>										
Ferrells	.1200	.1200	.1336	.1336	.1336	.1336	.1336	.1336	.1336	.1336
N.S. Gulley	.1075	.1075	.1075	.1075	.1075	.1075	.1200	.1200	.1200	.1200
Harrison	.0700	.0900	.0900	.0900	.0900	.1000	.1000	.1000	.1000	.1000
Stanhope	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750
Stony Creek	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Green Hornet	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0700	.0700	.0700
Silver Lake	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900
Sims	.0400	.0464	.0464	.0464	.0464	.0464	.0464	.0464	.0464	.0464
Tri-County	.0800	.0800	.0800	.0800	.0800	.0800	.1000	.1000	.1000	.1000
Salem	.0800	.0800	.0800	.0800	.0800	.1200	.1200	.1200	.1200	.1200
West Mount	.0750	.0750	.0750	.0750	.0750	.0750	.1000	.1000	.1000	.1000
Coopers	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850
Castalia	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0785	.0785
Spring Hope	.0800	.0800	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.1000
Middlesex	.0500	.0500	.0500	.0500	.0500	.0800	.0800	.0800	.0800	.0800
Red Oak	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Momeyer	.0600	.0600	.0600	.0600	.0600	.0800	.0800	.0800	.0800	.0800
Whitakers	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750

¹ Revaluation years.

Note: The rates are shown per \$100 of taxable value. Real property is reappraised at 100% of fair market value every eight years. Personal property is reappraised annually at 100% of fair market value.

Source: County tax assessor.

Table 8

NASH COUNTY, NORTH CAROLINA

Principal Property Taxpayers as of January Current Year and Nine Years Ago (amounts expressed in thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Hospira Inc.	\$367,960	1	4.81%	\$153,426	2	2.22%
Consolidated Diesel Co.	213,947	2	2.80%	188,756	1	2.74%
Universal Leaf North America NC	99,673	3	1.30%	113,548	3	1.65%
Duke Energy Progress Inc.	66,465	4	0.87%	50,114	4	0.73%
McLane Mid Atlantic, Inc.	39,953	5	0.52%			
Kaba Ilco-Unican Corporation	25,068	6	0.33%	18,202	9	0.26%
Dominion North Carolina Power	22,193	7	0.29%			
Honeywell International Inc.	18,018	8	0.24%	17,973	10	0.26%
Carolina Innovative Food Ingredients	16,876	9	0.22%			
Lamberts Cable Splicing Co,	14,077	10	0.18%			
Hendon Golden East LLC			0.00%	35,681	5	0.52%
Carolina Telephone			0.00%	32,852	6	0.48%
PNC - RBC Centura Bank, Inc.			0.00%	27,349	7	0.40%
Cobb Corners LTD Partnership				23,081	8	0.33%
Totals	<u>\$884,230</u>		<u>11.56%</u>	<u>\$660,982</u>		<u>9.59%</u>

Source: County tax assessor

Table 9

NASH COUNTY, NORTH CAROLINA

Property Tax Levies and Collections Last Ten Fiscal Years (amounts expressed in thousands)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$46,000	\$44,205	96.10%	\$1,615	\$45,820	99.61%
2011	46,010	44,172	96.01%	1,681	45,853	99.66%
2012	46,574	44,629	95.82%	1,666	46,295	99.40%
2013	47,082	44,970	95.51%	1,798	46,768	99.33%
2014	48,580	47,477	97.73%	839	48,316	99.46%
2015	48,394	47,608	98.38%	585	48,193	99.58%
2016	48,799	48,044	98.45%	480	48,524	99.44%
2017	50,211	49,491	98.57%	408	49,899	99.38%
2018	49,661	49,032	98.73%	261	49,293	99.26%
2019	51,268	50,680	98.85%	0	50,680	98.85%

NOTE: Starting September 1, 2014 Motor Vehicle are billed thru Tax & Tag Together

Source: County tax assessor.

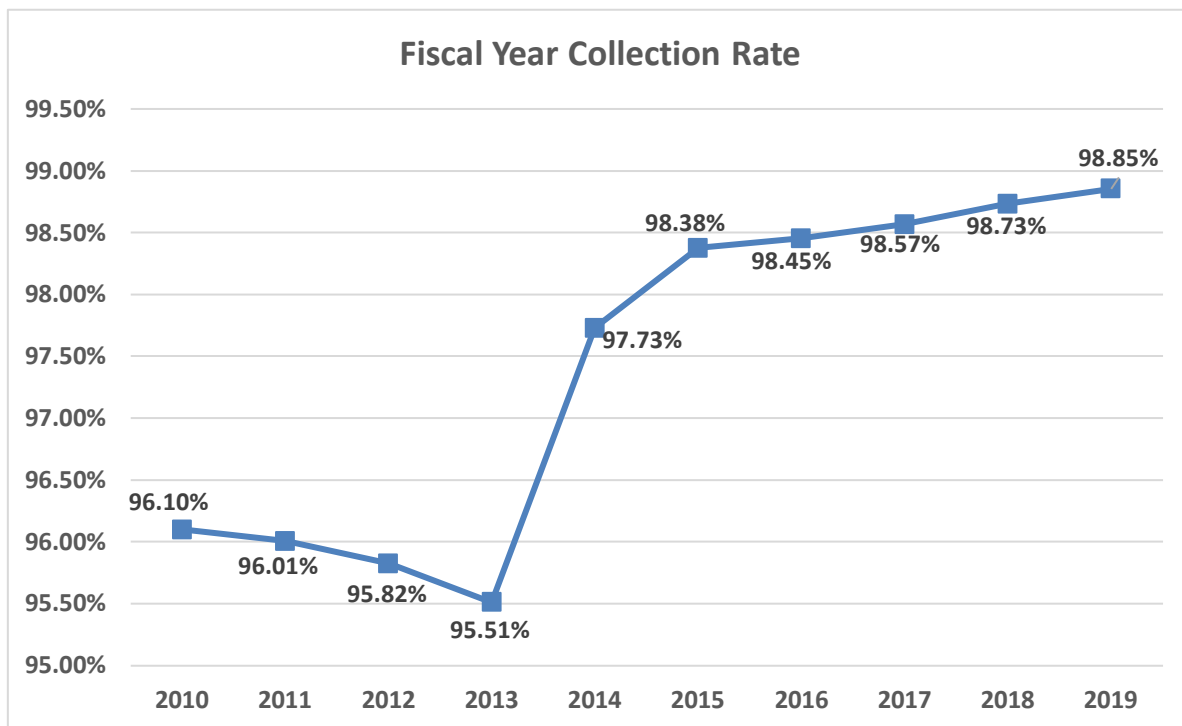


Table 10

NASH COUNTY, NORTH CAROLINA

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Installment Purchases	Limited Obligation Bonds	Capital Leases	Unamortized Premiums/ Discounts	Installment Purchases	Water Bonds			
2010	\$0	\$20,852	\$28,355	\$0	\$994	\$3,412	\$5,239	\$58,852	1.82%	\$614
2011	-	18,310	28,355	722	942	3,107	5,179	56,615	1.72%	590
2012	-	16,102	27,900	1,327	890	2,801	7,922	56,942	1.68%	595
2013	-	14,614	26,940	1,364	837	2,496	7,859	54,110	1.56%	565
2014	9,310	13,467	25,975	1,024	1,165	2,190	12,517	65,648	1.86%	693
2015	8,840	11,907	25,010	871	1,077	1,885	12,406	61,996	1.68%	657
2016	8,370	10,253	24,045	1,118	1,010	1,579	12,292	58,667	1.57%	622
2017	7,905	42,261	6,100	745	324	1,274	12,095	70,704	1.87%	751
2018	7,440	41,374	4,695	470	302	1,142	11,911	67,334	na	713
2019	6,975	41,682	3,290	270	279	1,011	11,712	65,219	na	682

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

¹ See the Schedule of Demographic and Economic Statistics in this section for personal income and population data.

Table 11

NASH COUNTY, NORTH CAROLINA

**Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(amounts expressed in thousands, except per capita amount)**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2010	\$ 5,239	\$ -	\$ 5,239	0.07%	55
2011	5,179	-	5,179	0.07%	54
2012	7,922	-	7,922	0.11%	82
2013	7,859	-	7,859	0.11%	82
2014	21,827	-	21,827	0.31%	230
2015	21,246	-	21,246	0.30%	225
2016	20,662	-	20,662	0.29%	219
2017	20,009	-	20,009	0.27%	212
2018	19,351	-	19,351	0.26%	205
2019	18,687	-	18,687	0.24%	195

¹See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property statistical table for property value data.

²Population data can be found in the Schedule of Demographic and Economic Statistics.

Table 12

NASH COUNTY, NORTH CAROLINA

Legal Debt Margin Information
Last Ten Fiscal Years
 (amounts expressed in thousands)

	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Debt limit	\$ 552,106	\$ 551,481	\$ 556,619	\$ 561,151	\$ 579,270	\$ 576,608	\$ 581,817	\$ 599,350	\$ 592,794	\$ 611,991
Total net debt applicable to limit	<u>5,239</u>	<u>5,179</u>	<u>7,922</u>	<u>7,859</u>	<u>21,827</u>	<u>21,246</u>	<u>20,662</u>	<u>20,009</u>	<u>19,351</u>	<u>18,687</u>
Legal debt margin	<u>\$ 546,867</u>	<u>\$ 546,302</u>	<u>\$ 548,697</u>	<u>\$ 553,292</u>	<u>\$ 557,443</u>	<u>\$ 555,362</u>	<u>\$ 561,155</u>	<u>\$ 579,341</u>	<u>\$ 573,443</u>	<u>\$ 593,304</u>
Total net debt applicable to the limit as a percentage of debt limit	0.95%	0.94%	1.42%	1.40%	3.77%	3.68%	3.55%	3.34%	3.26%	3.05%

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	<u>\$ 7,649,890</u>
Debt Limit (8% of total assessed value)	\$ 611,991
Debt applicable to limit:	
Water bonds	\$ 11,712
General Obligation Bond	<u>\$ 6,975</u>
Total net debt applicable to limit	<u>\$ 18,687</u>
Legal debt margin	<u>\$ 593,304</u>

Note: Under state finance law, Nash County's net debt should not exceed 8 percent of total assessed property value.

Table 13

NASH COUNTY, NORTH CAROLINA

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(amounts expressed in thousands)**

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable¹	Estimated Share of Direct and Overlapping Debt
Direct:			
Nash County	52,497	100.00%	52,497
Overlapping:			
Town of Sharpsburg	\$ 1,407	0.74%	\$ 10
Total direct and overlapping debt			<u><u>\$ 52,507</u></u>

Source: North Carolina Department of State Treasurer www.nctreasurer.state.nc.us

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

¹ The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the government's boundaries and dividing it by the county's total taxable assessed value.

Table 14

NASH COUNTY, NORTH CAROLINA

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income (amounts expressed in thousands) ²	Per Capita Personal Income ²	Median Age ¹	School Enrollment ³	Unemployment Rate ⁴
2010	95,894	\$ 3,237,490	\$ 33,761	38.6	17,282	12.2
2011	95,912	3,284,494	34,245	39.4	17,767	12.7
2012	95,708	3,393,700	35,459	39.7	17,500	12.8
2013	95,728	3,475,011	36,301	40.0	16,443	12.6
2014	94,744	3,538,889	37,505	41.0	16,200	8.8
2015	94,338	3,685,035	38,982	41.0	15,672	8.0
2016	94,280	3,748,423	39,758	41.2	15,630	6.8
2017	94,188	3,787,736	40,299	41.4	15,257	6.0
2018	94,420	na	na	41.4	15,078	5.8
2019	95,612	na	na	41.4	15,077	5.7

Data Sources

¹ North Carolina Office of State Budget and Management <http://www.osbm.state.nc.us>

² Bureau of Economic Analysis: Regional Economic Accounts > Local Area Personal Income www.bea.gov

³ School District

⁴ Employment Security Commission of North Carolina www.ncesc.com

Note: Capital income and per capita personal income are based on the latest available data. Personal income information is a total for the year. Unemployment rate information is an adjusted yearly average. School enrollment is based on the census at the start of the school year.

Table 15

NASH COUNTY, NORTH CAROLINA

Principal Employers Current Year and Nine Years Ago

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Pfizer Inc. (Hospira in 2010)	3,000	1	7.41%	1,800	2	4.42%
Nash-Rocky Mount Schools	2,012	2	4.97%	2,197	1	5.39%
Cummins, Inc. (Consolidated Diesel)	2,000	3	4.94%	1,250	5	3.07%
Nash Health Care Systems	1,600	4	3.95%	1,500	3	3.68%
Universal Leaf North America NC	1,000	5	2.47%	1,253	4	3.07%
McLane Mid-Atlantic, Inc.	950	6	2.35%	520	10	1.28%
City of Rocky Mount	850	7	2.10%	1,200	6	2.94%
Nash County	575	8	1.42%	600	8	1.47%
Wal-Mart	500	9	1.24%	-	-	-
Alorica (formerly West Corp.)	500	10	1.24%	-	-	-
PNC Bank (RBC Bank)				1,150	7	2.82%
Kaba Ilco-Unican Corporation			0.00%	550	9	1.35%
Total	12,987		32.09%	12,020		29.49%

Source: Nash County business community.

Table 16

NASH COUNTY, NORTH CAROLINA

Full-time Equivalent County Government Employees by Function Last Ten Fiscal Years

Function	Full-time Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	62.4	63.4	67.3	65.5	66.3	60.2	65.0	65.0	64.5	64.2
Public safety										
Sheriff										
Deputies	78.0	78.0	77.0	77.0	77.0	84.0	87.0	87.7	89.1	94.0
Civilians	57.0	57.0	58.0	58.0	58.0	55.0	53.0	53.0	54.8	54.9
Emergency Services	114.1	114.1	120.1	120.1	125.1	126.3	126.4	126.4	133.4	128.9
Other Public Safety	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Economic Development	30.4	29.7	27.7	26.0	25.8	24.5	24.5	24.5	25.8	27.2
Human Services										
Health	119.8	117.7	115.5	116.7	114.9	111.8	111.1	111.3	107.6	101.1
Social Services	165.0	165.0	165.0	165.0	164.0	161.3	166.3	167.3	165.3	171.8
Other Human Services	28.6	28.4	28.1	28.9	27.3	28.3	28.6	28.7	28.0	31.2
Utilities	5.5	7.0	7.1	6.8	8.0	8.8	7.5	7.5	7.8	6.9
Cultural & Recreational	6.5	8.0	7.5	8.0	8.0	8.5	8.5	8.0	7.5	11.9
Total	672.3	673.3	678.3	677.0	679.4	673.6	682.9	684.3	688.6	697.0

Source: Nash County finance office.

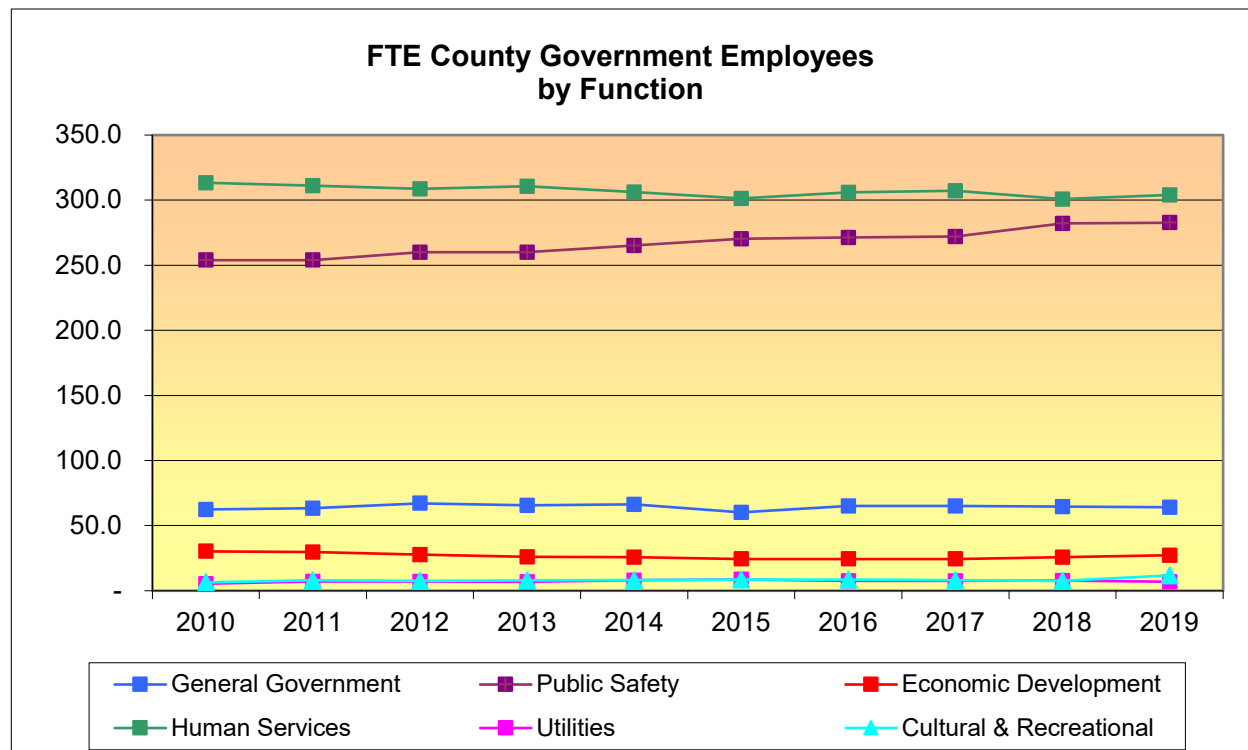


Table 17

NASH COUNTY, NORTH CAROLINA

Operating Indicators by Function
Last Ten Fiscal Years

Function	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Sheriff										
Physical arrests	5,840	5,656	2,316	2,418	2,286	2,006	1,529	1,074	773	771
Serving civil papers (evictions, executions, court)	19,121	18,454	21,112	20,348	11,753	12,438	12,177	12,374	11,003	12,297
Traffic violations/citations	1,779	675	534	475	355	619	781	645	503	787
Cases in review by investigations	1,764	1,082	1,077	1,103	1,541	1,933	1,736	1,566	1,096	2,482
Cases closed/cleared	1,219	568	550	581	971	1,322	677	1,185	529	1,877
Calls for service	23,614	21,643	22,442	22,130	25,691	21,643	23,710	26,526	27,340	24,185
Transports	1,065	1,598	1,251	1,927	1,881	1,533	1,169	1,231	2,038	1,345
Emergency Services										
Number incoming/outbound calls	180,894	170,426	179,712	166,944	169,803	172,745	176,384	169,735	163,464	158,424
Number of calls for service dispatched from 911 Center	79,774	91,566	110,925	112,474	115,056	103,788	119,516	119,681	120,657	78,695 ¹
Public education events	8	8	8	10	10	10	10	8	7	6
Fire										
Inspections	834	985	1,023	1,203	1,404	824	991	1,107	927	1,388
Number of fire investigations	23	31	24	21	22	15	10	19	19	19
Plans review	31	38	33	26	19	53	69	51	31	65
Assist Fire Departments	-	-	-	-	-	-	-	-	104	126
Emergency Mgmt Plan Reviews	-	-	-	-	-	-	-	-	53	42
Hazardous Material Response	-	-	-	-	-	-	-	-	-	8
Economic Development										
Permits issued (building, electrical, mechanical, plumbing, etc.)	3,243	3,296	3,255	3,409	2,538	2,805	2,977	3,175	3,239	3,264
New residential construction (units)	170	112	138	141	132	130	115	143	252	355
New commercial construction (units)	15	21	16	19	13	16	17	21	19	19
Building inspections performed	8,807	8,359	8,936	8,387	7,358	7,577	7,369	8,197	8,868	8,730
Cultural										
Parks & Recreation:										
Baseball Participants	-	-	-	303	417	447	478	563	597	511
Youth Softball Participants	-	-	-	82	142	126	168	220	240	235
Youth Basketball Participants	-	-	-	-	315	358	395	447	462	446
Adult Basketball Participants	-	-	-	-	-	-	26	100	60	101
Football Participants	-	-	-	-	99	152	213	171	145	176
Cheerleading Participants	-	-	-	-	39	51	58	58	43	34
Futsal Participants	-	-	-	-	-	-	48	88	118	171
Youth Volleyball Participants	-	-	-	-	-	-	26	60	95	154
Adult Soccer	-	-	-	-	-	-	-	-	60	87
Youth Soccer	-	-	-	-	621	741	825	940	989	905
Youth Flag Football	-	-	-	-	-	-	-	-	127	143
Adult Flag Football	-	-	-	-	-	-	-	-	-	269
Parks to Maintain	-	-	-	-	-	4	5	5	6	8
Park Acreage	-	-	-	-	-	51	114	114	117	144
Solid Waste										
Refuse collected (tons/day)	73.6	79.6	129.3	60.7	64.7	78.4	64.9	59.1	55.7	67.8
Utilities										
Water										
Total water customers	1,538	1,996	2,115	2,177	2,656	2,765	2,862	3,074	3,194	3,207
Water mains breaks	-	3	2	4	6	7	4	5	3	2
Average daily consumption (thousands of gallons)	178	202	219	279	334	302	337	393	434	435
Sewer										
Total sewage customers	270	252	263	267	267	266	254	256	267	246
Average daily sewage treatment (thousands of gallons)	77	55	61	76	84	63	49	104	133	148

Sources: Various Nash County government departments.

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

¹CAD dispatches in previous years included multiple Unit/Department dispatches for each call. 2019 began showing only the number of CAD entries that dispatches were made from.

Table 18

NASH COUNTY, NORTH CAROLINA

Capital Asset Statistics by Function Last Ten Fiscal Years

Function	Fiscal Year									
	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Public safety										
Emergency Medical Services:										
Stations - County Owned	1	1	2	2	2	3	3	3	3	3
- Rented Space	9	9	8	8	8	7	7	8	8	8
Ambulances	19	19	20	21	21	21	21	21	21	21
Quick Response Vehicles (QRV)	5	6	6	6	6	7	7	7	7	7
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	76	76	76	76	76	81	82	82	86	95
Solid Waste										
Convenience Sites	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	100.4	127.8	129.2	129.2	140.1	188.0	188.0	193.0	194.0	194.3
Fire hydrants	186	214	216	216	283	295	302	312	316	316
Maximum daily capacity (thousands of gallons)	989	989	989	989	989	989	989	989	989	989
Sewer										
Sanitary sewers (miles)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	11.0	11.0
Maximum daily treatment capacity (thousands of gallons)	300	300	300	300	300	300	300	300	300	300

Sources: Various Nash County government departments.

COMPLIANCE SECTION



**Report On Internal Control Over Financial Reporting And On Compliance and
Other Matters Based On An Audit Of Financial Statements Performed In Accordance With
*Government Auditing Standards***

Independent Auditors' Report

To the Board of County Commissioners
Nash County, North Carolina

We have audited, in accordance with the 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, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nash County, North Carolina, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Nash County basic financial statements, and have issued our report thereon dated November 26, 2019.

Internal Control Over Financial Reporting

internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Nash 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 the 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 weakness or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Nash County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 26, 2018



**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

**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 County Commissioners
Nash County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Nash County, North Carolina's, compliance 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 on each of the Nash County's major federal programs for the year ended June 30, 2019. Nash County's major federal programs are identified in the summary of auditors' 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 its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Nash County'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 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, the 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. We performed our testing, on a test basis, evidence about Nash 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 of Nash County's compliance.

Opinion on Each Major Federal Program

In our opinion, Nash 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 federal programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Nash 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 of compliance, we considered the Nash County internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with 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 federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a 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 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 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 significant deficiencies or material weaknesses 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. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items [2019-001, 2019-002] that we consider to be significant deficiencies.

Nash County's response to the internal control over compliance findings identified in our audit are described in the accompanying Corrective Action Plan. Nash 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.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
November 26, 2019



Thompson, Price, Scott, Adams & Co, P.A.

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Whiteville, NC 28472
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**Alan W. Thompson, CPA
R. Bryon Scott, CPA
Gregory S. Adams, CPA**

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

Independent Auditors' Report

To the Board of County Commissioners
Nash County, North Carolina

Report on Compliance for Each Major State Program

We have audited Nash County, North Carolina's, 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 Nash County's major state programs for the year ended June 30, 2019. Nash County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of Nash County's major state 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 applicable sections of Title 2 US 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 with material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about Nash County's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

Members

American Institute of CPAs - N.C. Association of CPAs - AICPA Division of Firms

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 Nash County's compliance.

Opinion on Each Major State Program

In our opinion, Nash County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2019.

Report on Internal Control Over Compliance

Management of Nash 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 of compliance, we considered Nash County's internal control over compliance with the types of requirements that could have a material effect on a major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with 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 a 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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Thompson, Price, Scott, Adams & Co., P.A.

Thompson, Price, Scott, Adams & Co., P.A.

Whiteville, NC

November 26, 2019

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

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to financial statements noted ___ yes X no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses X yes ___ none reported
- Noncompliance material to federal awards ___ yes X no

Type of auditor's 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) ___ X yes ___ no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
16.922	Equitable Sharing Program
93.658, 93.659	IV-E Foster Care and Adoption Assistance Cluster
93.778	Medical Assistance Program

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

Auditee qualified as low-risk auditee? ___ yes X no

State Awards

Internal control over major State programs:

- Material weakness(es) identified? ___ yes X no
- Significant deficiency(ies) identified that are not considered to be material weaknesses ___ yes X none reported
- Noncompliance material to State awards ___ yes X no

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

Any audit findings disclosed that are required to be reported in accordance with the State Single Audit Implementation Act ___ yes X no

Identification of major State programs:

Program Name
Equitable Sharing Program
IV-E Foster Care and Adoption Assistance Cluster
Medical Assistance Program
Parks and Recreation Trust Fund
School Nurse Funding Initiative
Public School Building Capital Fund - Lottery Proceeds

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

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding: 2019-001

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient meets specific income standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were six errors discovered during our procedures that inaccurate information was entered when determining eligibility. Four of the six errors were inaccurate income calculation; One of the six errors was incorrect household size calculation. One of the six errors resulted in a applicant receiving benefits from the wrong class of the program.
Questioned Cost:	The amounts paid out for the above ineligible participants did not exceed the threshold for a questioned cost determination.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect income. Therefore a participant could have been approved to receive assistance for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

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

Section III - Federal Award Findings and Questioned Costs (Continued)

US Department of Health and Human Services

Passed through the NC Department of Health and Human Services
Program Name: Medicaid Assistance Program (Medicaid; Title XIX)
CFDA# 93.778

Finding: 2019-002

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.
Condition:	There were five errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable. Three of the five errors for which online verification for resources were incomplete.
Questioned Cost:	There was no affect to eligibility and there were no questioned costs.
Context:	We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, a participant could have been approved to receive benefits for which they were not eligible.
Cause:	Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.
Recommendation:	Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.
Views of responsible officials and planned corrective actions:	The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

Section IV - State Award Findings and Questioned Costs

None Reported.

Nash County



Corrective Action Plan For the Year Ended June 30, 2019

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

Finding 2019-001

Name of contact person: Angel Carpenter, Family & Children's Medicaid Supervisor

Corrective Action: Medicaid caseworkers will receive additional and/or refresher training to include but not limited to running online data (OVS) when required, reviewing case determinations to ensure correct income and household size are being counted for each household member actively receiving on case(s), and accuracy of data entered onto dashboard. Second Party reviews will continue to be conducted to monitor continued progress and to ensure policies and procedures are correctly followed by caseworkers. Documentation templates have also been created and put into place to assist in ensuring cases are thoroughly documented. Case errors will be included on the Agenda for upcoming Staff Meeting and discussion will include review of accuracy/double checking determination decisions to ensure they are correct prior to authorizing or releasing determinations from hold on cases in NC FAST and ensuring correct income and household compositions are correct on determinations prior to authorizing or releasing cases from hold.

Proposed completion date: Management will continue to monitor progress of these issues, as well as any others found, and address with training, staff meetings, etc. as needed when discovered.

Finding 2019-002

Name of contact person: Audrey C. Jones, IMS II

Corrective Action: Medicaid Caseworkers will receive additional and/or refresher training in the areas of entering the correct verifications and end dating evidence in NCFast for resource verifications to match verifications received. Staff will be reminded to make certain the verifications entered reflect correctly within NCFast under the Household Resource Tab of the eligibility check and comments are entered for all evidence showing the date, source and base period verified. There will be additional and/or refresher training in the area of conversion of earned income and the proper sources of income verification. There is an automated budget sheet to assist in this area that is used by staff as a comparison to the calculations completed within NCFast. Second Party review will continue to be conducted by the Supervisor and Lead Worker to monitor the items noted within the Corrective Action Plan. Discussion will occur with staff if errors are discovered and covered as a unit within scheduled unit meetings. Discussion will include noted errors, policy, reminders of reviewing determination decisions to ensure they are correct prior to authorizing or releasing determinations from hold, and examples of correct actions.

Proposed completion date: The noted areas are currently being reviewed by Second Party review. Management will continue to monitor the progress of this issue and modify as needed. Medicaid caseworkers will receive additional training in the above area. The Supervisor and Lead Worker will review second party review forms monthly to determine if correct actions are being taken in the area of resources and earned income calculations.

Section IV - State Award Findings and Questioned Costs

None Reported.

Nash County, North Carolina
Summary Schedule of Prior Year Audit Findings
For the Year Ended June 30, 2019

None reported.

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

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Federal Awards:						
<u>U.S. Dept. of Agriculture</u>						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 1,017,825	\$ -	\$ -	\$ 1,017,825
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	13A2-5403-GF	487,048	-	-	-
Agricultural Conservation Easement Program	10.931	13A2-5403-GF	3,840	-	-	-
Total U.S. Department of Agriculture			<u>1,508,713</u>	<u>-</u>	<u>-</u>	<u>1,017,825</u>
<u>U.S. Dept. of Housing and Urban Development</u>						
Passed-through HOME Investment Partnership Program:						
NCHFA Essential Single Family Rehab Program 17	14.239	ESFRLP1716	185,293	-	-	-
NCHFA Essential Single Family Rehab Program-Disaster Recovery	14.239	ESFRLPDR25	243,571	-	-	-
Total U.S. Department of Housing and Urban Development			<u>428,864</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Justice</u>						
Direct Program:						
Equitable Sharing Program	16.922	NC0640000	804,809	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	PROJ11474	33,639	-	-	-
Total U.S. Dept. of Justice			<u>838,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
RPO Grant - Upper Coastal Plan OPS/Studies	20.205-8	48232.4.19	52,363	-	-	6,137
RPO Grant - Upper Coastal Plain RPO	20.205-8	47551.1.20	29,098	-	-	-
NC Gov Hwy Traffic Safety	20.600	22019.6.10	29,652	-	-	-
Total U.S. Dept. of Transportation			<u>111,113</u>	<u>-</u>	<u>-</u>	<u>6,137</u>
<u>U.S. Dept. of Treasury</u>						
Direct Program:						
Treasury Forfeiture Fund Program	21.016	NC0640000	11,315	-	-	-
Total U.S. Dept. of Treasury			<u>11,315</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Emergency Management Performance	97.042	EMA-2016-EP-00002-S01	52,899	-	-	-
Homeland Security 2017	97.067	EMW-2017-SS-00085-S01	84	-	-	-
Homeland Security 2016	97.067	EMW-2016-SS-0011	2,086	-	-	-
Homeland Security 2015	97.067	EMW-2015-1531#2	84	-	-	-
Total U. S. Department of Homeland Security			<u>55,153</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Institute of Museum and Library Services</u>						
Passed-through N.C. Dept. of Cultural and Natural Resources						
Division of State Library						
LSTA NC Cardinal Migration	45.310	LS-00-18-0034-18	8,154	-	-	-
Total Institute of Museum and Library Services			<u>8,154</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<u>U.S. Dept. of Health & Human Services</u>						
Passed-through Upper Coastal Plain Council of Governments:						
Division of Aging and Adult Services:						
<u>Aging Cluster:</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		150,142	8,832	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		146,862	8,639	-	-
National Family Caregiver Support Title III-Part E	93.052		23,006	1,534	-	-
Nutrition Services Incentive Program	93.053		27,302	-	-	-
Total Aging Cluster			347,312	19,005	-	-
Division of Social Services:						
Temporary Assistance for Needy Families Cluster						
TANF - Work First	93.558		846,186	-	-	1,310,064
Division of Public Health						
TANF - Work First	93.558	13A1-5151-T2	17,987	-	-	-
Total TANF Cluster			864,173	-	-	1,310,064
<u>Foster Care and Adoption Cluster (Note 4)</u>						
Foster Care - Title IV-E	93.658	1601NCFOST	377,806	110,991	-	197,851
Foster Care	N/A		80,433	-	-	26,019
Adoption Assistance	93.659		50,113	-	-	48,024
IV-E Adoption	N/A		(503)	-	-	503
Total Foster Care and Adoption Cluster (Note 4)			507,849	110,991	-	272,397
AFDC Payments & Penalties	93.560		(54)	(15)	-	(15)
Child Support Enforcement	93.563		1,159,068	-	-	597,096
Refugee and Entrant Assistance - Administered	93.566		(96)	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		81,970	-	-	-
Energy Assistance Payments	93.568		425,496	-	-	-
Crisis Intervention Program	93.568		360,134	-	-	-
Total Low-Income Home Energy Assistance			867,600	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
- Permanency Planning - Families for Kids	93.645		28,111	-	-	9,370
Chafee Foster Care Independence Program	93.674		12,758	3,064	-	-
SSBG - Other Service and Training	93.667		409,557	-	-	136,518
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		33,304	-	-	4,758
SSBG - State Adult Day Care	93.667		24,046	5,627	-	7,650
Passed-through Upper Coastal Council of Governments:						
Social Service Block Grant (SSBG) - In Home Services	93.667		92,482	2,642	-	-
Total Social Service Block Grant			559,389	8,269	-	148,926
Division of Child Development and Early Education:						
Subsidized Child Care						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Fund-Administration	93.596		125,040	-	-	-
Total Subsidized Child Care			125,040	-	-	-

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

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778		2,312,839	10,819	-	927,437
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		68,911	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Public Health Emergency Preparedness	93.069		3,119	-	-	-
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1264-2680-M8	34,132	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116	1460-272A-NF	28,383	-	-	-
Family Planning Services	93.217	13A1-592A-FP	48,362	-	-	-
Immunization Grants	93.268		30,180	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	1261-5803-00	39,946	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898	1320-5599-00	29,580	-	-	-
Healthy Start Initiative	93.926	13A1-530B-JA	123,620	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.977	1311-462B-NB	100	-	-	-
Maternal and Child Health Services Block Grant	93.994	13A1-5140-AP	130,229	8,320	-	-
Total U.S. Dept. of Health and Human Services			7,320,551	160,453	-	3,265,275
Total Federal Awards			\$ 10,282,311	\$ 160,453	\$ -	\$ 4,289,237
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service		NA	\$ -	\$ 2,216	\$ -	\$ -
Total N.C. Dept. of Administration			-	2,216	-	-
<u>N.C. Dept. of Cultural and Natural Resources</u>						
Division of State Library						
State Aid to Public Libraries		NA	-	129,310	-	-
Division Of Parks and Recreation						
Parks and Recreation Trust Fund		2018-862	-	401,690	-	-
Grants-In-Aid - Nash County Play Together Park		1680	-	125,000	-	-
Total N.C. Dept. of Cultural and Natural Resources			-	656,000	-	-
<u>N.C. Department of Commerce</u>						
Division of Rural Economic Development						
Community Development Block Grant			-	6,686	-	-
Golden LEAF Disaster Recovery Grant			-	99,255	-	-
Total N.C. Department of Commerce			-	105,941	-	-
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
Soil Conservation State Match		G40100293015SWC	-	3,600	-	-
Electronic Management Program			-	6,952	-	-
NC Agriculture Cost Share - Technical Assistance		G40100293015SWC	-	26,820	-	-
Environmental Health		NCAS 16001C6418	-	20,839	-	-
Total N.C. Dept. Environmental Quality			-	58,211	-	-

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

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<u>N.C. Department of Agriculture and Consumer Services</u>						
Division of Soil and Water Conservation						
Storm Debris Removal Project		17-175-4069	-	202,084	-	-
Division of Marketing						
Farmers Market Cooperative Advertising Program			-	1,837	-	-
Total N.C. Department of Agriculture and Consumer Services			-	203,921	-	-
<u>N.C. Dept. of Health and Human Services</u>						
Division of Aging and Adult Services						
State Appropriation - Access			-	10,956	-	-
State Appropriation - In-Home Services			-	266,687	-	-
State Appropriation - Home Delivered Meals			-	80,804	-	-
State Appropriation - Senior Center Development			-	10,693	-	-
Total Division of Aging and Adult Services			-	369,140	-	-
Division of Social Services						
ST Child Welfare/CPS/CS LD			-	191,586	-	-
County Funded Programs			-	-	-	930,091
Energy Assistance			-	3,458	-	-
AFDC Incent/Prog Integrit			-	298	-	-
Non-Allocating Reimbursable			-	-	-	142,020
Work First Non Reimbursable			-	-	-	19,476
Extended FC/Max Non IV-E			-	5,706	-	-
F/C At Risk Maximization			-	7,143	-	1,380
SFHF Maximization			-	35,496	-	35,496
State Foster Home			-	44,180	-	44,180
Total Division of Social Service			-	287,867	-	1,172,643
Division of Public Health						
Food and Lodging Fees		NA	-	20,839	-	-
Mosquito and Tick Suppression		1153-4801-00	-	9,500	-	-
CHA/CHIP Peer Review			-	172,429	-	-
Public Health Nursing		1161-4110-00	-	600	-	-
General Communicable Disease Control		1175-4510-00	-	4,196	-	-
Child Health		1271-5745-00	-	27,453	-	-
HIV/STD STATE		1311-4536-RQ	-	37,798	-	-
Evidence - Based Intervention Services		1311-4541-BN & 1311-4541-RQ	-	52,702	-	-
STD Drugs		1311-4601-RQ	-	1,554	-	-
Breast and Cervical Cancer Control		1320-5599-00	-	25,500	-	-
School Nurse Funding Initiative		1332-5353-00	-	250,000	-	-
Family Plannning - State		1332-5353-00	-	61,228	-	-
Maternal Health		13A1-5740-00	-	2,610	-	-
Women's Health Service Fund		13A1-6016FR	-	6,727	-	-
TB Control		1460-4551-00 & 1460-4554-00	-	53,808	-	-
Total Division of Public Health			-	726,944	-	-
Total N. C. Department of Health and Human Services			-	1,383,951	-	1,172,643
<u>N.C. Dept. of Insurance</u>						
SHIIP Grant		NA	-	8,198	-	-
MIPPA Grant		NA	-	7,549	-	-
Total N.C. Dept. of Insurance			-	15,747	-	-
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds		NA	-	905,000	-	-
Total N.C. Dept. of Public Instruction			-	905,000	-	-

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

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
<u>N.C. Dept. of Public Safety</u>						
Juvenile Crime Prevention Programs						
Freedom School		864-11629	-	25,000	-	5,000
Impact Plus Nash		864-10325	-	40,940	-	8,188
JCPC Administration		864-11454	-	7,558	-	-
Nash County Transition/RE-Entry		864-11041	-	60,000	-	12,000
Nash Tri-County Therapeutic Foster Care		864-10384	-	55,624	-	11,125
Resolve It Together		864-10590	-	15,991	-	3,199
Teen Court		864-10603	-	35,701	-	7,141
Alternatives to Commitment Program (ACP)		864-22732	-	69,131	-	-
Total Juvenile Crime Prevention Programs			-	309,945	-	46,653
Division of Emergency Management						
Tier II Grant		1506-8064-536902	-	1,000	-	-
Total N. C. Department of Public Safety			-	310,945	-	46,653
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		36220.10.8.1	-	86,385	-	-
ROAP Rural General Public Program		36228.22.8.1	-	77,774	-	-
ROAP Work First Transitional - Employment		36236.11.7.1	-	25,425	-	-
Total ROAP Cluster			-	189,584	-	-
Total N.C. Dept. of Transportation			-	189,584	-	-
Total State Awards			-	3,831,516	-	1,219,296
Total Federal and State Awards			\$ 10,282,311	\$ 3,991,969	\$ -	\$ 5,508,533

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of the Nash County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2019. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Nash County, it is not intended to and does not present the financial position, changes in net position or cash flows of Nash County.

Note 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 Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3: Indirect Cost Rate

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

Note 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: Subsidized Child Care and Foster Care and Adoption.

Note 5: Loans Outstanding

Nash County had the following loan balances outstanding at June 30, 2019 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements . Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2019 consist of:

Program Title	CFDA Number	Pass-through Grantor's Number	Amount Outstanding
Drinking Water Federal Revolving Loan	66.468	H-LRX-F-04-1000	\$ 448,800

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

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)

Note 6: Benefit Payments Issued by the State

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

Program Title	CFDA No.	Federal	State
Medical Assistance Program	93.778	\$ 103,980,472	\$ 54,051,243
Children's Health Insurance Program	93.767	2,136,907	-
Special Supplemental Nutrition Program for Women Infant an	10.557	2,015,751	-
Food and Nutrition Services	10.561	19,794,082	-
Family Preservation	93.556	21,689	-
IV-E Adopt & Vendor	93.659	238,549	58,486
TANF Payments & Penalties	93.558	245,156	-
CWS Adopt, Vendor, Guard	N/A	-	137,005
SAA/SAD HB 1030	N/A	-	35,666
SC/SA Domiciliary Care	N/A	-	556,543