

ONSLOW COUNTY NORTH CAROLINA



Discovery Gardens

COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended
June 30, 2019*

ONslow COUNTY
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended
June 30, 2019

Submitted to

THE BOARD OF COMMISSIONERS

Royce Bennett
Jack Bright
Paul Buchanan
Timothy Foster
Robin Knapp
Mark Price
William Shanahan III

Prepared by

David McCole, Financial Officer

Onslow County, North Carolina
Table of Contents
June 30, 2019

Title Page	i
Table of Contents	ii-v
INTRODUCTORY SECTION	vi
County Officials and Staff	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
Organization Chart	ix
Letter of Transmittal	x-xvi
FINANCIAL SECTION	1
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-17
BASIC FINANCIAL STATEMENTS	18
EXHIBIT	
<i>Government-wide Financial Statements</i>	
1 Statement of Net Position	19
2 Statement of Activities	20
<i>Fund Financial Statements</i>	
3 Balance Sheet - Government Funds	21
4 Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	22-23
5 Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	24
6 Statement of Net Position - Proprietary Funds	25
7 Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	26
8 Statement of Cash Flows – Proprietary Funds	27
9 Statement of Fiduciary Net Position - Fiduciary Funds	28
Notes to the Financial Statements	29-89
SCHEDULE	
Required Supplementary Financial Data	90
<i>Law Enforcement Officers' Special Separation Allowance</i>	
1 Schedule of Changes in Total Pension Liability	91
2 Schedule of Total Pension Liability as a Percentage of Covered Payroll	92
<i>Other Postemployment Benefits (OPEB)</i>	
3 Schedule of Changes in Total OPEB Liability and Related Ratios	93
<i>Local Government Employees' Requirement System</i>	
4 Schedule of the County's Proportionate Share of Net Pension Liability (Asset)	94
5 Schedule of County Contributions	95
<i>Register of Deeds Supplemental Pension Fund</i>	
6 Schedule of the County's Proportionate Share of Net Pension Liability (Asset)	96
7 Schedule of County Contributions	97

Onslow County, North Carolina
Table of Contents
June 30, 2019

Combining and Individual Fund Schedules

General Fund	98
8 General Fund - Combining Balance Sheet	99
9 General Fund - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	100
10 General Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	101-116
11 Workers Compensation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	117
12 Burton Industrial Park Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	118
13 Benefit Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	119
14 Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	120
15 Disaster Contingency Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	121
16 Capital Improvements Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	122
17 LEO Separation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	123
18 Health Insurance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	124
19 Revaluation Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	125
Special Revenue Fund	126
20 Non-Major Governmental Funds - Special Revenue Funds - Combining Balance Sheet	127
21 Non-Major Governmental Funds - Special Revenue Funds - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	128
22 Memorial Fund - Special Revenue Funds - Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance	129
23 Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	130
24 Register of Deeds Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	131
25 Grant Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	132
26 Community Assistance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	133
27 Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	134
Capital Project Funds	135
28 School Construction Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	136
29 Capital Project Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	137
Proprietary Funds	138
30 Solid Waste Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	139-140

Onslow County, North Carolina
Table of Contents
June 30, 2019

31	Landfill Construction Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	141
32	Airport Operations Fund - Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)	142-143
33	Airport Construction Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	144
	Fiduciary Funds	145
34	Combining Schedule of Changes in Assets and Liabilities - Agency Funds	146
	Governmental Capital Assets	147
35	Comparative Schedule of Capital Assets by Source	148
36	Schedule of Governmental Capital Assets by Function and Activity	149-150
37	Schedule of Changes in Governmental Capital Assets by Function and Activity	151-152
	Additional Financial Data	153
38	Schedule of Ad Valorem Taxes Receivable	154
39	Analysis of Current Tax Levy-County-Wide Levy	155
40	Analysis of Current Tax Levy-Secondary Market Disclosures	156
41	Schedule of Cash and Investment Balances	157
42	Schedule of Interfund Transactions	158
43	Calculation of Debt Service Coverage Ratio in the Solid Waste Fund	159

TABLE

	Statistical Section	160
1	Net Position by Component - Last Ten Fiscal Years	161
2	Changes in Net Position - Last Ten Fiscal Years	162-163
3	Fund Balances of Governmental Funds - Last Ten Fiscal Years	164
3a	Fund Balances of Governmental Funds as a Percentage of Expenditure - Last Ten Fiscal Years	165
4	Changes in Fund Balance, Governmental Funds - Last Ten Fiscal Years	166
5	Assessed Value and Actual Value of Taxable Property - Last Ten Fiscal Years	167
6	Direct and Overlapping Property Tax Rates	168
7	Principal Property Tax Payers - Current Year and Nine Years Ago	169
8	Property Tax Levies and Collections - Last Ten Fiscal Years	170
9	Ratios of Outstanding Debt by Type - Last Ten Fiscal Years	171
10	Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	172
11	Legal Debt Margin Information - Last Ten Fiscal Years	173
12	Computation of Direct and Overlapping Debt - General Obligation Bonds	174
13	Calculation of Debt Service Coverage - Solid Waste Fund - Last Ten Years	175
14	Demographic and Economic Statistics - Last Ten Fiscal Years	176
15	Principal Employers - Current Year and Nine Years Ago	177
16	Full-time Equivalent County Government Employees by Function - Last Ten Fiscal Years	178
17	Operating Indicators by Function/Program - Last Ten Fiscal Years	179
18	Capital Asset Statistics by Function/Program - Last Ten Fiscal Years	180

Onslow County, North Carolina
Table of Contents
June 30, 2019

Compliance Section	181
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	182-183
Independent Auditor's Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; in Accordance With OMB Uniform Guidance and the State Single Audit Implementation Act	184-185
Independent Auditor's Report on Compliance With Requirements Applicable To Each Major State Program and Internal Control Over Compliance in Accordance With Applicable Sections OMB Uniform Guidance; and the State Single Audit Implementation Act	186-187
Schedule of Financing and Questioned Costs	188-191
Corrective Action Plan	192
Summary Schedule of Prior Year Audit Findings	193-194
Schedule of Expenditures of Federal and State Awards	195-197
Notes to the Schedule of Expenditures of Federal and State Awards	198

INTRODUCTORY SECTION

ONLSOW COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICERS

June 30, 2019

BOARD OF COMMISSIONERS

Royce Bennett

Jack Bright, Chairman

Paul Buchanan, Vice Chairman

Timothy Foster

Robin Knapp

Mark Price

William Shanahan III

COUNTY OFFICIALS

Sharon Russell, Interim County Manager

David McCole, Finance Officer



Government Finance Officers Association

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

Presented to

**Onslow County
North Carolina**

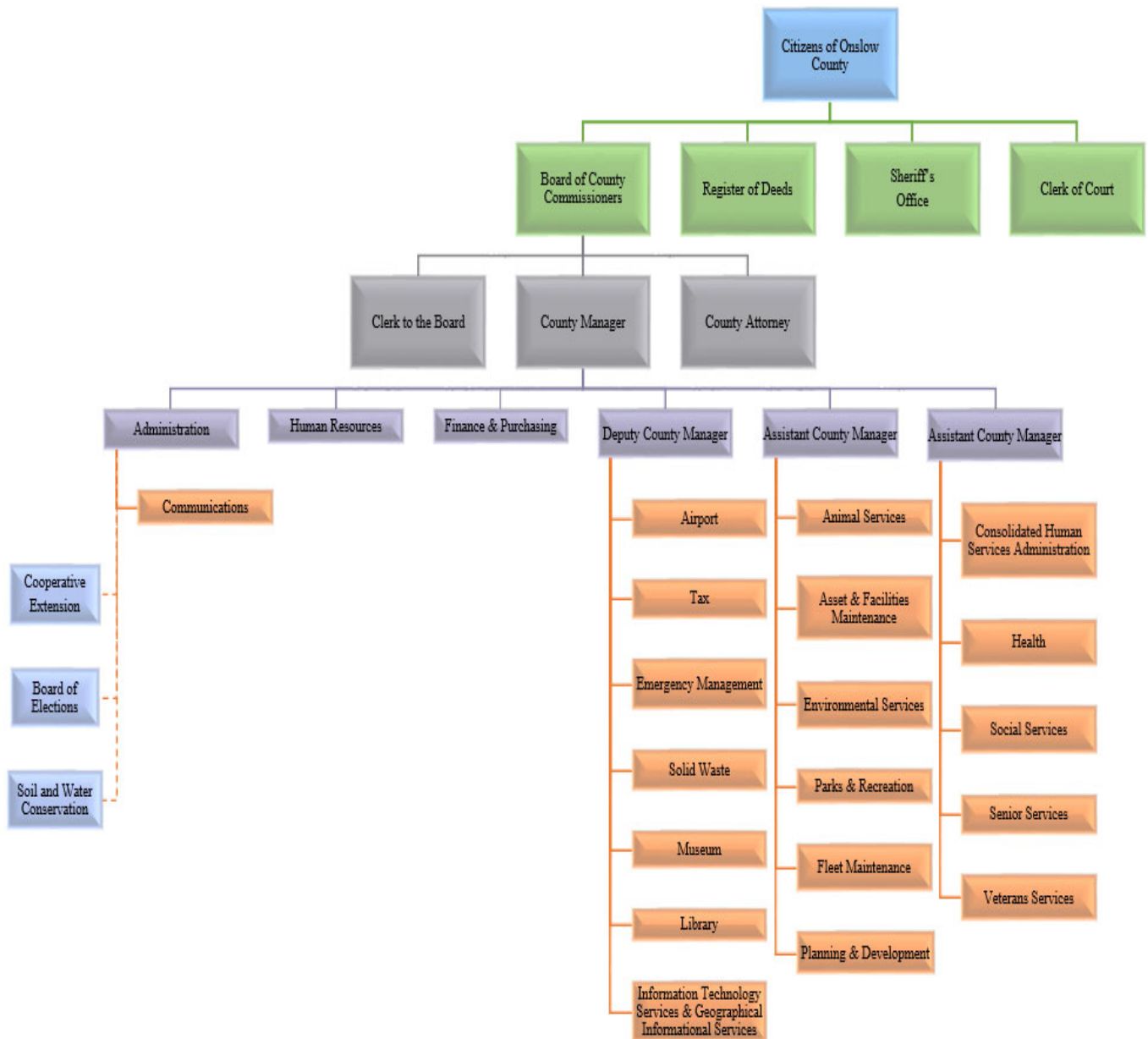
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

County of Onslow Organizational Chart





The Board of County Commissioners
Onslow County, North Carolina

January 10, 2020

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 Onslow County for the fiscal year ended June 30, 2019.

This report consists of management's representations concerning the finances of Onslow 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 Onslow 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 Onslow County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, Onslow 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 attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Elliot Davis, PLLC, a firm of licensed certified public accountants have audited Onslow County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Onslow 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 Onslow 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 Onslow County was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards.

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

PROFILE OF THE COUNTY:

Onslow County was formed in 1734 from a part of New Hanover County. The County is located in southeastern North Carolina and is bordered by Pender County to the south, Duplin County to the west, Lenoir and Jones counties to the northwest and north, and the Atlantic Ocean to the east. The County has a flat, gently rolling terrain, which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles encompassing approximately 484,000 acres. About 147,000 acres comprise the Camp Lejeune Marine Corps Base and New River Marine Corps Air Station, owned by the federal government. There are six municipalities within the County, the largest being the City of Jacksonville, which serves as the County seat. The County has a commissioner/manager form of government. The five members of the Board of Commissioners are elected on a partisan basis for four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the county manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

The County provides its citizens with a wide range of services that includes public safety; sanitation; health, mental health, and social services; cultural and recreational activities; general administration; and others. This report includes all of the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts in serving citizens. Among these are the Onslow County Board of Education and Coastal Carolina Community College.

The annual budget serves as the foundation for Onslow County's financial planning and control. All agencies of Onslow County are required to submit requests for appropriation to Onslow County's manager on or before April 15 of each year. Onslow County's manager uses these requests as the starting point for developing a proposed budget. The County manager then presents this proposed budget to the Board of Commissioners for review prior to June 1. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. The appropriated budget is prepared by fund and department and adopted by function. As allowed by state law the Board has authorized the County Manager to transfer monies from one appropriation to another within the same funds, subject to limitations and procedures as it may authorize. Department heads may request transfers of appropriations within a department, which are subject to approval of the County Manager. The County Manager may transfer amounts between objects of expenditures and revenues within a function without limitation. He may transfer amounts up to \$100,000 between functions of the same fund but he may not transfer any amounts between funds without action of the Board of Commissioners except the County Manager may transfer amounts within and between funds for the sole purpose of funding salary and benefit adjustments consistent with the Onslow County Personnel Policy. Any budgetary adjustment that increases or decreases the amount appropriated must be approved by the Board of Commissioners. Budget-to-actual comparisons are provided in a report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on page 98 as part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report, which starts on page 112. 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 (i.e., the Community Development and Grant Project special revenue funds and the capital projects funds).

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 Onslow County operates.

LOCAL ECONOMY:

Construction activity in Onslow County has remained steady as evidenced by the 863 new units of residential construction and 654 new units of commercial construction totaling over \$279,683,686 in fiscal year 2019. This compares to new development totaling \$251 million in fiscal year 2018.

Agriculture remains a major economic factor in the County with gross agricultural income for 2017 estimated at \$143.8 million. Four major crops include corn, soybeans, wheat and cotton at a combined total of \$25.7 million. The livestock industry continues to play a dominant role in farm income with a combined total of \$117.1 million. Poultry and pork production account for the majority of this.

Timber sales within the County are also a significant industry with the County's many acres of woodlands. There are approximately 361,430 acres of timberland. The estimated income for stumpage (price paid to the timber owner for standing timber) for 2016 was \$8 million. For the same period the estimated income for delivered timber (price paid to the timber buyer upon delivery of the timber to the mill) was \$14.9 million.

The latest seafood dockside value figures available from the Division of Marine Fisheries in Morehead city are for 2012 which is \$4.6 million.

MILITARY:

Camp Lejeune is the largest Marine Corps installation on the East Coast and occupies 246 square miles (153,439 acres). For the federal fiscal year 2015, the Marine Corps estimated that Camp Lejeune and New River Air Station contributed \$4.8 billion to the local economy of the County and surrounding areas in the form of annual payroll to military, civilian employees and retirees, material, supply and service contracts, healthcare for service members and families and on-base construction.

Camp Lejeune is the home of Marine Corps Installations East which is the regional command for Marine Corps bases located on the East Coast. This command includes air stations and logistics bases. The bases also house a full component of Navy and Coast Guard personnel associated with port security as the base provides intensive training in shoreline operations.

The following installations are based at Camp Lejeune: II Marine Expeditionary Force, 2nd Marine Division, 2nd Marine Logistics Group, US Marine Corps Forces Special Operations Command ("*Special Operations Command*"), 2nd Expeditionary Brigade and II Marine Expeditionary Force Augmentation Command. Camp Lejeune is also the home of a Coast Guard Special Missions Training Center. Its mission is to train Marine Safety and Security Teams, port security units and law enforcement detachments. New River Air Station is the home of the Marine Tilt Rotor Test and Evaluation Squadron and Marine Tilt Rotor Training Squadron for the V-22 Osprey as well as the home for all Marine rotor aircraft.

County population levels and economic activity have generally remained steady through the significant military troop deployments of the last several years. Several programs to support military dependents have successfully encouraged more dependents to remain in the community during deployments of family members. Changes in troop rotation schedules and practices have also had the effect of reducing the effects of deployments on the County. With the end of the Iraq conflict and the winding down of the conflict in Afghanistan, there likely will be fewer deployments and more troops continue to remain in garrison at Camp Lejeune and New River Air Station.

The County's bases benefitted from Base Realignment and Closing Commission ("BRAC") recommendations, which were approved in 2005. Several units have been relocated to Camp Lejeune and New River Air Station since 2005 and the infrastructure of the bases has been extensively upgraded with a combined \$3.53 billion worth of military construction since the fiscal year ended June 30, 2008. This growth in the bases has brought approximately 11,500 new jobs for active duty service members and civilian employees to the area.

The Special Operations Command, which reports directly to Central Command, is expected to grow considerably over the next few years as the role of highly specialized clandestine operations in the U.S. military's activities increases. Currently, Camp Lejeune's military population remains stable at approximately 44,000 and is expected to remain at this number for the foreseeable future.

Tourism continues to be a growing industry for the County. It is estimated that the local tourism industry generates more than \$49.3 million in wages for approximately 1,888 full time employees. Visitors to the County spent an estimated \$249 million in 2018 (the latest date for which information is available). This is an increase of 8.04% from 2017. The County is ranked 20th in travel impact among North Carolina's 100 counties. Finally, the City is a trade center and attracts shoppers from surrounding counties.

The unemployment rate for Onslow County as of June 30, 2019, was 5.3 percent as compared to the rate for North Carolina

(seasonally adjusted) which was 4.1 percent. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, communications equipment, inbound logistic centers, assembly-light manufacturing industries, industries that are suppliers to the military, and marine trades such as boat building. With a large military dependent population, these industries are well suited for the existing workforce.

The County is marketing its 730-acre Industrial Park located on U.S. Highway 258 and within a 10-minute drive of Albert J. Ellis Airport, which serves the County. The landscape of the Industrial Park ranges from flat plains to gently rolling wooded hills and takes full aesthetic advantage of the New River and its creeks. The site offers office space, a common green, a scenic bike path, daycare facilities, and recreational boat access to the river. The N. A. Burton Industrial Park is a Certified Industrial Site with the North Carolina Department of Commerce. The park will play a critical role in the economic development of the County as the County works to encourage different businesses to locate in eastern North Carolina. Currently Cape Fear Precast, LLC and Southeastern Preschool Educational Center (SPEC) and S.T. Wooten Corporation, are operating in the Burton Industrial Park.

The County completed the construction of the Onslow County Government Center at the Burton Industrial Park. The Government Center is a three-story building and annex of approximately 89,000 square feet to house various County departments, a storage building of approximately 10,000 square feet, approximately 490 parking spaces, sewage disposal facilities and appurtenant facilities. The County borrowed \$20.7 million to fund the entire project. The County moved into the Government Center December of 2014.

The County-owned and operated Albert J. Ellis Airport (the "Airport") is an FAA Class I certificated Part 139 commercial service airport that features a 7,100' x 150' paved and lighted runway with all-weather capability including a CAT I instrument landing system and modern GPS/LPV approaches. The Airport is currently served by two airlines, US Airways/American Airlines and Delta Air Lines. US Airways provides seven daily flights to their hub in Charlotte, North Carolina and Delta Air Lines offers four daily flights to their Atlanta, Georgia hub. Most flights are on regional jet aircraft with 50, 70 or 90 seats. More than 344,000 passengers use the Airport annually. The Airport has undertaken a significant redevelopment program to replace facilities and remove existing constraints to continued growth. Fixed-based aviation services such as fuel sales, maintenance, flight instruction and aircraft rentals are provided under an airport lease to a Fixed Based Operator, currently Volo-Skyport. The Airport typically generates revenues in excess of operation expenses and net income is reserved for future Airport-related capital expenditures.

The Airport has embarked on a multi-phase redevelopment program that began in FY11 with the construction of a new sanitary sewer connection. In FY13 construction of the program's centerpiece project began. A new 67,000sf two-story replacement passenger terminal building featuring additional room for airlines and passenger growth, covered loading bridges and efficient building systems. The new terminal facility opened in August 2015. Future phases of the program include a new corporate aviation facility, air traffic control tower, hangars, rental car facilities and related support buildings. The projects are primarily funded by federal and state grants and user fees with Airport and County funds providing the required local match.

The County and the municipalities within the County have formed the Onslow Water and Sewer Authority ("ONWASA") to assume a lead role in operating and expanding public water and sewer service within the County. The County turned over operations of its water and sewer system to ONWASA on July 1, 2005 through a series of agreements that transferred its public water and sewer system assets to ONWASA pursuant to a long-term lease, in exchange for a payment from ONWASA to retire the County's water and sewer-related debt. Municipalities in the County have entered or will enter into separate contracts with ONWASA; some may have agreements to convey assets similar to the County's agreements, and others may be only wholesale customers of ONWASA. ONWASA has partnered with Camp Lejeune to secure waste water treatment capacity totaling 5 million gallons. Also, within the County, the City and Swansboro provide public water and sewer service. Camp Lejeune provides its own service on the base.

LONG-TERM FINANCIAL PLAN:

The County operates a Subtitle D landfill, which has an estimated useful life until approximately 2043. For the fiscal year ended June 30, 2019, the landfill accepted over 173,918 tons of waste, including construction and demolition debris, into the Subtitle D facility. The landfill also accepted 24,181 tons of land clearing and inert debris material. All this waste was generated within the County since the landfill facility is not presently permitted to accept waste from outside the County borders. The County also transports

solid waste from 10 common collection locations located remotely throughout the County. Camp Lejeune is responsible for the disposal of its own solid waste and is not permitted to bring any waste to the County landfill.

The County has begun the permitting process for the lateral and vertical expansion of the Subtitle D landfill. This is a multi-year project to construct five cells over five construction stages. The first cell is under construction and has an estimated cost of \$6.7 million. Once all five cells are completed, the landfill will provide disposal capacity for the County past 2040. This estimate will vary depending on County growth, economic factors, public recycling efforts as well as catastrophic events generating large amounts of debris. Based on the Airspace Analysis, with total remaining permitted landfill airspace for phases 4-9, the expansion is projected to be complete in approximately 23 years.

The County's Material Recovery Facility (MRF) is operated by SONOCO Recycling. SONOCO has completed a \$2.0 million upgrade to the facility. This includes building and site improvements and most notably, installation of a state-of-the-art automated sorting and processing system. This facility receives mixed clean recyclables such as newspaper, all plastics #1 thru #7, and glass. Since beginning operations in November 2011, SONOCO has reached full processing capacity and handles over 40,000 tons of materials annually at the MRF thus removing these items from the waste stream and further preserving Subtitle D landfill space.

In 2012, the County engaged Enerdyne to develop a landfill gas to energy project. Enerdyne determined there was sufficient landfill gas and completed installation of all necessary infrastructure, including piping, landfill gas extraction wells, control systems and electricity generator in late 2013. Enerdyne operates the system at no cost to the County and sells any electricity generated to Duke Energy and shares the revenue with the County. For the fiscal year ended June 30, 2019 (unaudited), revenues from the system were approximately \$40,148.

The Airport has embarked on a multi-phase redevelopment program that began in FY11 with the construction of a new sanitary sewer connection. In FY13 construction of the program's centerpiece project began. A new 67,000sf two-story replacement passenger terminal building featuring additional room for airlines and passenger growth, covered loading bridges and efficient building systems. The new terminal facility opened in August 2015. Future phases of the program include a new corporate aviation facility, air traffic control tower, hangers, rental car facilities and related support buildings. The projects are primarily funded by federal and state grants and user fees with Airport and County funds providing the required local match.

Year-to-year certainty in county budgeting rests, in part, on determining the funding level necessary for public education. In FY20 financial support for the K-12 public school system amounts to 27.78% of the General Fund budget of the county. Viewed in light of property tax revenues, 44.92¢ of the current 70.5¢ tax rate funds the school system in accordance with the adopted funding formula.

Counties in North Carolina are mandated to fund school systems in three areas: "current expense" or operational funding; annual capital funding; and capital construction.

With over 3.6 million heated square feet of buildings, hundreds of acres of property, and a large bus fleet, the school system's annual capital needs are great. The capital budget for FY 20 remained the same as FY 19 at \$3 million.

The County facilities are in need of major renovation or replacement. We have continued to refine our capital improvement program to provide for orderly construction and funding of these projects. In FY 2020 we have continued the funding of a capital reserve fund to cover some of these costs and to provide funds to cover future debt payments without the need for massive changes in the tax rate due to the issuance of debt to fund some of the projects. The County issued limited obligation bonds in October 2019 for the construction of New Southern Elementary School in the amount of \$27 million.

Cash, which is temporarily idle during the year, is invested in demand deposits, certificates of deposits, commercial paper, and the North Carolina Cash Management Trust. The County's cash management policy is designed to (1) assure the safety of principal, (2) provide for liquidity of funds, and (3) attain a market-average yield. Investments are placed on a competitive basis. Revenue generated from interest on investments of governmental funds for fiscal year 2019 totaled \$1.6 million.

The County continues to be committed to funding a capital reserve fund to help meet future capital needs without major swings in the property tax rates due to the capital outlay.

RISK MANAGEMENT:

Onslow County participates in three self-funded insurance programs. Our Health Insurance program is administered by Blue Cross and Blue Shield of North Carolina and our workers' compensation program is administered by PMA Companies. Dental insurance is provided for the County employees under a self-funded insurance program. The County's insurance for property and liability coverage is secured through the North Carolina Association of County Commissioners insurance pool. In addition, all County employees are covered by professional liability insurance.

PENSION AND OTHER POST EMPLOYMENT BENEFITS:

Onslow County sponsors a single-employer defined benefit pension plan for its public safety employees. Each year, an independent actuary engaged by the pension plan calculates the amount of the annual contribution that Onslow County must make to the pension plan to ensure that the plan will be able to fully meet its obligation to retired employees on a timely basis. As a matter of policy, Onslow County fully funds each year's annual required contribution to the pension plan as determined by the actuary. Due to Onslow County's conservative funding policy, Onslow County has succeeded as of December 31, 2016, in funding 43.98 percent of the actuarial accrued liability of pension benefit obligations. The remaining unfunded amount is being systematically funded over 19 years as part of the annual required contribution calculated by the actuary.

Onslow County also provides post-retirement health care benefits for retirees who participate in the North Carolina Local Governmental Employees' Retirement System (System) and retire with full or reduced benefits from the County with at least ten years of continuous service who were hired prior to July 1, 2009. The County pays the full cost of coverage for these benefits. In addition, retirees can purchase coverage for their dependents at the County's group rates. This benefit ends at the employees 65th birthday. As of June 30, 2018, 116 retirees are eligible for post-retirement health benefits. For the fiscal year ended June 30, 2019, the County made payments for post-retirement health benefit premiums of \$829,408.

To evaluate the impact of meeting the reporting requirements of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the County obtained an actuarial valuation of its OPEB liability based on data for December 31, 2017. The actuarial valuation quantified an unfunded liability of \$24,763,107. The valuation was completed using a 3.56 percent discount rate.

The County currently funds OPEB on an annual pay-as-you-go basis under a self-insured plan. The County will continue to evaluate its plan for adjustments, which may need to be made to meet future budget and other needs.

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System, a multiple-employer, State-administered, cost-sharing plan funded on a one-year term cost basis. For the fiscal year ended June 30, 2019, the County contributed \$37,000 to the State for death benefits.

Additional information on Onslow County's pension arrangements and post-employment benefits can be found in Note II (G) (3) in the notes to the financial statements.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Onslow County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. In order to be awarded a Certificate of Achievement, Onslow County published an easily readable and efficiently organized financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

Onslow County will be submitting the 2019 CAFR to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Onslow County, North Carolina for its annual budget for the fiscal year beginning July 1, 2018. This is the

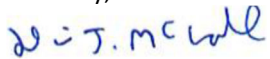
eleventh (11th) consecutive year we have received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our 2019 current budget continues to conform to program requirements, and we will submit it to the GFOA to determine its eligibility for another award.

Preparation of this report would not have been possible without the efficient and dedicated efforts of the staff of the Finance Office. I would like to express special appreciation to Jessica Roberts, Amy Davis, Kim Rose and the rest of the Finance Office staff and Elliot Davis for their assistance in the preparation of this report.

In closing, we would like to thank the members of the Onslow County Board of Commissioners for their continued support throughout the past year.

Sincerely,



David J. McCole
Finance Officer

FINANCIAL SECTION



Independent Auditor's Report

To the Board of County Commissioners
Onslow County
Jacksonville, 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 Onslow County, North Carolina (the "County") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Onslow County ABC Board and Onslow County Hospital Authority, which represent 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those financial statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Onslow County ABC Board and Onslow County Hospital Authority is based solely on the reports of the other auditors. Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Governmental 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 Onslow County ABC Board and Onslow County Hospital Authority were not audited in accordance with Government Auditing Standards.

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

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

Opinions

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Onslow 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 *Schedule of Changes in Total Pension Liability* and the *Schedule of Total Pension Liability as a Percentage of Covered Payroll* for the Law Enforcement Officers' Special Separation Allowance, the *Schedule of Changes in the Total OPEB Liability and Related Ratios*, the *Schedule of the County's Proportionate Share of Net Pension Liability (Asset)* and the *Schedule of County Contributions* for the Local Government Employees' Retirement System, the *Schedule of the County's Proportionate Share of Net Pension Liability (Asset)* and the *Schedule of County Contributions* for the Register of Deeds Supplemental Pension Fund as listed in the table of contents 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Onslow County, North Carolina. The combining and individual fund statements, budget and actual comparisons, comparative schedule of capital assets by sources, schedule of governmental capital assets and changes in capital assets by function and activity, schedule of ad valorem taxes receivable, analysis of current tax levy and secondary market disclosures, schedule of cash and investment balances, schedule of interfund transactions, calculation of debt service coverage ratio, introductory section, statistical section, 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*, and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budget and actual comparisons, comparative schedule of capital assets by sources, schedule of governmental capital assets and changes in capital

assets by function and activity, schedule of ad valorem taxes receivable, analysis of current tax levy and secondary market disclosures, schedule of cash and investment balances, schedule of interfund transactions, calculation of debt service coverage ratio, and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, and the report of the other auditors, the procedures performed as described above the combining and individual fund financial statements, budget and actual comparisons, comparative schedule of capital assets by sources, schedule of governmental capital assets and changes in capital assets by function and activity, schedule of ad valorem taxes receivable, analysis of current tax levy and secondary market disclosures, schedule of cash and investment balances, schedule of interfund transactions, calculation of debt service coverage ratio, 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.

The introductory and statistical sections have not been subjected to auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 10, 2020, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that 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 the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
January 10, 2020

Management's Discussion and Analysis

As management of Onslow County, we offer readers of Onslow County's financial statements this narrative overview and analysis of the financial activities of Onslow 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

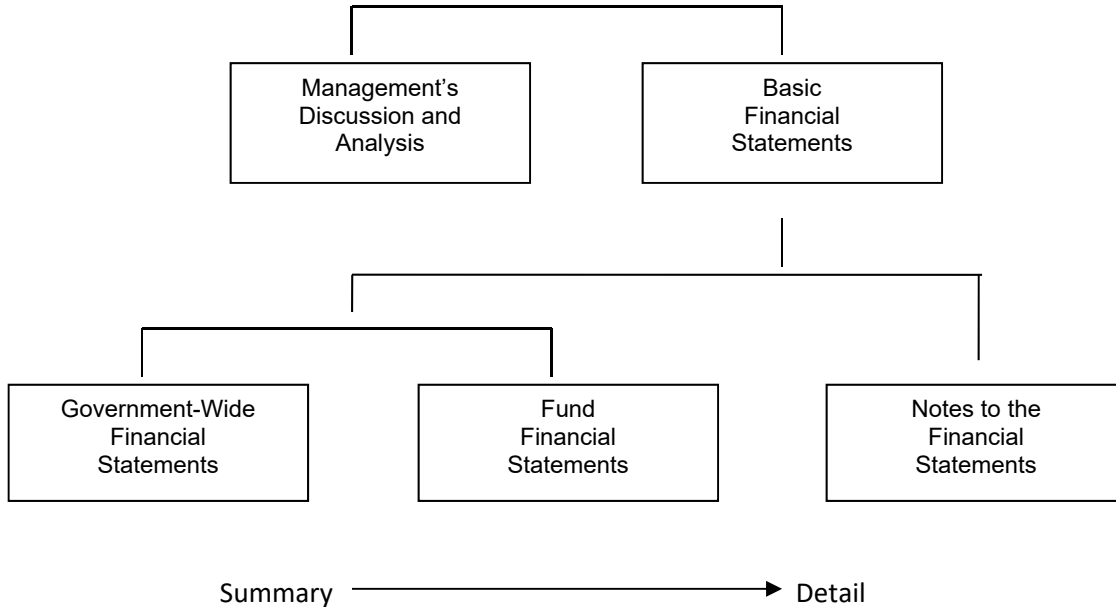
- The assets and deferred outflows of resources of Onslow County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$69,928,583. (*net position*).
- The government's total net position decreased by \$6,598,519. (See Exhibit 2)
- As of the close of the current fiscal year, Onslow County's governmental funds reported combined ending fund balances of \$86,667,408 a net decrease of \$3,015,940 in comparison with the prior year. The factors for this decrease are the expenditures related to various capital projects. The general fund showed a increase of \$4,074,043 in fund balance. Approximately 1.93% of the total general fund balance or \$1,488,632 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,488,632 or .07% of total general fund expenditures for the fiscal year.
- Onslow County held the following bond ratings:

Moody's	Aa2
Standard & Poor's	AA

Overview of the Financial Statements

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

Required Components of the 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 10) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements, 2) the budgetary comparison statements, 3) the proprietary fund statements and 4) the fiduciary and agency fund statements.

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as general government, public safety, human services, parks and recreation, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. The business type fund for the county is the landfill services offered by Onslow County. The final category is the component units. Onslow County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has previously issued debt on its behalf; however there is no outstanding county issued debt on behalf of the hospital at this time. 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 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. Onslow County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Onslow County can be divided into two categories: governmental funds and proprietary 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.

Onslow County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the

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

Proprietary Funds – Onslow County has one kind of proprietary funds. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Onslow County uses enterprise funds to account for its Solid Waste and Airport operations. This fund is the same as shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Onslow County has one fiduciary fund.

Agency Funds – Agency funds are used to account for assets the County holds on behalf of others. The 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 on pages 30-86 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Onslow County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on pages 87-94 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 assets and deferred outflows of resources of Onslow County exceeded liabilities and deferred inflows of resources by \$69,928,583 as of June 30, 2019. The larger portion of Onslow County's net position reflect the County's net investment in capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Onslow County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Onslow 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. Also, the County implemented GASB Statement 68 last year.

ON SLOW COUNTY'S NET POSITION

		Governmental Activities	
		2019	2018
Current Assets	\$	98,478,221	\$ 104,240,797
Land, Improvements and construction in progress		15,669,986	29,906,292
Capital assets net of depreciation		130,474,802	116,546,106
Total assets		244,623,009	250,693,195
Deferred outflow s of resources		24,648,625	19,541,940
Long-term liabilities		268,810,662	280,263,837
Other liabilities		11,527,119	12,571,630
Total liabilities		280,337,781	292,835,467
Deferred inflow s of resources		1,757,168	1,584,072
Net assets			
Investment in capital assets, net of related debt		50,192,124	43,059,886
Restricted		43,091,160	46,966,936
Unrestricted		(106,106,599)	(114,211,226)
Total net position	\$	(12,823,315)	\$ (24,184,404)
		Business-type Activities	
		2019	2018
Current Assets	\$	31,145,779	\$ 23,132,766
Land, Improvements and construction in progress		2,380,445	17,178,987
Capital assets net of depreciation		68,392,409	51,274,625
Total assets		101,918,633	91,586,378
Deferred outflow s of resources		507,872	677,952
Long-term liabilities		16,230,007	16,077,874
Other liabilities		3,399,878	3,115,005
Total liabilities		19,629,885	19,192,879
Deferred inflow s of resources		44,722	67,101
Net assets			
Investment in capital assets, net of related debt		70,579,752	68,322,013
Restricted		-	-
Unrestricted		12,172,146	4,682,337
Total net position	\$	82,751,898	\$ 73,004,350
		Total	
		2019	2018
Current Assets	\$	129,624,000	\$ 127,373,563
Land, Improvements and construction in progress		18,050,431	47,085,279
Capital assets net of depreciation		198,867,211	167,820,731
Total assets		346,541,642	342,279,573
Deferred outflow s of resources		25,156,497	20,219,892
Long-term liabilities		285,040,669	296,341,711
Other liabilities		14,926,997	15,686,635
Total liabilities		299,967,666	312,028,346
Deferred inflow s of resources		1,801,890	1,651,173
Net assets			
Net investment in capital assets		120,771,875	111,381,899
Restricted		43,091,159	46,966,936
Unrestricted		(93,934,453)	(109,528,889)
Total net position	\$	69,928,583	\$ 48,819,946

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

Property taxes are a major source of revenue for the County. The overall collection rate for the current year taxes was 99.17 percent. The fiscal year 2019 tax rate was \$0.705 cents per \$100 valuation, which is well below the state legal limit of \$1.50.

Sales taxes are another major revenue source for the County. For FY 19, sales taxes receipts were \$6.981 million more than the County's budgeted estimate of \$43.569 million.

Additionally, the County's bonded debt per capita decreased from \$254 to \$224.

ONSLOW COUNTY'S CHANGE IN NET POSITION

	Governmental Activities	
	2019	2018
Revenues		
Program revenues		
Charges for service	\$ 12,516,585	\$ 13,715,227
Operating grants & contributions	37,709,333	30,728,469
Capital grants & contributions	8,995,694	6,465,381
General revenues		
Property taxes	101,817,468	96,527,768
Other taxes	57,190,811	49,612,718
Grants & contributions not restricted to specific programs	-	-
Other	1,890,884	1,534,953
Total revenues	220,120,775	198,584,516
Expenses		
General government	41,439,497	30,274,066
Public safety	48,915,138	51,253,280
Transportation	334,593	279,622
Economic development	4,359,635	3,085,350
Human services	39,083,017	41,763,091
Environmental protection	459,241	655,346
Cultural & recreational	4,736,706	5,090,754
Education	66,461,235	64,271,131
Interest on long term debt	3,336,187	3,442,845
Total expenses	209,125,249	200,115,485
Change in net position before transfers	10,995,526	(1,530,969)
Transfers	574,342	928,534
Change in net position	11,569,868	(602,435)
Net position, July 1	(24,184,404)	(6,598,519)
Prior restatements	(208,779)	(16,983,450)
Net position, June 30	\$ (12,823,315)	\$ (24,184,404)

		Business-type Activities	
		2019	2018
Revenues			
Program revenues			
Charges for service	\$	13,922,729	\$ 10,305,370
Operating grants & contributions		-	-
Capital grants & contributions		6,299,494	2,405,388
General revenues			
Property taxes		-	-
Other taxes		953,032	723,496
Grants & contributions not restricted to specific programs		27,271	17,592
Other		5,101	(59,132)
Total revenues		21,207,627	13,392,714
Expenses			
Solid Waste		5,557,599	8,015,286
Airport		4,584,741	3,684,276
Total expenses		10,142,340	11,699,562
Change in net position before transfers		11,065,287	1,693,152
Transfers		(574,342)	(928,534)
Change in net position		10,490,945	764,618
Net position, July 1		73,004,350	75,450,620
Prior restatement		(743,397)	(3,210,888)
Net position, June 30	\$	82,751,898	\$ 73,004,350
		Total	
		2019	2018
Revenues			
Program revenues			
Charges for service	\$	26,439,314	\$ 24,020,597
Operating grants & contributions		37,709,333	30,728,469
Capital grants & contributions		15,295,188	8,870,769
General revenues			
Property taxes		101,817,468	96,527,768
Other taxes		58,143,843	50,336,214
Grants & contributions not restricted to specific programs		27,271	17,592
Other		1,895,985	1,475,821
Total revenues		241,328,402	211,977,230
Expenses			
General government		41,439,497	30,274,066
Public safety		48,915,138	51,253,280
Transportation		334,593	279,622
Economic development		4,359,635	3,085,350
Human services		39,083,017	41,763,091
Environmental protection		459,241	655,346
Cultural & recreational		4,736,706	5,090,754
Education		66,461,235	64,271,131
Interest on long term debt		3,336,187	3,442,845
Solid Waste		5,557,599	8,015,286
Airport		4,584,741	3,684,276
Total expenses		219,267,589	211,815,047
Change in net position before transfers		22,060,813	162,183
Transfers		-	-
Change in net position		22,060,813	162,183
Net position, July 1		48,819,946	68,852,101
Prior restatement		(952,176)	(20,194,338)
Net position, June 30	\$	69,928,583	\$ 48,819,946

Governmental activities. Governmental activities increased the County's net position by \$6.6 million.

Sales tax revenues funded \$50.551 million of the Onslow County government activities. Property taxes and operating grants also provided a high source of revenue at \$101.9 million and \$25.6 million respectively.

Business-type activities: Business-type activities decreased Onslow County's net position by \$1.257 million primarily due to increase in landfill closure and post closure.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Onslow County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Onslow County's financing requirements. Specifically, unreserved fund balance 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 Onslow County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1.488 million, with a total fund balance of \$77.2 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents .07 percent of total General Fund expenditures, while total general fund balance represents 37.1 percent of that same amount.

At June 30, 2019, the governmental funds of Onslow County reported a combined fund balance of \$86.7 million, for a \$3.7 million decrease compared to last year. The factors for this decrease are due to professional services incurred to start a project before the issuance of debt for various capital projects. Also due to the timing of reimbursement from grants to cover the cost of various capital projects.

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.

For the fiscal year the General Fund fund balance had a net increase of \$4.074 million or 5.57%. The county is conservative in its budget estimates. This can be seen as our revenues were \$8.864 million more than our budget estimate. Our expenditures were less than budgeted by approximately \$10.074 million.

A review of actual revenues verses expenditures shows that the revenues exceeded expenditures by \$6.345 million. After transfers to and from other funds, our net revenues over expenditures were \$3.820 million.

The actual operating revenues for the General Fund were more than the budgeted amount by \$8.864 million. This was mainly due to sales tax, ad valorem revenues and other taxes & licenses collected were more than estimates by \$6.981million, \$878,771 and \$1.234 million respectively.

The major variance from our budgeted expenditures was in the Human Services area where our expenditures were \$5.459 million less than estimated. Expenditures for social service programs were \$3.4 million under budget. Expenditures for Health programs were \$1.6 under budget.

Public Safety expenditures were \$2.1 million under budget. The Sheriff's office expenditures were \$1.1 million less than what was budgeted. Emergency Service expenditures were \$530,543 less than what was budgeted.

General governmental expenditures were \$1.3 million under budget. Of this amount \$119,966 is Facilities and Maintenance expenditures. Another \$601,954 is Non-departmental expenditures. Elections expenditures were \$95,629 less than what was budgeted.

Proprietary Funds. Onslow County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The net position of the Solid Waste Fund at the end of the fiscal year amounted to \$23.132 million. The total increase in net position for the Solid Waste Fund was \$4.975 million. Total net position of the Airport is \$59.619 million, the total increase in net position for the Airport Fund was \$5.533 million.

Special Revenue Funds

Special Revenue Funds of the County cover such items as Emergency 911 fees, Register of Deeds Automation funds, CDBG projects and grant projects. These activities showed total revenues for FY 19 of \$574,082 and total expenditures of \$688,917. The Emergency 911 fund accounted for 69.48% of the revenues. The Emergency 911 and Grant Project fund accounted for 35.83% of the expenditures.

The fund balance for the special revenue funds is \$1.341 million. This is a net decrease of \$165,472 from the prior year.

Capital Project Funds

The Capital Project fund accounts for those projects that will extended over more than one fiscal year. For FY 19 the total revenues of these funds were \$7.635 million while expenditures were \$16.060 million.

Capital Asset and Debt Administration

Capital assets Onslow County's investment in capital assets for its governmental and business type activities as of June 30, 2019, totals \$216.9 million (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

At the current time the various projects below make up the majority of what is included in construction in progress.

- Courthouse
- Richlands Elementary School

ONslow COUNTY'S CAPITAL ASSETS

	Governmental Activities	
	2019	2018
Land	\$ 13,889,868	\$ 13,837,935
Buildings & systems	141,317,953	123,373,866
Improvements	24,226,893	22,246,577
Equipment	26,879,769	26,423,296
Vehicles	11,558,028	10,282,911
Heavy Equipment	270,244	270,244
Construction in progress	1,780,118	16,068,357
Subtotal	219,922,873	212,503,186
Less accumulated depreciation	73,778,085	66,050,788
Total	\$ 146,144,788	\$ 146,452,398

	Business-type Activities	
	2019	2018
Land	\$ 2,154,975	\$ 1,559,496
Buildings & systems	38,227,641	33,720,925
Improvements	56,934,043	44,416,598
Equipment	5,998,428	2,760,069
Vehicles	2,054,825	1,972,254
Heavy Equipment	4,175,470	4,065,470
Construction in progress	225,470	15,619,490
Subtotal	109,770,852	104,114,302
Less accumulated depreciation	38,997,998	35,660,690
Total	\$ 70,772,854	\$ 68,453,612

	Total	
	2019	2018
Land	\$ 16,044,843	\$ 15,397,431
Buildings & systems	179,545,594	157,094,791
Improvements	81,160,936	66,663,175
Equipment	32,878,197	29,183,365
Vehicles	13,612,853	12,255,165
Heavy Equipment	4,445,714	4,335,714
Construction in progress	2,005,588	31,687,847
Subtotal	329,693,725	316,617,488
Less accumulated depreciation	112,776,083	101,711,478
Total	\$ 216,917,642	\$ 214,906,010

Additional information on the County's capital assets can be found in Note II (5) of the Basic Financial Statements, beginning on page 47.

Long-term Debt. As of June 30, 2019 Onslow County had total general obligation bonded debt outstanding of \$44.440 million all of which is debt backed by the full faith and credit of the County.

Onslow County's Outstanding Debt
General Obligation, Certificates of Participation, Special Obligation Bonds and Installment Purchases

ONslow COUNTY'S OUTSTANDING DEBT

	Governmental Activities	
	2019	2018
General obligation bonds	\$ 44,440,000	\$ 50,140,000
Premium on GO bonds	6,099,464	6,923,081
Installment purchase	4,719,554	5,990,682
Certificates of Participation	34,695,000	38,810,000
Premiums on COP's	3,061,948	3,402,164
Limited Obligation Bonds	113,260,000	119,145,000
Premium on LOBS Debt	12,432,565	13,185,085
Total	<u>\$ 218,708,531</u>	<u>\$ 237,596,012</u>

	Business-type Activities	
	2019	2018
General obligation bonds	\$ -	\$ -
Premium on GO bonds	-	-
Certificates of Participation	-	-
Premium on COP's	-	-
Installment purchase	-	-
Limited Obligation Bonds	-	-
Premium on LOBS Debt	-	-
Special obligation bonds	-	-
Total	<u>\$ -</u>	<u>\$ -</u>

	Total	
	2019	2018
General obligation bonds	\$ 44,440,000	\$ 50,140,000
Premium on GO bonds	6,099,464	6,923,081
Installment purchase	4,719,554	5,990,682
Certificates of Participation	34,695,000	38,810,000
Premiums on COP's	3,061,948	3,402,164
Limited Obligation Bonds	113,260,000	119,145,000
Premium on LOBS Debt	12,432,565	13,185,085
Special obligation bonds	-	-
Total	<u>\$ 218,708,531</u>	<u>\$ 237,596,012</u>

Onslow County's total debt had a net decrease of \$18.9 million during the current fiscal year.

All of the principal and interest due on the special obligation bonds will be paid from our landfill operations.

As mentioned in the financial highlights section of this document, Onslow County maintains an Aa2 bond rating from Moody's Investor Service and AA rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Onslow County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Onslow County is \$909.061 million.

Additional information regarding Onslow County's long-term debt can be found in Note II (7) on page 81 of this report.

Economic Factors and Next Year's Budgets and Rates

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

- The unemployment rate (seasonally adjusted) for the county as of June 30, 2019 is 5.3%, which is above the state average of 4.1%.
- The 2017 property revaluation resulted in an overall increase of about 1.87% in real property values.
- Our population has continued to increase as it has over the past few years. Per the state demographics website estimates our current population at 197,455. Onslow County is the 12th largest county out of 100 in NC... The county seat, Jacksonville is the 13th largest city in NC.
- The County continues to become a retail center with taxable sales of \$2.378 billion in FY 2019, this is an increase of \$335.571 million over last year.

Budget Highlights for the Fiscal Year Ending June 30, 2019

Governmental Activities: The County approved a \$206.8 million general fund budget. This represents a \$1.2 million or .05% increase from the amended budget for Fiscal Year 2019. There was an increase in the Board of Education current expense in the amount of \$1.9 million.

Property tax revenue estimates are based on a tax rate of \$0.7050 per \$100 assessed valuation. This rate is a 3 cent increase over Fiscal Year 2018. The projected collection rate was 98.81%. It is estimated that property tax revenue for FY 19-20 will be \$102.3 million or 49.45% of the general fund budget.

Year-to-year certainty in county budgeting rests, in part, on determining the funding level necessary for public education. In FY20 financial support for the K-12 public school system amounts to 27.78% of the General Fund budget of the county. Viewed in light of property tax revenues, 44.92¢ of the current 70.5¢ tax rate funds the school system.

Counties in North Carolina are mandated to fund school systems in three areas: "current expense" or operational funding; annual capital funding; and capital construction.

With over 3.6 million heated square feet of buildings, hundreds of acres of property, and a large bus fleet, the school system's annual capital needs are great. Onslow County's proposed and future budgets increase funding to the school system in this area. The capital budget for FY 20 remained the same as FY 19 at \$3 million.

To balance the general fund budget the county appropriated \$13.1 million in fund balance for FY 2020. This practice, of appropriating fund balance, is common. In FY 2018 \$14 million was appropriated to cover the expenditures over revenues and other funding sources. Per the audit you will notice that the county had an increase in fund balance by \$4.074 million. The county feels that that there will be a small increase in fund balance in FY 2020.

The County facilities are in need of major renovation or replacement. We have continued to refine our capital improvement program to provide for orderly construction and funding of these projects. In FY 2019 we have continued the funding of a capital reserve fund to cover some of these costs and to provide funds to cover future debt payments without the need for massive changes in the tax rate due to the issuance of debt to fund some of the projects.

Business – type Activities: The County operates two business type activities, which is our Solid Waste and Airport Enterprise fund. For Fiscal Year 2020 the Solid Waste Fund budget is \$8 million. For Fiscal Year 2020 the Airport Fund budget is \$3.7 million. Both funds are fully funded through revenues and reserves of the respective funds and are not dependent on the General Fund for support.

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 Onslow County Finance Office, 234 Northwest Corridor Boulevard, Jacksonville, N.C. 28540.

BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Onslow County Hospital Authority	Onslow County ABC Board
ASSETS					
Cash and cash equivalents	\$ 62,088,038	\$ 28,913,690	\$ 91,001,728	\$ 4,143,692	\$ 3,112,376
Receivables, net	28,693,938	1,603,774	30,297,712	22,288,388	-
Due from other governments	937,734	426,125	1,363,859	-	-
Inventories	234,936	371	235,307	4,202,130	1,497,323
Prepaid expenses and other	538,592	201,819	740,411	2,228,331	64,916
Net pension asset - Register of Deeds	373,928	-	373,928	-	-
Restricted assets					
Cash and investments	7,848,544	-	7,848,544	-	-
Assets limited by board			-	11,013,331	-
Other assets	-	-	-	188,672	-
Capital assets:					
Land, improvements, and construction in progress	15,669,986	2,380,445	18,050,431	-	4,520,085
Other capital assets, net of depreciation	130,474,802	68,392,409	198,867,211	73,711,093	2,748,690
Total capital assets	146,144,788	70,772,854	216,917,642	73,711,093	7,268,775
Total assets	246,860,498	101,918,633	348,779,131	117,775,637	11,943,390
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charges on refunding	7,407,199	-	7,407,199	-	-
Deferred outflows - pensions	16,153,284	474,218	16,627,502	-	394,402
Deferred outflows - OPEB	1,088,142	33,654	1,121,796	-	23,576
Total deferred outflows	24,648,625	507,872	25,156,497	-	417,978
LIABILITIES					
Accounts payable, accrued liabilities and unearned revenues	10,785,479	3,206,776	13,992,255	17,623,132	2,151,225
Retainage payable	741,640	193,102	934,742	-	-
Noncurrent liabilities:					
Due within one year	20,494,550	198,687	20,693,237	2,901,916	-
Due in more than one year	201,487,660	14,693,434	216,181,094	38,623,867	-
Net pension liability - LGERS	19,789,847	612,057	20,401,904	-	416,346
Total pension liability - LEOSA	3,570,068	-	3,570,068	-	-
OPEB Liability	23,468,537	725,829	24,194,366	12,321,192	873,656
Total liabilities	280,337,781	19,629,885	299,967,666	71,470,107	3,441,227
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows - pensions	380,126	6,730	386,856	-	2,155
Deferred inflows - OPEB	1,228,406	37,992	1,266,398	3,158,787	103,312
Other deferred inflows	2,386,125	-	2,386,125	-	-
Total deferred inflows	3,994,657	44,722	4,039,379	3,158,787	105,467
NET POSITION					
Net investment in capital assets	50,192,124	70,579,752	120,771,876	33,594,066	7,268,775
Restricted for:					
Stabilization by State Statute	31,240,034	-	31,240,034	-	-
Register of deeds	388,301	-	388,301	-	-
Health Programs	3,816,688	-	3,816,688	439,803	-
Adoption programs	11,681	-	11,681	-	-
Drug enforcement	541,914	-	541,914	-	-
Occupancy Tax	3,562,233	-	3,562,233	-	-
Economic Development	248,308	-	248,308	-	-
School Construction	2,240,091	-	2,240,091	-	-
Emergency services	1,041,910	-	1,041,910	-	-
Working Capital	-	-	-	-	588,767
Unrestricted	(106,106,599)	12,172,146	(93,934,453)	9,112,874	957,132
Total net position	\$ (12,823,315)	\$ 82,751,898	\$ 69,928,583	\$ 43,146,743	\$ 8,814,674

The accompanying notes are an integral part of this statement

Program Revenues					Net (Expense) Revenue and Changes in Net Position			Component Units	
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Onslow County Hospital Authority	Onslow County ABC Board
					Governmental Activities	Business-type Activities	Total		
Primary government:									
Governmental activities:									
General government	\$ 41,439,497	\$ 3,726,989	\$ 14,572,460	\$ 3,203,115	\$ (19,936,933)	\$ -	\$ (19,936,933)		
Public safety	48,915,138	5,949,465	206,699	-	(42,758,974)	-	(42,758,974)		
Transportation	334,593	-	-	-	(334,593)	-	(334,593)		
Economic and physical development	4,359,635	-	-	-	(4,359,635)	-	(4,359,635)		
Human services	39,083,017	2,437,817	22,896,833	-	(13,748,367)	-	(13,748,367)		
Environmental protection	459,241	-	-	-	(459,241)	-	(459,241)		
Culture and recreation	4,736,706	402,314	33,341	-	(4,301,051)	-	(4,301,051)		
Education	66,461,235	-	-	5,792,579	(60,668,656)	-	(60,668,656)		
Interest on debt	3,336,187	-	-	-	(3,336,187)	-	(3,336,187)		
Total governmental activities	209,125,249	12,516,585	37,709,333	8,995,694	(149,903,637)	-	(149,903,637)		
Business-type activities:									
Solid waste	5,557,599	9,632,711	-	-	-	4,075,112	4,075,112		
Airport	4,584,741	4,290,018	-	6,299,494	-	6,004,771	6,004,771		
Total business-type activities	10,142,340	13,922,729	-	6,299,494	-	10,079,883	10,079,883		
Total primary government	\$ 219,267,589	\$ 26,439,314	\$ 37,709,333	\$ 15,295,188	(149,903,637)	10,079,883	(139,823,754)		
Component units:									
Onslow County Hospital Authority	158,448,627	144,507,657	-	195,864				\$ (13,745,106)	\$ -
Onslow County ABC Board	14,653,385	15,307,949	-	-				-	654,564
Total component units	\$ 173,102,012	\$ 159,815,606	\$ -	\$ 195,864				(13,745,106)	654,564
General revenues:									
Property taxes, levied for general purposes					101,817,468	-	101,817,468	-	-
Local option sales taxes					50,551,745	-	50,551,745	-	-
Other taxes and licenses					6,639,066	461,977	7,101,043	-	-
Investment earnings, unrestricted					1,587,232	491,055	2,078,287	-	3,135
Grants and contributions not restricted to specific programs					-	27,271	27,271	-	-
Gain on change in postemployment benefit plan					-	-	-	21,985,121	-
Loss from effects of hurricane					-	-	-	(2,465,574)	-
Miscellaneous, unrestricted					303,652	5,101	308,753	429,326	10,459
Total general revenues and special items					160,899,163	985,404	161,884,567	19,948,873	13,594
Transfers					574,342	(574,342)	-	-	-
Change in net position					11,569,868	10,490,945	22,060,813	6,203,767	668,158
Net position - beginning					(24,184,404)	73,004,350	48,819,946	62,886,880	8,283,514
Restatement					(208,779)	(743,397)	(952,176)	(25,943,934)	(136,998)
Net position - beginning, restated					(24,393,183)	72,260,953	47,867,770	36,942,946	8,146,516
Net position - ending					\$ (12,823,315)	\$ 82,751,898	\$ 69,928,583	\$ 43,146,713	\$ 8,814,674

The accompanying notes are an integral part of this statement.

EXHIBIT 3
Onslow County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2019

	Major			Nonmajor	Total
	General Fund	Capital Project Fund	School Construction Fund	Other Governmental Funds	Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 59,338,721	\$ 1,167,677	\$ -	\$ 1,581,640	\$ 62,088,038
Receivables, net	26,159,733	9,806	286,836	74	26,456,449
Due from other funds	1,066,847	-	-	-	1,066,847
Due from other governments	491,552	154,826	271,686	19,670	937,734
Inventories	234,936	-	-	-	234,936
Prepaid expenditures	538,592	-	-	-	538,592
Restricted assets					
Cash and investments	5,345	5,603,108	2,240,091	-	7,848,544
Total assets	\$ 87,835,726	\$ 6,935,417	\$ 2,798,613	\$ 1,601,384	\$ 99,171,140
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable and accrued liabilities	8,652,475	229,539	255,516	15,276	9,152,806
Unearned revenues	-	35,099	-	-	35,099
Due to other funds	-	-	821,529	245,318	1,066,847
Total liabilities	8,652,475	264,638	1,077,045	260,594	10,254,752
DEFERRED INFLOWS OF RESOURCES	1,971,386	-	277,594	-	2,248,980
Fund balances:					
Nonspendable					
Inventory and prepaids	773,528	-	-	-	773,528
Restricted					
Stabilization by State Statute	26,681,418	1,581,113	2,941,015	36,488	31,240,034
Register of Deeds	-	-	-	388,301	388,301
Health Programs	3,816,688	-	-	-	3,816,688
Adoption Programs	11,681	-	-	-	11,681
Drug Enforcement	541,914	-	-	-	541,914
Occupancy Tax	3,562,233	-	-	-	3,562,233
Economic Development	248,308	-	-	-	248,308
School Construction	-	-	2,240,091	-	2,240,091
Emergency Services	-	-	-	1,041,910	1,041,910
Capital projects	5,345	5,603,108	-	-	5,608,453
Committed					
Capital Improvements	25,460,490	-	-	-	25,460,490
Other Employee Benefits	1,922	-	-	-	1,922
Workers' Compensation Insurance	445,264	-	-	-	445,264
Community Assistance	-	-	-	57,273	57,273
LEO Separation Allowance	1,036,752	-	-	-	1,036,752
Assigned					
Subsequent year's expenditures	13,137,690	-	-	70,816	13,208,506
Unassigned	1,488,632	(513,442)	(3,737,132)	(253,998)	(3,015,940)
Total fund balances	77,211,865	6,670,779	1,443,974	1,340,790	86,667,408
Total liabilities, deferred inflows of resources and fund balances	\$ 87,835,726	\$ 6,935,417	\$ 2,798,613	\$ 1,601,384	\$ 99,171,140

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 146,144,788
Net pension asset - Register of Deeds	373,928
Accounts receivable related to grants	2,237,489
Deferred inflows related to grants	(2,237,489)
Deferred outflows related to pensions	16,153,284
Deferred inflows related to pensions	(380,126)
Deferred outflows related to OPEB	1,088,142
Deferred inflows related to OPEB	(1,228,406)
Charges related to advance refunding bond issue	7,407,199
Deferred inflows of resources related to unavailable revenues	
Taxes	1,817,969
Other	282,375

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds (Note 7).

Retainage payable	(741,640)
Compensated Absences	(3,273,679)
Net pension liability LGERS	(19,789,847)
Net pension liability LEOSSA	(3,570,068)
Total OPEB Liability	(23,468,537)
Accrued Interest	(1,597,574)
Long-term Debt	(218,708,531)
Net position of governmental activities	\$ (12,823,315)

The accompanying notes are an integral part of this statement.

EXHIBIT 4
Onslow County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2019

	Major			Nonmajor	Total
	General Fund	Capital Project Fund	School Construction Fund	Other Governmental Funds	Governmental Funds
REVENUES					
Ad valorem taxes	\$ 101,909,216	\$ -	\$ -	\$ -	\$ 101,909,216
Local option sales taxes	50,551,745	-	-	-	50,551,745
Other taxes and licenses	4,368,131	-	-	-	4,368,131
Unrestricted intergovernmental	2,270,935	-	-	-	2,270,935
Restricted intergovernmental	38,846,652	1,622,438	5,792,579	-	46,261,669
Permits and fees	3,143,122	-	-	-	3,143,122
Sales and services	9,026,863	-	-	-	9,026,863
E-911 fees	-	-	-	378,854	378,854
Grant revenue	-	-	-	33,438	33,438
Investment earnings	1,369,930	152,592	67,847	30,204	1,620,573
Miscellaneous	877,265	-	-	131,586	1,008,851
Total revenues	212,363,859	1,775,030	5,860,426	574,082	220,573,397
EXPENDITURES					
Current:					
General government	34,229,039	-	-	80,580	34,309,619
Public safety	38,969,187	-	-	263,557	39,232,744
Transportation	273,306	-	-	-	273,306
Economic and physical development	2,581,381	-	-	-	2,581,381
Human services	37,599,707	-	-	-	37,599,707
Environmental protection	378,105	-	-	-	378,105
Cultural and recreational	4,363,328	-	-	-	4,363,328
Intergovernmental					
Education	72,713,602	-	-	-	72,713,602
Capital projects	2,219,663	6,135,385	9,924,763	344,780	18,624,591
Debt service:					
Principal	10,718,761	-	-	-	10,718,761
Interest and other charges	4,335,343	-	-	-	4,335,343
Total expenditures	208,381,422	6,135,385	9,924,763	688,917	225,130,487
Excess (deficiency) of revenues over expenditures	3,982,437	(4,360,355)	(4,064,337)	(114,835)	(4,557,090)
OTHER FINANCING SOURCES (USES)					
Transfers to (from) other funds	(172,799)	797,778	-	(50,637)	574,342
Sale of capital assets	264,405	-	-	-	264,405
Total other financing sources (uses)	91,606	797,778	-	(50,637)	838,747
Net change in fund balance	4,074,043	(3,562,577)	(4,064,337)	(165,472)	(3,718,343)
Fund balances-beginning	73,137,822	10,233,356	5,508,311	1,506,262	90,385,751
Fund balances-ending	\$ 77,211,865	\$ 6,670,779	\$ 1,443,974	\$ 1,340,790	\$ 86,667,408

The accompanying notes are an integral part of this statement.

EXHIBIT 4
Onslow County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Fiscal Year Ended June 30, 2019
Continued

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

Net changes in fund balances - total governmental funds	\$ (3,718,343)
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Governmental funds report capital outlays as expenditures. However, in the Statement and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

Capital outlay expenditures recorded as assets	9,111,952	
Depreciation expense	(8,905,849)	
Basis in capital assets that were retired	(304,935)	(98,832)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds	(412,092)
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Expenses related to compensated absences, other post-employment benefits, net pension obligation, OPEB and pension expense that do not require current financial resources and are not reported as expenditures in the governmental funds statement.	(2,115,363)
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The change in accrued interest on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported in the governmental funds.	(232,988)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Principle payments on long-term debt	16,971,128	
Increase in retainage payable	(55,786)	
Amortized loss on defeasance of debt	(684,209)	
Amortization of bond premium	1,916,353	18,147,486

Total changes in net position of governmental activities	\$ 11,569,868
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The accompanying notes are an integral part of this statement.

**Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget and Actual - General Fund**

For the Fiscal Year Ended June 30, 2019

	General Fund			Variance With Final - Positive (Negative)
	Original Budget	Final Budget	Actual	
REVENUES				
Ad valorem taxes	\$ 101,030,445	\$ 101,030,445	\$ 101,909,216	\$ 878,771
Local option sales taxes	43,569,826	43,569,826	50,551,745	6,981,919
Other taxes and licenses	3,134,121	3,134,121	4,368,131	1,234,010
Unrestricted intergovernmental	2,168,700	2,168,700	2,270,935	102,235
Restricted intergovernmental	20,332,909	23,096,610	23,298,841	202,231
Permits and fees	2,851,375	2,857,010	3,143,122	286,112
Sales and services	9,918,867	10,412,174	9,026,863	(1,385,311)
Investment earnings	400,000	400,000	769,844	369,844
Miscellaneous	122,403	180,302	375,097	194,795
Total revenues	183,528,646	186,849,188	195,713,794	8,864,606
EXPENDITURES				
Current:				
General government	18,015,664	17,520,167	16,189,075	1,331,092
Public safety	39,206,331	42,149,257	40,094,971	2,054,286
Transportation	273,784	273,784	273,306	478
Economic and physical development	3,243,812	3,320,546	2,541,733	778,813
Human services	41,778,510	43,200,373	37,740,741	5,459,632
Environmental protection	547,980	549,218	378,105	171,113
Cultural and recreational	4,555,133	4,661,688	4,383,121	278,567
Intergovernmental:				
Education	72,713,618	72,713,617	72,713,602	15
Debt service:				
Principal	10,718,761	10,718,761	10,718,761	-
Interest and other charges	4,335,478	4,335,478	4,335,343	135
Total expenditures	195,389,071	199,442,889	189,368,758	10,074,131
Revenues over (under) expenditures	(11,860,425)	(12,593,701)	6,345,036	(1,209,525)
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other funds	(2,266,784)	(2,857,501)	(2,788,605)	68,896
Proceeds from sale of capital assets	120,000	120,000	264,405	144,405
Total other financing sources and uses	(2,146,784)	(2,737,501)	(2,524,200)	213,301
Revenues and other financing sources over (under) expenditures and other financing uses	(14,007,209)	(15,331,202)	3,820,836	(996,224)
Appropriated fund balance	14,007,209	15,331,202	-	-
Net change in fund balance	\$ -	-	\$ 3,820,836	\$ (996,224)
Fund balances - beginning			41,835,756	
Fund balances-ending			\$ 45,656,592	
Legally budgeted Self Insurance, Burton Industrial Park, FSA Special Account, Reserve, Revaluation and Capital Improvement Funds are consolidated into the General Fund for reporting purposes				
Restricted intergovernmental			\$ 15,547,811	
Investment earnings			600,086	
Other revenues			502,168	
Transfers (to) from General Fund			2,615,806	
Expenditures			(19,012,664)	
Fund balance, beginning			31,302,066	
Fund balance, ending (Exhibit 4)			\$ 77,211,865	

The accompanying notes are an integral part of this statement.

EXHIBIT 6
Onslow County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2019

	Solid Waste	Airport	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 24,331,060	\$ 4,582,630	\$ 28,913,690
Receivables, net	517,661	1,086,113	1,603,774
Due from other governments	309,424	116,701	426,125
Inventories	371	-	371
Prepays	12,343	189,476	201,819
Total current assets	25,170,859	5,974,920	31,145,779
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,284,081	1,096,364	2,380,445
Buildings, improvements, and equipment	35,904,098	69,431,483	105,335,581
Vehicles and motorized equipment	756,251	1,298,574	2,054,825
Less accumulated depreciation	(24,161,349)	(14,836,648)	(38,997,997)
Total capital assets	13,783,081	56,989,773	70,772,854
Total noncurrent assets	13,783,081	56,989,773	70,772,854
Total assets	38,953,940	62,964,693	101,918,633
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - LGERS	316,145	158,073	474,218
Deferred outflows - OPEB	22,436	11,218	33,654
Total deferred outflows	338,581	169,291	507,872
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	447,213	1,240,180	1,687,393
Retainage payable	-	193,102	193,102
Unearned revenues	-	1,519,383	1,519,383
Compensated absences	98,099	100,588	198,687
Total current liabilities	545,312	3,053,253	3,598,565
Noncurrent liabilities:			
Accrued landfill closure and postclosure care costs	14,693,434	-	14,693,434
Net pension liability LGERS	408,038	204,019	612,057
OPEB obligation	483,887	241,942	725,829
Total noncurrent liabilities	15,585,359	445,961	16,031,320
Total liabilities	16,130,671	3,499,214	19,629,885
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - LGERS	4,487	2,243	6,730
Deferred inflows - OPEB	25,328	12,664	37,992
Total deferred inflows	29,815	14,907	44,722
NET POSITION			
Net investment in capital assets	13,783,081	56,796,671	70,579,752
Unrestricted	9,348,954	2,823,192	12,172,146
Total net position	\$ 23,132,035	\$ 59,619,863	\$ 82,751,898

The accompanying notes are an integral part of this statement.

EXHIBIT 7
Onslow County, North Carolina

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2019

	Solid Waste	Airport	Total
OPERATING REVENUES			
Charges for services	\$ 8,424,282	\$ 3,129,427	\$ 11,553,709
Other operating revenues	1,208,429	30,898	1,239,327
Total operating revenues	9,632,711	3,160,325	12,793,036
OPERATING EXPENSES			
Administration	211,150	416,989	628,139
Facility operations	2,240,464	2,012,743	4,253,207
Recycling	369,427	-	369,427
Electronics recycling	45,603	-	45,603
Refuse site	401,409	-	401,409
Keep Onslow Beautiful	2,051	-	2,051
White goods	122,126	-	122,126
Landfill closure and postclosure	1,003,104	-	1,003,104
Depreciation	1,162,265	2,155,009	3,317,274
Total operating expenses	5,557,599	4,584,741	10,142,340
Operating income (loss)	4,075,112	(1,424,416)	2,650,696
NONOPERATING REVENUES (EXPENSES)			
Solid waste disposal tax	105,445	-	105,445
Tire disposal tax	275,722	-	275,722
White goods disposal tax	80,810	-	80,810
NCDENR electronics program	27,271	-	27,271
Sale of capital assets	-	5,101	5,101
Governmental grants	-	6,299,494	6,299,494
Passenger facility charges	-	670,332	670,332
Customer facility charges	-	459,361	459,361
Interest and investment revenue	410,824	80,231	491,055
Total nonoperating revenue (expenses)	900,072	7,514,519	8,414,591
Income (loss) before transfers	4,975,184	6,090,103	11,065,287
Transfers from (to) other funds	(17,840)	(556,502)	(574,342)
Change in net position	4,957,344	5,533,601	10,490,945
Total net position, beginning	18,174,691	54,829,659	73,004,350
Restatement	-	(743,397)	(743,397)
Total net position, beginning, as restated	18,174,691	54,086,262	72,260,953
Total net position, ending	\$ 23,132,035	\$ 59,619,863	\$ 82,751,898

The accompanying notes are an integral part of this statement.

Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2019

	Solid Waste	Airport	Total
Cash flows from operating activities:			
Cash received from customers	\$ 8,305,827	\$ 2,086,802	\$ 10,392,629
Cash paid for goods and services	(1,556,408)	(305,656)	(1,862,064)
Cash paid to employees for services	(2,104,325)	(1,911,302)	(4,015,627)
Other operating revenue	1,046,819	(60,710)	986,109
Net cash provided by operating activities	5,691,913	(190,866)	5,501,047
Cash flows from noncapital financing activities:			
Transfers from (to) other funds	(17,840)	(556,502)	(574,342)
Amounts received from advances to other funds	(1,636)	-	(1,636)
Net cash provided by noncapital financing activities	(19,476)	(556,502)	(575,978)
Cash flows from capital and related financing activities:			
Disposal taxes	461,977	-	461,977
Capital grants	27,271	6,299,494	6,326,765
Passenger facility charges	-	670,332	670,332
Contract facility charges	-	459,361	459,361
Principal paid on bond maturities and equipment contracts	-	-	-
Proceeds from sale of capital assets	89,385	730,733	820,118
Acquisition of capital assets	(281,706)	(6,851,720)	(7,133,426)
Net cash used by capital and related financing activities	296,927	1,308,200	1,605,127
Cash flows from investing activities:			
Interest on investments	410,824	80,231	491,055
Net increase (decrease) in cash and cash equivalents	6,380,188	641,063	7,021,251
Cash and cash equivalents, July 1	17,950,872	3,941,567	21,892,439
Cash and cash equivalents, June 30	\$ 24,331,060	\$ 4,582,630	\$ 28,913,690

Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:

	Solid Waste	Airport	Total
Operating income (loss)	\$ 4,075,112	\$ (1,424,416)	\$ 2,650,696
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	1,162,265	2,155,009	3,317,274
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(118,455)	(829,943)	(948,398)
(Increase) decrease in advances from (to) other governments	(161,610)	(91,608)	(253,218)
(Increase) decrease in prepaid items	(1,093)	212,583	211,490
(Increase) decrease in deferred outflows	113,381	56,699	170,080
Increase (decrease) in accounts payable and accrued liabilities	199,059	236,992	436,051
Increase (decrease) in unearned revenues	-	(212,682)	(212,682)
Increase (decrease) in pension liability	(106,536)	(53,268)	(159,804)
Increase (decrease) in deferred inflows	(14,919)	(7,460)	(22,379)
Increase (decrease) in accrued landfill costs	1,003,104	-	1,003,104
Increase (decrease) in accrued OPEB obligation	(450,569)	(225,287)	(675,856)
Increase (decrease) in accrued vacation pay	(7,826)	(7,485)	(15,311)
Total adjustments	1,616,801	1,233,550	2,850,351
Net cash provided by (used in) operating activities	\$ 5,691,913	\$ (190,866)	\$ 5,501,047

Noncash capital and related financing activities:
Retainage payable included in capital assets

\$ - \$ 193,102 \$ 193,102

The accompanying notes are an integral part of this statement.

EXHIBIT 9
Onslow County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2019

	Agency Funds
Assets	
Cash and cash equivalents	\$ 736,093
Total assets	\$ 736,093
Liabilities	
Liabilities:	
Miscellaneous liabilities	\$ 702,039
Intergovernmental payable	34,054
Total liabilities	\$ 736,093

The accompanying notes are an integral part of this statement.

Onslow 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 Onslow 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

The County, which is governed by a five-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. Onslow County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Onslow County Hospital Authority (the Hospital), which has a September 30 year-end, is presented as if it were a proprietary fund. The Onslow County ABC Board (the Board), which has a June 30 year-end, is presented as if it were a proprietary fund.

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial Statements
Onslow County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Onslow County Hospital Authority	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation, which has leased the hospital facilities from the County until September 30, 2030. The County appoints the board of trustees for the Hospital. The County has also issued general obligation debt on behalf of the hospital.	Onslow County Hospital Authority 317 Western Boulevard Jacksonville, NC 28540
Onslow County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Onslow County ABC Board 409 Center Street Jacksonville, NC 28540

NOTE I. Summary of Significant Accounting Policies, continued

B. Basis of Presentation, Basis of Accounting

Basis of Presentation

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 except when services are provided or used. 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 and blended component units. Separate statements for each fund category - *governmental, proprietary, and fiduciary* - are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

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

The County reports the following major governmental funds:

General Fund: This is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. The Reserve Fund, Benefit Fund, Burton Park Fund, Workers Compensation Fund, Health Insurance Fund, Disaster Contingency Fund, LEO Special Separation Allowance Fund and Capital Improvement Fund are legally budgeted funds under North Carolina General Statutes; however, for statement presentation in accordance with GASB Statement No. 54, they are consolidated into the General Fund.

Capital Project Fund: This fund accounts for various construction projects. These projects will normally expand over more than one year.

School Construction Fund: This fund accounts for construction projects related to schools. These projects will normally expand over more than one year.

NOTE I. Summary of Significant Accounting Policies, continued

The County reports the following major enterprise funds:

Solid Waste Fund: This fund is used to account for the operations of the County landfill.

Airport Operations Fund: This fund is used to account for the operations of the Albert J. Ellis Airport.

The County reports the following fund types:

Agency Funds: Agency funds are custodial in nature and do not involve the measurement of operating results. Agency funds are used to account for assets the County holds on behalf of others. The County maintains seven agency funds: the Social Services Fund, which accounts for moneys deposited with the Social Services Department for the benefit of certain individuals; the Fines and Forfeitures Fund, which accounts for various legal fines and forfeitures that the County is required to remit to Onslow County Board of Education; the Agriculture Fund that accounts for moneys deposited with the Agriculture Department for the benefit of certain groups; the Bear Creek Volunteer Fire Department fund that accounts for monies deposited by the County for the operations of the Bear Creek Volunteer Fire Department; the Sheriff's Fund that accounts for moneys collected by the Sheriff's Department on judgments and executions, and the Municipal Tax Fund, which accounts for funds that are billed and collected by the County for various municipalities within the County but are not revenues to the County, and the Register of Deeds Trust Fund, which accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage and is remitted to the State Treasurer on a monthly basis.

Non-major Funds: The County maintains six legally budgeted funds. The Emergency Telephone System Fund, Register of Deeds Fund, Memorial Fund, Economic Development Fund, Grant Project Fund, and Community Assistance Fund are reported as non-major special revenue funds.

Measurement Focus, Basis of Accounting

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: The government-wide, proprietary, and pension trust fund financial statements are reported using the economic resources measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, 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.

NOTE I. Summary of Significant Accounting Policies, continued

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.

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. Issuances of general long-term debt and acquisitions under capital leases are reported as other financing sources.

The County considers all revenues available if they are collected within 90 days after year-end, except for property taxes. Ad valorem property taxes are not accrued as revenue because the amount is not susceptible to accrual. At June 30, taxes receivable for property other than motor vehicles are materially past due and are not considered to be an available resource to finance the operations of the current year. 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 all 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, such as the utilities franchise tax, collected and held by the State at year-end on behalf of the County are recognized as revenue. Intergovernmental revenues and sales and services are not susceptible to accrual because generally they are not measurable until received in cash. All taxes, including those dedicated for specific purposes are reported as general revenues rather than program revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

Under the terms of grant agreements, the County funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus when program expenses are incurred, there 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.

NOTE I. Summary of Significant Accounting Policies, continued

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the general, special revenue, capital project (excluding Economic Development Fund, Capital Project Fund, and Grant Project Fund), and the Enterprise Funds. All annual appropriations lapse at the fiscal year end. Project ordinances are adopted for the Capital Reserve Special Revenue Fund, the Capital Projects Fund, the School Construction Fund, and the Enterprise Capital Projects Funds. The Enterprise Capital Projects Funds are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the function level (the legal level of budgetary control) for the general fund, special revenue, enterprise and the capital project funds. As allowed by statute, the Board has authorized the County Manager to transfer monies from one appropriation to another within the same fund, subject to such limitations and procedures as it may authorize. Department heads may request transfers of appropriations within a department. These requests are subject to the approval of the County Manager. The County Manager may transfer amounts between objects of expenditures and revenues within a function without limitation. He may transfer amounts up to \$100,000 between functions of the same fund. He may not transfer any amounts between funds without action of the Board of Commissioners except the County Manager may transfer amounts within and between funds for the sole purpose of funding salary and benefits adjustments consistent with the Onslow County Personnel Policy. The Finance Officer is to ensure that procedures are implemented to administer this policy. During the year, several amendments to the original budget were necessary.

The budget ordinance must be adopted by July 1 of the fiscal year or the governing board must adopt an interim budget that covers that time until the annual ordinance can be adopted. A budget calendar is included in the North Carolina General Statutes, which prescribes the last day on which certain steps of the budget procedure are to be performed. The following schedule lists the tasks to be performed and the date by which each is required to be completed.

- April 30 Each department head will transmit to the budget officer the budget requests and revenue estimates for their department for the budget year.
- June 1 The budget and the budget message shall be submitted to the governing board. The public hearing on the budget should be scheduled at this time.
- July 1 The budget ordinance shall be adopted by the governing board.

As required by State law [G.S. 159-26(d)], the County maintains encumbrance accounts, which are considered to be "budgetary accounts". Encumbrances outstanding at year-end represent the estimated amounts of the expenditures ultimately to result if unperformed contracts in progress at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. These encumbrances outstanding are reported as "reserved for encumbrances" in the fund balance section of the governmental funds balance sheet and will be charged against the subsequent year's budget.

NOTE I. Summary of Significant Accounting Policies, continued

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

1. Deposits and Investments

All deposits of the County, the ABC Board, and Onslow County Hospital Authority are made in board-designated official depositories and are secured as required by G.S. 159-31. The County, the Hospital, and the ABC Board may designate, as an official depository, any bank or savings association whose principal office is located in North Carolina. Also, the County, the Hospital, and the ABC Board may establish time deposit accounts such as NOW and SuperNOW accounts, money market accounts, and certificates of deposit.

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

The majority of the County, the Hospital, and the ABC Board's investments are carried at fair value. Non-participating interest earning contracts are accounted for at cost. The NC Capital Management Trust Government Portfolio, a SEC-registered external investment pool meets all of the specified criteria in Section 150: Investments of the GASB Codification to qualify to elect to measure their investments at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Ownership interest in the STIF is determined on a fair market valuation basis as of fiscal year end in accordance with the STIF operating procedures. Valuation of the underlying assets is performed by the custodian.

2. Cash and Cash Equivalents

The County pools monies from several funds to facilitate disbursement and investment and maximize investment income. Investment earnings are allocated to all funds based on the cash balance outstanding at the end of each month. The ABC Board considers all highly liquid investments (including restricted assets) with an original maturity of three months or less to be cash and cash equivalents, and records them at cost. For the Hospital Authority, cash and cash equivalents include investments in highly liquid debt instruments with an original maturity of three months or less.

3. Restricted Assets

The unexpended bond proceeds of the Capital Projects installment purchases, limited obligation bonds, and general obligation bonds are classified as restricted assets on the balance sheet because their use is completely restricted to the purpose for which the bonds were originally issued.

Governmental Activities		
General Fund	Unexpended loans and bond proceeds	\$ 5,345
Capital Projects Fund	Unexpended loans and bond proceeds	5,603,108
School Construction Fund	Unexpended loans and bond proceeds	<u>2,240,091</u>
Total restricted cash		<u>\$ 7,848,544</u>

NOTE I. Summary of Significant Accounting Policies, continued

Restricted funds of the hospital are used to differentiate resources, the use of which is restricted by donors, or grantors, from resources of general funds on which donors or grantors place no restriction or that arise as a result of the operations of the Hospital for its stated purposes. Funds restricted by donors for plant replacement and expansion are reclassified to the unrestricted fund balance to the extent expended within the period. Funds restricted by donors for specific operating purposes are reported in other revenue to the extent used within the period for the designated purpose. Restricted cash and investments include assets set aside by the Hospital's Board for future capital improvements, over which the Board retains control and may at its discretion subsequently use for other purposes, therefore these assets are not considered to be cash equivalents.

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies annual ad valorem taxes on real and personal property on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1 each year. Personal property values are determined annually, while real estate values are based on the rates adopted during the last countywide revaluation, which was effective January 1, 2014.

5. Allowance for Doubtful Accounts

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

6. Inventory and Prepaid items

The inventories of the County are valued using the average cost method, while the hospital, and the ABC Board are valued at cost (first-in, first-out), which approximates market. The County's General Fund inventory consists of expendable supplies that are recorded as expenditures when consumed. The inventory of the County's enterprise funds as well as those of the Hospital and the ABC Board consists of materials and supplies held for consumption. The cost of the inventory carried in the County's enterprise funds and that of the Hospital and the ABC Board is recorded as an expense as it is consumed or sold.

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

Prepaid items for the County's governmental funds are treated using the consumption method.

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. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County has established capitalization thresholds of \$1,500 for technological equipment and \$5,000 for all other capital items. 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.

NOTE I. Summary of Significant Accounting Policies, continued

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

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

Furniture and office equipment	3 to 5 years
Maintenance and construction equipment	10 years
Buildings and improvements	15 to 30 years
Automobiles and trucks	4 years

Property, plant, and equipment of the ABC Board are depreciated over their useful lives on a straight-line basis as follows:

Buildings	20 years
Furniture and equipment	10 years
Vehicles	3 to 5 years
Leasehold improvements	10 to 20 years

For the Hospital, depreciation is computed by the straight-line method over the estimated useful lives of the assets as follows:

Buildings and improvements	10 to 40 years
Land improvements	10 to 40 years
Equipment	5 to 15 years

8. Deferred Outflows/Inflows of Resources

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

NOTE I. Summary of Significant Accounting Policies, continued

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 premium 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, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expenses over the life of the debt.

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

10. Compensated Absences

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

The sick leave policies of the County, the Hospital, and the ABC Board provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since none of the entities have any obligation for accumulated sick leave until it is actually taken, no accrual for sick leave has been made by the County or its component units.

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, net of related debt; 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 five classifications designed to disclose the hierarchy of constraints placed on how fund balance can be spent.

The governmental fund types classify fund balance as follows:

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

Inventories and prepaids - portion of fund balance that is not an available resource because it represents the year-end balance of ending inventories and prepaid expenditures, which are not spendable resources.

NOTE I. Summary of Significant Accounting Policies, continued

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

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

Restricted for Register of Deeds - portion of fund balance that is restricted by revenue source to pay for the computer equipment and imaging technology for the Register of Deeds office.

Restricted for Health Programs - portion of fund balance to be used to pay employee health care costs.

Restricted for Adoption Programs - portion of fund balance that is restricted by revenue source for adoption program expenditures.

Restricted for Drug Enforcement - portion of fund balance that is restricted by revenue source for drug enforcement expenditures.

Restricted for Occupancy Tax - portion of fund balance that is restricted to further the development of travel, tourism, and convention.

Restricted for Economic Development - portion of fund balance that can only be used for economic development.

Restricted for School Construction - portion of fund balance that can only be used for School Capital per G.S. 159-18-22.

Restricted for Emergency Services - portion of fund balance that is restricted by revenue source for emergency services.

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

Committed for Capital Improvements - portion of fund balance that can only be used for capital improvements.

Committed for Other Employee Benefits - portion of fund balance to be used to pay employees other employee benefits.

Committed for Workers' Compensation Insurance - portion of fund balance to be used to pay workers compensation claims.

NOTE I. Summary of Significant Accounting Policies, continued

Committed for LEO Separation Allowance - portion of fund balance that will be used for the Law Enforcement Officers' Special Separation Allowance obligations.

Assigned Fund Balance: Portion of fund balance that the Onslow County governing board has budgeted.

Subsequent year's expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed. The governing body approves the appropriation; however the budget ordinance authorizes the manager to modify the appropriations by resource or appropriation within funds up to \$100,000.

Unassigned Fund Balance: Portion of fund balance that has not been restricted, committed, or assigned to specific purposes or other funds.

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

12. Defined Benefit Pension Plans

The County participates in three cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State, the Local Government Employee's Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF), the Law Enforcement Officers' Special 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 pension benefit plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employer contributions are recognized when due and the County has a legal requirement to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the state-administered defined benefit pension plans. Investments are reported at fair value.

NOTE I. Summary of Significant Accounting Policies, continued

13. Stewardship, Compliance, and Accountability

Deficit Fund Balance

As of June 30, 2019, the Grant Project Fund reported a negative fund balance of \$(249,378). In the year ended June 30, 2020 the County will fund the Grant Project Fund through transfers from the General Fund.

NOTE II. Detail Notes on All Funds

A. Assets

1. Deposits

All of the County's, the Hospital's, and the 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 are collateralized with securities held by the County's, the Hospital's, or the ABC Board's names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the Hospital, and the ABC Board, these deposits are considered to be held by their agents in the entities' name. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the Hospital, or the ABC Board or the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the Hospital, or the ABC Board under the Pooling Method, the potential exists for under-collateralization, and this risk may increase in periods of high cash flows.

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County, ABC Board, and the Hospital rely 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, ABC Board, and the Hospital have no formal policies regarding custodial credit risk for deposits.

At June 30, 2019, the carrying amount of the County's deposits was \$16,483,523, and the bank balance was \$17,051,785. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2019, the County had \$11,277 cash on hand.

At June 30, 2019, the carrying amount of deposits for Onslow County ABC Board was \$3,089,576 and the bank balance was \$3,171,397. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$2,921,397 was collateralized by institutions using the Pooling Method.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

At September 30, 2018, the Hospital's deposits had a carrying amount of approximately \$4,144,000, and a bank balance of \$6,199,000. There is Federal Depository Corporation insurance of \$500,000 that is applicable to the bank balance as of September 30, 2018. The remaining balance was covered by collateral held under the Pooling Method.

2. Investments

<u>Investment Type</u>	<u>Cost</u>	<u>Fair Value</u>	<u>Valuation Measurement Method</u>	<u>Less than 6 Months</u>
Commercial paper:				
Wells Fargo Securities	\$ 3,432,264	\$ 3,466,013	Fair Value - Level 2	\$ 3,466,013
NC Cash Management Trust- Government Portfolio	72,556,833	72,556,833	Fair Value - Level 1	72,556,833
NC Cash Management Trust-Term Portfolio	1,316,060	1,316,060	Fair Value - Level 1	1,316,060
NC Cash Management Trust-Term Portfolio (Held through US Bank)	5,786,408	5,786,408	Fair Value - Level 1	5,786,408
	<u>\$83,091,565</u>	<u>\$83,125,314</u>		<u>\$83,125,314</u>

* 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 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 2: 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: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment practice is to limit the County's investment portfolio to maturities of less than one year. The County's investment policy also requires staggered investments so that maturities will coincide with necessary cash flows throughout the fiscal year.

Credit Risk: The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2019, the County's investments in commercial paper were rated P1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Trust Government Portfolio carried a rating of AAAm by Standard & Poor's as of June 30, 2019. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service.

Custodial Credit Risk: Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County had no policy on custodial credit risk. The County utilizes a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

Concentration of Credit Risk: The County has no formal policy regarding the amount that may be invested in any one issuer of investments. Less than 5% of the County's investments are invested in each of the listed bank's commercial paper.

At September 30, 2018, the Hospital had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			Allocation Percentage
		Less Than 1 Year	1 to 5 Years	6 to 10 Years	
Cash and Cash equivalents	\$ 1,705,827	\$ 1,705,827	\$ -	\$ -	15%
Short Term bond index fund	2,243,704	-	2,243,704	-	20%
Federal Agency Obligations	300,498	300,498	-	-	3%
US Treasury Notes	4,852,470	989,550	2,623,621	1,239,299	44%
Total liquid funds and interest	9,102,499	\$ 2,995,875	\$ 4,867,325	\$ 1,239,299	
Equities					
US Equity Securities	1,172,823				11%
Foregin Equity Securities	335,784				3%
Other	402,225				4%
Total equities	1,910,832				
Total fair value	\$ 11,013,331				100%

The Hospital's investment policy is subject to the Hospital Authorities Act North Carolina General Statute 159-30. The Hospital may, for funds not required for immediate disbursement, make investments which are permissible for trustees, executors, and other fiduciaries under North Carolina law. Funds designated by the Board of Commissioners are not needed for immediate operating needs and, as such, are invested in a mix of eligible investments, including cash equivalents.

Interest Rate Risk: The Hospital's fixed-income portfolio, the asset class within the total pension plan that is most susceptible to changes in interest rates, is bound with respect to duration (a measure of an investment's sensitivity to interest rate changes). The duration of the fixed-income portfolio should not exceed 130%, nor should it be less than 70%, of the Barclay Capital Aggregate Index (formerly the Lehman Brothers Aggregate Index), a fixed-income benchmark.

NOTE II. Detail Notes on All Funds, continued

Credit Risk: The following details the Hospital's policy regarding credit risk.

Allowable Instruments:

The fixed-income manager must adhere to the following portfolio guidelines for investments:

- (a) Instruments issued and fully guaranteed by the U.S. government or any of its agencies and instrumentalities.
- (b) Mortgage-backed securities and collateralized mortgage obligations are acceptable, as long as the manager can demonstrate that they meet the specific maturity guidelines outlined for the portfolio. Mortgages are limited to 40% of the fixed-income portfolio.
- (c) Instruments issued by domestic corporations, including corporate notes and floating rate notes. Commercial paper must be rated A1, P1 or F1 by the appropriate and approved rating agencies.
- (d) Obligations of domestic banks, including banker's acceptances, certificates of deposit, time deposits, notes and other debt instruments.
- (e) Instruments of foreign countries, foreign banks, or foreign corporations must be denominated in U.S. dollars. These instruments are limited to 15% of the fixed-income portfolio.
- (f) The following types of Euro issues are permitted: Euro CD's banker's acceptances, time deposits, bonds, and floating rate notes.
- (g) Yankee securities (dollar-denominated securities of foreign issues) are permitted subject to the quality constraints outlined below.

Credit Quality:

This guideline is intended to give the investment manager sufficient latitude to periodically take advantage of bond quality yield spreads. The average quality shall be no less than 3 based on the following scale:

U.S. government and agencies	5.0
AAA	4.0
AA	3.0
A	2.0
BBB	1.0

The minimum quality of any individual security is BBB. If a security is downgraded to below BBB, the manager has the latitude to hold the security if deemed prudent. No more than 10% of the portfolio can be held in bonds rated below A-.

Custodial Credit Risk: All investments are uninsured and unregistered and are held by the broker's or dealer's trust department or agent in the Hospital's name.

Concentration of Credit Risk: Except for issues guaranteed directly or indirectly by the U.S. government, the holdings of securities from one issuer shall not constitute more than 10% of the fixed-income allocation. All letters of credit shall be part of the invested amount of the guarantor for purposes of the 10% rule.

To the extent available, the Authority's investments are recorded at fair value. GASB Statement No. 72 Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Hospital had \$27,690,740 of its Board designated assets, limited as to use, invested with Vanguard, as a mix of equity and fixed investment securities.

Investments with indicated modified duration of "N/A" in the table above are highly liquid investments available to the Hospital immediately. Modified duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the financial statements.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2015	\$ 1,086,326	\$ 355,772	\$ 1,442,098
2016	1,096,062	260,314	1,356,376
2017	1,098,931	162,092	1,261,023
2018	<u>1,372,585</u>	<u>78,924</u>	<u>1,451,509</u>
	<u>\$ 4,653,904</u>	<u>\$ 857,102</u>	<u>\$ 5,511,006</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

4. Receivables

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

	Accounts	Property Taxes	Total
Governmental Activities:			
General	\$ 43,368,773	\$ 3,684,531	\$ 47,053,304
Capital projects fund	9,806	-	9,806
School construction fund	286,836	-	286,836
Other Governmental	74	-	74
Total Receivables	43,665,489	3,684,531	47,350,020
Allowance for Doubtful Accounts	(19,027,009)	(1,866,562)	(20,893,571)
Total Governmental Activities	<u>\$ 24,638,480</u>	<u>\$ 1,817,969</u>	<u>\$ 26,456,449</u>
Business-type Activities:			
Landfill	\$ 596,060	\$ -	\$ 596,060
Airport	1,086,113	-	1,086,113
Total Receivables	1,682,173	-	1,682,173
Allowance for Doubtful Accounts	(78,399)	-	(78,399)
Total for Business-Type Activities	<u>\$ 1,603,774</u>	<u>\$ -</u>	<u>\$ 1,603,774</u>

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

	Governmental Activities	Business-Type Activities
Local option sales tax	\$ 630,577	\$ -
Sales tax refunds	307,157	163,190
Solid Waste taxes	-	262,935
Total	<u>\$ 937,734</u>	<u>\$ 426,125</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$58,132,056.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

5. Capital Assets

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

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases and Adjustments</u>	<u>Transfers</u>	<u>Ending Balances</u>
Governmental Activities:					
Non-Depreciable Capital Assets:					
Land	\$ 13,837,935	\$ 227,326	\$ (175,393)	\$ -	\$ 13,889,868
Construction in progress	15,859,579	5,626,732	(19,706,193)	-	1,780,118
Total non-depreciable capital assets	<u>29,697,514</u>	<u>5,854,058</u>	<u>(19,881,586)</u>	<u>-</u>	<u>15,669,986</u>
Depreciable Capital Assets:					
Buildings	123,373,866	17,944,087	-	-	141,317,953
Improvements	22,246,577	2,016,611	(36,295)	-	24,226,893
Equipment	20,424,169	373,596	(77,566)	(5,309)	20,714,890
Computer Equipment	5,999,127	201,100	(35,348)	-	6,164,879
Vehicles	10,282,911	2,428,693	(1,106,201)	(47,375)	11,558,028
Heavy Equipment	<u>270,244</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>270,244</u>
Total depreciable capital assets	<u>182,596,894</u>	<u>22,964,087</u>	<u>(1,255,410)</u>	<u>(52,684)</u>	<u>204,252,887</u>
Less Accumulated Depreciation:					
Buildings	33,505,261	4,932,596	-	-	38,437,857
Improvements	11,349,978	901,000	(32,051)	-	12,218,927
Equipment	8,357,945	1,217,775	(51,686)	-	9,524,034
Computer Equipment	4,938,566	638,142	(35,348)	-	5,541,360
Vehicles	7,739,361	1,198,732	(1,006,783)	(52,684)	7,878,626
Heavy Equipment	<u>159,677</u>	<u>17,604</u>	<u>-</u>	<u>-</u>	<u>177,281</u>
Total accumulated depreciation	<u>66,050,788</u>	<u>8,905,849</u>	<u>(1,125,868)</u>	<u>(52,684)</u>	<u>73,778,085</u>
Total depreciable capital assets, net	<u>116,546,106</u>				<u>130,474,802</u>
Governmental Activity					
Capital Assets, Net	<u>\$ 146,243,620</u>				<u>\$ 146,144,788</u>

Capital projects reported on Exhibit 4 includes \$9,924,763 related to school improvements and construction for assets that are not included in the County's capital assets.

Primary Government

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

Governmental activities:

General government	\$ 3,308,320
Public Safety	4,235,815
Economic and physical development	31,995
Human services	942,280
Cultural and recreational	349,561
Environmental Protection	<u>37,878</u>
Total depreciation expense - governmental activities	<u>\$ 8,905,849</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<u>Business-type activities:</u>					
Solid waste					
Capital assets not being depreciated:					
Land	\$ 1,284,081	\$ -	\$ -	\$ -	\$ 1,284,081
Construction in progress	-	79,920	(79,920)	-	-
Total capital assets not being depreciated	1,284,081	79,920	(79,920)	-	1,284,081
Depreciable Capital Assets:					
Buildings	2,213,018	-	-	-	2,213,018
Improvements	29,318,473	29,920	-	-	29,348,393
Equipment	249,524	93,102	(10,517)	-	332,109
Computer equipment	4,848	3,764	-	-	8,612
Vehicles	703,567	-	-	52,684	756,251
Heavy Equipment	3,926,967	75,000	-	-	4,001,967
Total capital assets being depreciated	36,416,397	201,786	(10,517)	52,684	36,660,350
Less Accumulated Depreciation:					
Buildings	2,109,223	5,740	-	-	2,114,963
Improvements	17,605,023	842,145	-	-	18,447,168
Equipment	193,703	18,518	(1,052)	-	211,169
Computer Equipment	4,848	105	-	-	4,953
Vehicles	691,037	9,078	-	52,684	752,799
Heavy Equipment	2,343,619	286,679	-	-	2,630,298
Total accumulated depreciation	22,947,453	1,162,265	(1,052)	52,684	24,161,350
Total capital assets being depreciated, net	13,468,944				12,499,000
Solid Waste capital assets, net	\$ 14,753,025				\$ 13,783,081

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

	Beginning Balances, Restated	Increases	Decreases & Adjustments	Transfers	Ending Balances
<u>Business-type activities:</u>					
Airport					
Capital assets not being depreciated:					
Land	\$ 275,415	\$ 595,479	\$ -	\$ -	\$ 870,894
Construction in progress	14,876,094	6,217,605	(20,868,229)	-	225,470
Total capital assets not being depreciated	15,151,509	6,813,084	(20,868,229)	-	1,096,364
Capital assets being depreciated					
Buildings	31,507,907	5,232,346	(725,630)	-	36,014,623
Improvements	15,098,125	12,487,525	-	-	27,585,650
Equipment	2,451,366	3,152,010	9,589	-	5,612,965
Computer equipment	54,331	-	(9,589)	-	44,742
Vehicles	1,268,687	61,487	(31,600)	-	1,298,574
Heavy Equipment	138,503	35,000	-	-	173,503
Total capital assets being depreciated	50,518,919	20,968,368	(757,230)	-	70,730,057
Less accumulated depreciation for:					
Buildings	2,131,904	1,040,634	-	-	3,172,538
Improvements	8,801,192	868,392	(1)	-	9,669,583
Equipment	299,367	217,880	66,036	-	583,283
Computer Equipment	60,862	9,827	(33,034)	-	37,655
Vehicles	1,281,409	17,693	(64,599)	-	1,234,503
Heavy Equipment	138,503	583	-	-	139,086
Total accumulated depreciation	12,713,237	2,155,009	(31,598)	-	14,836,648
Total capital assets being depreciated, net	37,805,682				55,893,409
Airport capital assets, net	<u>\$ 52,957,191</u>				<u>\$ 56,989,773</u>

The Hospital leases the Hospital's property and plant from the County of Onslow. The real estate is leased to the Hospital Authority under a long term lease that ends December 31, 2056. Under this lease agreement, the Hospital Authority has the ability to grant a mortgage on the hospital's leasehold interest over the real estate to the holder of the mortgage securing the hospital financing for the repaying of principal and interest on any of the bonds originally issued to partially finance construction of the Hospital's expansion of its facilities.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Construction commitments

The County has active construction projects at June 30, 2019. These projects include airport upgrades, recreational and tourism related facilities, economic development projects and general facility needs. At year-end, the County's commitments with contractors are as follows:

<u>Project</u>	<u>Budget</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Tax Office Software	\$ 1,255,000	\$ 1,172,349	\$ 82,651
Discovery gardens	1,080,390	988,024	92,366
Sylvester House Preservation	100,000	16,600	83,400
Courthouse	20,000,000	18,471,869	1,528,131
Crisis Center	2,025,888	1,648,328	377,560
Beach Access Repairs	709,000	58,773	650,227
Animal Shelter Expansion	3,500,000	183,860	3,316,140
	<u>\$ 28,670,278</u>	<u>\$ 22,539,803</u>	<u>\$ 6,130,475</u>

Enterprise Fund Commitments

<u>Project</u>	<u>Budget</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Lanfill Projects	\$ 1,172,000	\$ 75,000	\$ 1,097,000
Convenience Site Projects	275,000	-	275,000
Airport Improvement Projects	55,563,234	59,271,982	(3,708,748)
Airport Projects	1,909,484	1,903,274	6,210
	<u>\$ 58,919,718</u>	<u>\$ 61,250,256</u>	<u>\$ (2,330,538)</u>

School Fund Commitment

<u>Project</u>	<u>Budget</u>	<u>Spent-to-date</u>	<u>Remaining Commitment</u>
Regional Skills Training Center	\$ 12,792,910	\$ 9,959,978	\$ 2,832,932
Richlands Elementary School	24,038,557	22,058,081	1,980,476
West Central Elementary School	23,273,263	339,516	22,933,747
New Southern Elementary School	23,741,360	887,496	22,853,864
	<u>\$ 83,846,090</u>	<u>\$ 33,245,071</u>	<u>\$ 50,601,019</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Discretely presented component units

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

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
Capital assets not being depreciated:					
Land	\$ 2,454,553	\$ -	\$ -	\$ -	\$ 2,454,553
Construction in progress	517,688	1,547,844	-	-	2,065,532
Total capital assets not being depreciated	2,972,241	1,547,844	-	-	4,520,085
Capital assets being depreciated					
Buildings	3,957,230	-	-	-	3,957,230
Furniture/Equipment	903,363	58,567	-	-	961,930
Vehicles	167,793	-	-	36,211	131,582
Leasehold improvements	394,402	-	-	-	394,402
Total capital assets being depreciated	5,422,788	58,567	-	36,211	5,445,144
Less accumulated depreciation for:					
Buildings	1,566,560	113,515	-	-	1,680,075
Furniture/Equipment	719,124	33,287	-	-	752,411
Vehicles	127,543	20,125	-	36,211	111,457
Leasehold improvements	136,108	16,403	-	-	152,511
Total accumulated depreciation	2,549,335	183,330	-	36,211	2,696,454
Total capital assets being depreciated, net	2,873,453				2,748,690
ABC Board capital assets, net	\$ 5,845,694				\$ 7,268,775

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

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

	Beginning Balances	Transfers/ Additions	Transfers/ Decreases	Ending Balances
Capital assets not being depreciated:				
Land	4,629,518			4,629,518
Construction in progress	841,584	5,045,961	(2,615,059)	3,272,486
Total capital assets not being depreciated	5,471,102	5,045,961	(2,615,059)	7,902,004
Capital assets being depreciated:				
Land improvements	\$ 1,027,777	\$ 12,505	\$ -	\$ 1,040,282
Buildings and improvements	83,149,582	1,227,960	-	84,377,542
Equipment	76,577,841	4,724,666	(638,915)	80,663,592
Total capital assets being depreciated	160,755,200	5,965,131	(638,915)	166,081,416
Less: Accumulated Depreciation	92,772,162	8,133,722	(633,557)	100,272,327
Total Capital Assets	\$ 73,454,140	\$ 2,877,370	\$ (2,620,417)	\$ 73,711,093

NOTE II. Detail Notes on All Funds, continued

B. Liabilities

1. Payables

Payables at June 30, 2019 were as follows:

	Vendors	Salaries & Benefits	Customer Deposits	Other	Total
Governmental Activities:					
General	\$ 2,483,655	\$ 3,404,955	\$ 1,888,703	\$ 875,162	\$ 8,652,475
Capital projects fund	229,539	-	-	-	229,539
School construction fund	255,516	-	-	-	255,516
Other Governmental Activities	15,276	-	-	-	15,276
Total Governmental Activities	<u>\$ 2,983,986</u>	<u>\$ 3,404,955</u>	<u>\$ 1,888,703</u>	<u>\$ 875,162</u>	<u>\$ 9,152,806</u>
Business-Type Activities:					
Solid Waste	\$ 379,811	\$ 65,800	\$ -	\$ 1,602	\$ 447,213
Airport	1,154,409	81,051	5,000	(280)	1,240,180
Total Business-Type Activities	<u>\$ 1,534,220</u>	<u>\$ 146,851</u>	<u>\$ 5,000</u>	<u>\$ 1,322</u>	<u>\$ 1,687,393</u>

2. Pension Plan Obligations

a. Local Government Employee's Retirement System

Plan Description: Onslow County and the ABC Board are participating employers 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 government 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 Road, Raleigh Carolina 27699-1410, or by calling (919) 981-5454 or at www.osc.nc.gov.

NOTE II. Detail Notes on All Funds, continued

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

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

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute six percent of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's and ABC Board's contractually required contribution rate for the year ended June 30, 2019 was 8.5% for law enforcement officers and 7.75% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the benefits earned by employees during the year. Contributions to the pension plan from the County were \$4,166,706 for the year ended June 30, 2019. Contributions to the pension plan by the ABC Board were \$124,385 for the year ended June 30, 2019.

Refunds of Contributions: County and ABC Board 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.

NOTE II. Detail Notes on All Funds, continued

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 \$20,401,904 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 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 a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the County's proportion was .860% which was an increase of .018% from its proportion measured as of June 30, 2017.

For the year ended June 30, 2019, the County recognized pension expense of \$4,818,977. 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	\$ 3,147,529	\$ 105,615
Changes of assumptions	5,413,878	-
Net difference between projected and actual earnings on pension plan investments	2,800,575	-
Changes in proportion and difference between County contributions and proportionate share of contributions	278,573	118,719
County contributions subsequent to the measurement date	4,166,706	-
Total	<u>\$ 15,807,261</u>	<u>\$ 224,334</u>

\$4,166,706 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:

Year Ended June 30:

2020	\$ 5,549,724
2021	3,576,192
2022	688,007
2023	1,602,298
2024	-
	<u>\$ 11,416,221</u>

NOTE II. Detail Notes on All Funds, continued

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:

Actuarial Assumptions:

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

The plan currently uses mortality tables that vary by age, gender, employee group (i.e. general, law enforcement officer) and health status (i.e. disabled or 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 forgoing 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	<u>6.0%</u>	4.0%
Total	<u>100.0%</u>	

NOTE II. Detail Notes on All Funds, continued

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including 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 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 pensionn asset to chanags in the discount rate: The following represents the County's proportionate share of the net pension asset calculated using the discount rate of 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's proportionate share of the net pension liability (asset)	\$ 49,007,141	\$ 20,401,904	\$ (3,501,079)

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.

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

At June 30, 2019, the Board reported a liability of \$416,346 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The Board's proportion of the net pension asset was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2019, the Board's proportion was .01755% which was an increase of .00029% from its proportion measured as of June 30, 2018.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

For the year ended June 30, 2019, the Board recognized pension expense of \$131,836. At June 30, 2019, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 64,232	\$ 2,155
Changes of assumptions	110,482	-
Net difference between projected and actual earnings on pension plan investments	57,152	-
Changes in proportion and difference between County contributions and proportionate share of contributions	38,151	-
County contributions subsequent to the measurement date	124,385	-
	<hr/>	<hr/>
Total	\$ 394,402	\$ 2,155
	<hr/>	<hr/>

\$124,385 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ 122,446
2021	83,712
2022	23,788
2023	37,916
	<hr/>
	\$ 267,862
	<hr/>

The Board's plan uses the same Actuarial Assumptions, and Discount Rate information as previously reported.

Sensitivity of the Board's proportionate share of the net pension asset to changes in the discount rate: The following represents the Board's proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the Board'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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

	<u>1% Decrease</u> <u>(6.0%)</u>	<u>Discount</u> <u>(7.0%)</u>	<u>1% Increase</u> <u>(8.0%)</u>
Board's proportionate share of the net pension liability (asset)	\$ 1,000,099	\$ 416,346	\$ (71,447)

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

Onslow County administers a public employee retirement system (the Separation Allowance), a single-employer defined benefit pension plan that provides retirement benefits to the County's qualified sworn law enforcement officers under the age of 62 who have completed at least 30 years of creditable service or have attained 55 years of age and have completed five or more years of creditable service. The Separation Allowance is equal to .85 percent of the annual equivalent of the base rate of compensation most recently applicable to the officer for each year of creditable service. The retirement benefits are not subject to any increases in salary or retirement allowances that may be authorized by the General Assembly. Article 12D of G.S. Chapter 143 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly.

All full-time County law enforcement officers are covered by the Separation Allowance. At December 31, 2016, the Separation Allowance's membership consisted of:

Inactive members currently receiving benefits	24
Active members	138
	<u>162</u>

A separate report was not issued for the plan.

2. Summary of Significant Accounting Policies

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

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

3. Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2018 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of December 31, 2018.

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

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$613,886 as benefits came due for the reporting period.

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 \$3,570,068. 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 \$367,291.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 275,174	\$ -
Changes of assumptions	134,093	138,559
Benefit payments and plan administrative expenses made subsequent to the measurement date	308,578	-
Total	<u>\$ 717,845</u>	<u>\$ 138,559</u>

\$308,578 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 75,525
2021	75,525
2022	75,525
2023	40,993
2,024	<u>3,140</u>
Total	<u>\$ 270,708</u>

NOTE II. Detail Notes on All Funds, continued

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

	1% Decrease (2.64%)	Discount Rate (3.64%)	1% Increase (4.64%)
Total pension liability	\$ 3,844,774	\$ 3,570,068	\$ 3,320,462

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

	<u>2019</u>
Beginning balance	\$ 3,509,954
Service cost	184,320
Interest on the total pension liability	106,421
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(128,623)
Benefit payments	(284,397)
Ending balance of the total pension liability	<u>\$ 3,570,068</u>

The plan currently uses mortality tables that vary by age, and health status (i.e. disabled and healthy). The current mortality rates are based on published tables and based on studies that cover significant portions of the U.S. population. The healthy mortality rates also contain a provision to reflect future mortality improvements. The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan (401k) for Law Enforcement Officers

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

NOTE II. Detail Notes on All Funds, continued

Funding Policy: Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2019 were \$666,775 which consisted of \$361,114 from the County and \$305,661 from the law enforcement officers and other employees.

d. Supplemental Retirement Income Plan (401k) for Non Law Enforcement Officers

The County has chosen to extend the supplemental retirement income plan (401K) to non-law enforcement employees. The county contributes an amount equal ranging from .5% to 1% of all gross earnings for qualified permanent full-time and part-time employees, and additionally matches the employee contribution up to a total from 2% to 4% of gross earnings depending on employment date. Contributions for the year ended June 30, 2019 were \$3,337,226, which consisted of \$1,541,612 from the County and \$1,795,614 from employees.

e. Deferred Compensation Plan

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

The County has complied with changes in the laws which govern the County's Deferred Compensation Plan, requiring all assets of the plan to be held in trust for the exclusive benefit of the participants and their beneficiaries. Formerly, the undistributed amounts, which had been deferred by the plan participants, were required to be reported as assets of the County. In accordance with GASB Statement 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans," the County's Deferred Compensation Plan is no longer reported within the County's Agency Funds.

f. Registers of Deeds' Supplemental Pension Fund

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

NOTE II. Detail Notes on All Funds, continued

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 each year 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 contributions. The actuarially determined contribution this year and for the foreseeable future is zero. Register 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 \$19,343 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 \$373,928 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2018. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2017. The total pension liability was then rolled forward to the measurement date of June 30, 2018 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2019, the County's proportion was 2.26% which was a decrease of .048% from its proportion measured as of June 30, 2018.

For the year ended June 30, 2019, the County recognized pension expense of \$72,299. 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	\$ 3,296	\$ 17,068
Changes of assumptions	17,587	-
Net difference between projected and actual earnings on pension plan investments	59,601	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,569	6,895
County contributions subsequent to the measurement date	19,343	-
Total	\$ 102,396	\$ 23,963

NOTE II. Detail Notes on All Funds, continued

\$19,320 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Amount
2020	\$ 31,225
2021	1,045
2022	17,564
2023	9,256
Total	<u>\$ 59,090</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:

Actuarial Assumptions:

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 or 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. 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%.

NOTE II. Detail Notes on All Funds, continued

The information above is based on 30 year expectations developed with the consulting actuary for the 2076 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 3.0%. All rates of return and inflation are annualized.

Discount Rate: The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from employers will be made at statutorily required rates, 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 represents 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 (asset)	\$ (294,821)	\$ (373,928)	\$ (440,640)

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.

g. 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:

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 20,401,904	\$ (373,928)	\$ -	\$ 20,027,976
Proportion of the Net Pension Liability (Asset)	0.8599%	-2.2576%	-	-
Total Pension Liability	-	-	3,570,068	3,570,068
Pension Expense	4,474,860	67,388	336,277	4,878,525

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>TOTAL</u>
<u>Deferred Outflows of Resources</u>				
Differences between expected and actual experience	\$ 3,147,529	\$ 3,296	\$ 275,174	\$ 3,425,999
Change of assumptions	5,413,878	17,587	134,093	5,565,558
Net difference between projected and actual earnings on pensions plan investments	2,800,575	59,601	-	2,860,176
Changes in proportion and differences between County contributions and proportionate share of contributions	278,573	2,569	-	281,142
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	4,166,706	19,343	308,578	4,494,627
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ 105,615	\$ 17,068	\$ -	\$ 122,683
Change of assumptions	-	-	138,559	138,559
Changes in proportion and differences between County contributions and proportionate share of contributions	118,719	6,895	-	125,614

h. Other Post-Employment Benefits (OPEB)

Healthcare benefits

Plan Description: Under County policy, Onslow County provides postemployment healthcare benefits through a single-employer defined benefit Healthcare Benefits Plan (HCB Plan). The Board of Commissioners may amend the benefit provisions. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

Benefits Provided: As of July 1, 2009, this plan does not provide postemployment healthcare benefits to retirees of the County with a hire date after June 30, 2009. For employees hired prior to July 1, 2009, this plan provides postemployment healthcare benefits to retirees who participate in the North Carolina Local Governmental Employees' Retirement System (System) and have at least ten years of continuous employment with Onslow County Government immediately preceding retirement, twelve months of which may be represented by accumulated sick leave as calculated by the System. The County has elected to pay the full cost of coverage for these benefits to qualified retirees until the age of 65. Also, qualified County retirees can purchase coverage for their dependents at the County's group rates. A separate report was not issued for the plan.

NOTE II. Detail Notes on All Funds, continued

Membership of the HCB Plan consisted of the following at December 31, 2018, the date of the latest actuarial valuation:

Inactive Employees	125
Active Employees	<u>352</u>
Total	<u><u>477</u></u>

Total OPEB Liability

The County's total OPEB liability of \$24,194,368 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Salary increases, including inflation	3.5-7.75%
Municipal Bond Index	
Prior Measurement Date	3.56%
Measurement Date	3.89%
Health Care Cost Trends	
Pre-Medicare	7.50%
Medicare	5.50%

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Changes in the Total OPEB Liability

Balance at July 1, 2018	\$ 24,763,107
Service Cost	659,923
Interest	861,254
Difference between expected and actual experience	(405,245)
Changes of assumptions or other inputs	(533,433)
Benefit payments	<u>(1,151,240)</u>
Net changes	<u>(568,739)</u>
Balance at June 30, 2019	<u>\$ 24,194,366</u>

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

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

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

	1% Decrease 2.89%	Discount Rate 3.89%	1% Increase 4.89%
Total OPEB Liability	\$ 25,853,957	\$ 24,194,366	\$ 22,661,104

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

	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability	\$ 22,160,883	\$ 24,194,366	\$ 26,495,900

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$1,210,263. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 245,441	\$ 315,984
Changes of assumption or other inputs	-	950,414
County contributions subsequent to the measurement date	876,355	-
Total	<u>\$ 1,121,796</u>	<u>\$ 1,266,398</u>

\$876,355 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2020	\$ (320,551)
2021	(320,551)
2022	(268,205)
2023	(111,650)
	<u>\$ (1,020,957)</u>

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 eligible participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the 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 set for employees not engaged in law enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

NOTE II. Detail Notes on All Funds, continued

i. Healthcare Benefits - Onslow County ABC Board

Plan Description: Under the terms of a Board resolution, the Board administers a single-employer defined benefit, Healthcare Benefits Plan (the HCB Plan).

Benefits Provide: As of February 19, 2008, this plan provides post-employment healthcare benefits to retirees of the Board, provided they participate in the North Carolina Local Governmental Employee's Retirement System (System) and have at least thirty continuous years of creditable service with the Board. The Board pays the full cost of these benefit premium payments for the remainder of their lives. At the age of sixty-five retirees must secure their Medicare Part D prescription drug coverage. The Board will continue to pay 100% of the medical supplement plan and Medicare D prescription drug insurance premiums. Also, the Board's retirees cannot purchase spouse or dependent coverage.

Membership of the HCB Plan consisted of the following at December 31, 2018, the date of the latest actuarial valuation:

Inactive Employees or Beneficiaries Currently	
Receiving Benefits	2
Active members	41
Total	<u>43</u>

Total OPEB Liability

The Board's total OPEB liability of \$873,656 was measured as of December 31, 2018 and was determined by an actuarial valuation as of that date.

Actuarial assumptions and other inputs: The total OPEB liability in the December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified:

Inflation	2.50%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Salary increases, including inflation	3.5-7.75%
Municipal Bond Index	
Prior Measurement Date	3.56%
Measurement Date	3.89%
Health Care Cost Trends	
Pre-Medicare	7.5% for 2017 decreasing to an ultimate rate of 5.00% by 2023

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of the measurement date.

NOTE II. Detail Notes on All Funds, continued

Changes in the Total OPEB Liability

Balance at July 1, 2018	\$ 900,231
Service Cost	9,194
Interest	31,632
Difference between expected and actual experience	(2,027)
Changes of assumptions or other inputs	(41,785)
Benefit payments	(23,589)
Net changes	(26,575)
Balance at June 30, 2019	<u><u>\$ 873,656</u></u>

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

Mortality rates were based on the RP-2014 Total Data Set for Healthy Annuitants Mortality Table.

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

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

	1% Decrease 2.89%	Discount Rate 3.89%	1% Increase 4.89%
Total OPEB Liability	\$ 1,001,027	\$ 873,656	\$ 768,929

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Board, as well as what the Board's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend	1% Increase
Total OPEB Liability	\$ 762,188	\$ 873,656	\$ 1,008,178

NOTE II. Detail Notes on All Funds, continued

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

For the year ended June 30, 2019, the County recognized OPEB expense of \$31,832. 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
Difference between expected and actual experience	\$ -	\$ 3,292
Changes of assumption or other inputs	-	100,020
County contributions subsequent to the measurement date	23,576	-
Total	<u>\$ 23,576</u>	<u>\$ 103,312</u>

\$23,576 reported as deferred outflows of resources related to pensions resulting from benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2020. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2020	\$ 8,999
2021	8,999
2022	8,999
2023	8,999
2024	8,999
Thereafter	58,317
	<u>\$ 103,312</u>

j. Healthcare Benefits - Onslow County Hospital Authority

The Authority adopted Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions, in the fiscal year ending September 30, 2018. The implementation of this standard requires the Authority to record a beginning net postemployment benefits (OPEB) liability and record the effects on net position of any contributions paid by the Authority to the retiree medical benefit plan during the measurement period. In addition, the adoption required the removal of the previously recorded net OPEB obligation. As a result of the adoption of this standard, the Authority recorded a prior period adjustment to decrease its net position as of October 1, 2016 by approximately \$26,943,000.

Plan Description: The Authority maintains a single-employer defined-benefit medical benefit plan (the OPEB Plan), providing medical insurance benefits to eligible retirees. The Authority does not issue separate financial statements for this the OPEB Plan.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

Benefits Provided: The health care plan provides two benefits. Under one benefit, eligible employees who retire between the age 55 and 65, who have been continuously employed full time for a minimum of 10 years and have been covered under the current health insurance program for that period immediately preceding retirement may opt to continue health coverage under the current health plan until the eligible employee attains age 65. The Authority will pay 5% of the premium cost for the retired employee for each year of full-time employment subject to a maximum of 100%. This benefit is referred to as the 55 to 65 benefit.

Under a second benefit, the Authority will purchase a Medicare supplement insurance policy for eligible employees retiring at or over age 65 who have been continuously employed full time for a minimum of 10 years and has been covered under the current health insurance program for that period immediately preceding retirement and employees attaining age 65. The Authority also purchases a Medicare supplement insurance policy for individuals receiving the 55 to 65 benefit once they attain age 65. This benefit is referred to as the 65 and over benefit.

Contributions: The Authority does not pre-fund benefits. The current funding policy is to pay benefits directly from general on a pay-as-you-go basis and there is not a trust for accumulating plan assets.

Employees covered by benefit terms: With respect to eligibility, employees hired before June 1, 2013, are eligible (upon meeting the requirements described above) for the 55 to 65 benefit and the 65 and over benefit. Employees hired after June 1, 2013, are eligible (upon meeting the requirements described above) for the 55 to 65 benefit, but are not able to participate in the 65 and over benefit.

Employee dependents are not covered by the OPEB program. The Board of Commissioners of the Authority may amend the benefit provisions.

Effective October 1, 2018, actives hired on or after October 1, 2009 are not eligible for benefits. The following is a summary of the participants in the OPEB program as of September 30, 2018:

	<u>Hired after October 1, 2009</u>	<u>Hired Before October 1, 2009</u>
Active employees	368	485
Retirees	-	153
Total	<u>368</u>	<u>638</u>

Total OPEB Liability: The Authority's total net OPEB liability of \$12,321,192 was measured as of September 30, 2018 and was determined by an actuarial valuation as of September 30, 2017. The Authority's total net OPEB liability as of \$34,195,235 was measured as of September 30, 2017 and was determined by an actuarial valuation as of the same date.

Actuarial Assumptions: The actuarial cost method used for determining the benefit obligations is the Entry Age Normal Cost Method. Under this method a projected retirement benefit at assumed retirement age is computed for each participant using anticipated future pay increases. The normal cost for each participant is computed as the level percentage of pay which, if paid from each participant's date of employment by the employer or any predecessor employer (thus, entry age) to his or her assumed retirement date, would accumulate with interest at the rate assumed in the valuation to an amount sufficient to fund his or her projected retirement benefit.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

The discount rate used to measure the total OPEB liability represents the Bond Buyer's 20-year General Obligation Index coinciding with the measurement date.

The total OPEB Plan liability was determined during the following actuarial assumptions, applied to all periods included in the measurement:

	<u>2018</u>	<u>2017</u>
Discount Rate	4.18%	3.64%
Salary increases, including inflation	2.50%	2.50%
Mortality:	3.50%	
Base Table	RP-2014	RP-2014
Projected Scale	MP-2018	MP-2017
Medical Trend Rates:		
Pre-65 Medical		
Initial Trend Rate	4.40%	4.40%
Ultimate Trend Rate	4.00%	4.00%
Year Rate Reaches Ultimate Trend	2089	2085
Post-65 Medical		
Initial Trend Rate	4.40%	4.40%
Ultimate Trend Rate	4.00%	4.00%
Year Rate Reaches Ultimate Trend	2089	2085

Changes in Total OPEB Liability: For the years ended September 30, the Authority's OPEB plan liability changed as follows:

	<u>2018</u>
Balance at Beginning of Year	\$ 34,195,235
Service Cost	728,865
Interest	1,255,595
Effect of plan changes	(21,985,121)
Changes of assumptions or other inputs	(1,006,114)
Benefit payments	(867,268)
Net changes	(21,874,043)
Balance at End of Year	<u><u>\$ 12,321,192</u></u>

Reflected in the 2018 valuation, is the effect of significant plan changes approved by the Board of the Authority. The impact of the OPEB Plan changes was to reduce the OPEB Plan liability by approximately \$21,895,000. This change is included as Gain on Change in Postemployment Benefit Plan on the accompanying statement of revenues, expenses, and changes in net position enterprise fund, for the year ended September 30, 2018.

At September 30, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ -
Changes of assumption or other inputs	-	3,158,787
County contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 3,158,787</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:

2019	\$ (896,261)
2020	(896,261)
2021	(896,261)
2022	(470,004)
	<u>\$ (3,158,787)</u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.18 percent) or 1-percentage-point higher (5.18 percent) than the current discount rate:

	<u>1% Decrease 3.18%</u>	<u>Discount Rate 4.18%</u>	<u>1% Increase 5.18%</u>
Total OPEB Liability	\$ 14,183,883	\$ 12,321,192	\$ 10,841,052

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 10,707,711	\$ 12,321,192	\$ 14,342,488

k. Onslow County Hospital Authority Retirement Plan

The Authority offers a voluntary 403(b) retirement savings plan that is available to all employees. Participants are fully vested in all funds they contribute to the plan. The Authority matches 50% of each employee's contribution up to a maximum of 3% of eligible earnings. Employees do not become vested in the Authority's matching contribution until the completion of five years of employment involving a minimum of 1,000 hours of service in each year. Employees become 100% vested in the Authority's matching contribution to the plan upon completion of the fifth year of employment. The Hospital recognized expense for contributions and plan fees totaling approximately \$753,000 for the year ended September 30, 2017.

NOTE II. Detail Notes on All Funds, continued

During the fiscal year 2015, the Authority began making supplemental nonmatching contributions to the 403(b) retirement savings plan on behalf of employees with two or more years of service. Employees with more than two but less than 10 years of service receive a nonmatching contribution of 2% of eligible earnings. Employees with 10 or more years of service receive a nonmatching contribution of 3% of eligible earnings. This supplemental contribution was implemented to supplement the overall employee benefits program as a result of the termination of the pension plan during the year. The Authority recognized expense for nonmatching contributions related to fiscal year 2018 of \$1,869,000 for the year ended September 30, 2018. Accrued expenses as of September 30, 2018, include approximately \$794,000 related to these supplemental nonmatching contributions. Further, the fiduciary fund made supplemental contributions of \$918,000 to the plan during the year ended September 30, 2018.

3. Closure and Postclosure Care Costs - Onslow County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its two landfill facilities 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 \$14,693,434 reported as landfill closure and post-closure care liability at June 30, 2019 represents a cumulative amount reported to date based on the percentage used of the total estimated capacity of all county landfills. The County will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity is filled. All of the above amounts are based on what it would cost to perform all closure and post-closure care in 2019. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Onslow County closed one facility in the fiscal year ended 1998. As of June 30, 2019, the estimated post-closure care liability for the closed landfill amounted to \$598,750.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. The County is not currently required to fund the estimated closure costs of this facility based upon its present financial stability. As of June 30, 2019, the County has used approximately 82% of its landfill currently in operation.

NOTE II. Detail Notes on All Funds, continued

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 7,407,199	\$ -
Difference between expected and actual experience	3,671,440	438,667
Change of assumptions pension and OPEB plans	5,565,558	1,088,973
Difference between projected and actual investment earnings pension plans	2,860,176	-
Change in proportion and difference between employer contributions and proportionate share of contributions pension plan	281,142	125,614
Contributions to pension plans in current fiscal year	4,186,049	-
Benefit payments made for LEOSSA subsequent to measurement date	308,578	-
Benefit payments made for OPEB subsequent to measurement date	876,355	-
Prepaid taxes not yet earned (General)	-	148,636
FEMA reimbursements earned but not yet received		2,237,489
Total	<u>\$25,156,497</u>	<u>\$ 4,039,379</u>

5. Risk Management

The County is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; error and omissions; injuries to employees; and natural disasters. Onslow County is self-insured for worker's compensation coverage and contracts with Compensation Claims Solutions for the administration of the plan. The County provides coverage up to the statutory limits, and acquires excess loss coverage from a third party provider.

Employer's liability coverage is provided up to \$1,000,000 for bodily injury by accident or disease. Current year operations are reported in the Worker's Compensations Fund.

The County is self-insured for its employee health insurance. The plan is administered by Blue Cross Blue Shield of NC. There is a specific stop loss of \$100,000 per covered employee/dependent and an aggregate stop loss of 125% of expected net paid claims. Blue Cross Blue Shield underwrites the reinsurance policies for the specific and aggregate stop-loss coverage. The County pays 100% of the premium for employees only coverage for those employees who participate in an annual health risk assessment and the employees pay 100% of the premium for dependent coverage. Additionally, those employees who do not participate in the health risk assessment pay \$50 monthly of the employee coverage. The plan is self-sustaining through premiums. The estimated liability for claims is based on all known claims filed as of June 30, 2019, as determined by the plan administrator.

The County is fully-insured for its employee dental insurance. The policy is provided by Ameritas Life Insurance Company of Lincoln, NE. The County pays 100% of the premium for employees only coverage and the employees pay 100% of the premium for dependent coverage. The plan is self-sustaining through premiums.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

A summary of changes in the aggregate liabilities for health claims are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Liability For Claims - Beginning of Year</u>	<u>Net Fees Credited</u>	<u>Paid Claims and Charges</u>	<u>Liability For Claims - End of Year</u>
2017	86,106	7,437,366	7,503,795	152,535
2018	152,535	8,517,438	8,937,339	572,436
2019	572,436	8,342,769	8,530,650	760,317

A summary of changes in the aggregate liabilities for workers compensation claims are as follows:

<u>Fiscal Year Ending June 30:</u>	<u>Liability For Claims - Beginning of Year</u>	<u>Net Fees Credited</u>	<u>Paid Claims and Charges</u>	<u>Liability For Claims - End of Year</u>
2017	-	536,702	537,053	351
2018	351	401,400	402,910	1,861
2019	1,861	468,593	467,138	406

The County carries commercial insurance for all other risks of loss such as general liability, buildings & contents, flood, auto, and wind & hail. There have been no significant reductions in insurance coverage from the previous year and settled claims from these risks have not exceeded the total commercial insurance coverage in any of the last three fiscal years.

In addition to the insurance above the County carries flood insurance through the National Flood Insurance Plan (NFIP). Because the County is in an area of the State that has been mapped and designated an "A" area (an area close to a river, lake or stream) by the Federal Emergency Management Agency, the County is eligible to purchase coverage of \$500,000 per structure through the NFIP. The County has purchased flood coverage for its beach access site #2. The County was unable to purchase coverage for their other two beach access sites as they are in a coastal Barrier Resources Area (CBRA).

NOTE II. Detail Notes on All Funds, continued

In accordance with G.S. 159-29, County employees that have access to \$100 or more at any given time of the County's funds are performance bonded through a commercial surety bond. The Finance Officer is individually bonded for \$250,000 and the tax collector is individually bonded for \$100,000. The remaining employees that have access to funds are bonded under a blanket bond for \$1,000,000 with a deductible of \$2,500.

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

6. 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.

The Hospital Authority is subject to legal proceedings and claims that arise in the course of providing health care services. The Hospital Authority maintains malpractice insurance coverage (after self-insured retention limits) for claims made during the policy year, up to the maximum amounts stated in the insurance policy. The Hospital also carries excess malpractice coverage up to specified limits to cover claims in excess of the maximum amounts stated in the basic policy. In the Hospital Authority's management opinion, adequate provision has been made for amounts expected to be paid under the policy's deductible limits for asserted and unasserted claims not covered by the policy and any uninsured liability.

7. Long-Term Obligations

a. Installment Purchase

As authorized by State law (G.S. 160A-20 and 153A-158.1) the County has entered in installment purchase contracts for the purchase of capital equipment needs of the County. The installment purchases were issued pursuant to a deed of trust, which requires that legal title remain with the County as long as the debt is outstanding. The lease term is the same as that of the installment purchase obligation. The capital assets associated with the installment purchase obligation are recorded in the capital assets of the County.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

The County's installment purchase obligations payable at June 30, 2019 are comprised of the following

800 MHZ Radio Equipment executed October 8, 2013 for a 7 year period at 1.88% with yearly payments of \$434,777 plus interest beginning October 8, 2014	\$ 869,555
Maintenance Building Coastal Carolina Community College and Demolition of the Old Jail Facility executed October 8, 2013 for a 12 year period at 2.56% with yearly payments of \$550,000 plus interest beginning October 8, 2014 through October 2026	<u>3,850,000</u>
	<u>\$ 4,719,555</u>

Installment purchase debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2020	\$ 984,777	\$ 114,907	\$ 1,099,684
2021	984,778	92,654	1,077,432
2022	550,000	70,400	620,400
2023	550,000	56,320	606,320
2024	550,000	42,240	592,240
2025-2026	1,100,000	42,240	1,142,240
Total minimum lease payments	<u>\$ 4,719,555</u>	<u>\$ 418,761</u>	<u>5,138,316</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

b. Certificates of Participation

Series 2015 Advanced Refunding COPS

Total issue of \$30,500,000. Collateralized by Meadowview Elementary School.

Payments are due in December and June with interest from 2.00% to 5.00% maturing October 2027	\$	24,705,000
Premium on bonds issued		3,061,947

Series 2008 Justice Complex COPS for Jail and Sheriff Administration

Building. Total issue of \$57,000,000. Collateralized by the Justice Complex.

Payments are due in December and June with interest at 3.50% maturing June 2028		9,990,000
	\$	37,756,947

Debt service requirements to maturity are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2020	\$ 4,075,000	\$ 340,216	\$ 1,495,950
2021	4,050,000	340,216	1,324,300
2022	4,045,000	340,216	1,138,575
2023	4,040,000	340,216	953,100
2024	4,020,000	340,216	768,250
2025-2028	14,465,000	1,360,868	1,310,375
Total	\$ 34,695,000	\$ 3,061,948	\$ 6,990,550

Limited Obligation Bonds

The following limited obligation bonds have been issued:

Series 2012A Limited Obligation Bonds for 800 MHZ,

Sneads Ferry Library/Environmental Center & Government Center

Total issue of \$30,035,000. Collateralized by the Government Center.

Payments are due in December and June with interest from 1.49% to 3.17% maturing June 2033	\$	29,940,000
Premium on bond interest		1,942,057

Series 2015 Limited Obligation Bonds for Dixon Middle School,

Consolidated Human Service Building & Vehicle Maintenance Building

Total issue of \$46,965,000. Collateralized by Dixon Middle School. Payments are due in

December and June with interest from 1.10% to 3.86% maturing June 2035		41,750,000
Premium on bonds interest		4,463,368

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Series 2016 Limited Obligation Bonds for Richlands Elementary School,
 Courthouse, Consolidated Human Service Building Parking Lot &
 Justice Complex HVAC Replacement Total issue of \$42,865,000. Collateralized by Richlands
 Middle School. Payments are due in December and June with interest from .91% to 2.95%
 maturing in October 2036

	41,570,000
Premium on bonds issued	<u>6,027,140</u>
	<u>\$ 125,692,565</u>

Debt service requirements to maturity are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2020	\$ 7,030,000	\$ 752,520	\$ 4,696,918
2021	7,045,000	752,520	4,400,719
2022	7,045,000	752,520	4,071,419
2023	7,045,000	752,520	3,763,519
2024	7,045,000	613,802	3,455,619
2025-2029	35,580,000	3,762,600	12,612,793
2030-2034	33,020,000	3,762,600	5,276,405
2035-2037	9,450,000	1,283,483	437,026
Total	<u>\$ 113,260,000</u>	<u>\$ 12,432,565</u>	<u>\$ 38,714,418</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

d. General Obligation Indebtedness

All general obligation bonds serviced by the County's general fund are collateralized by the full faith, credit, and taxing power of the County.

The County's general obligation bonds payable at June 30, 2019 are comprised of the following individual issues and serviced by the General Fund:

\$ 33,325,000 School Refunding Bonds Series 2013

Payments are due December and June through 2026

with interest from 3.00% to 5.00% \$ 23,435,000

Premium on bond issue 3,414,023

\$ 22,870,000 School Refunding Bonds Series 2015

Payments are due October and April through 2027

no principal payments the first three years

with interest from 3.00% to 5.00% 21,005,000

Premium on bonds issued 2,685,443

Carrying value of bonds \$ 50,539,466

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

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2020	\$ 5,670,000	\$ 823,617	\$ 1,949,250
2021	5,635,000	823,617	1,704,300
2022	5,625,000	823,617	1,441,525
2023	5,630,000	823,617	1,160,150
2024	5,650,000	823,617	878,150
2025-2028	16,230,000	1,981,379	1,167,950
Total	<u>\$ 44,440,000</u>	<u>\$ 6,099,464</u>	<u>\$ 8,301,325</u>

At June 30, 2019, Onslow County has no bonds authorized but unissued and a legal debt margin of approximately \$909,061,000.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Debt related to Capital Activities: Of the total Governmental Activities debt listed only \$129,354,248 related to assets the County holds title. Restricted cash related to this debt amounts to \$7,848,544.

g. Long-Term Obligation Activity

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

	Balance June 30, 2018	Increases	Decreases	Balance June 30, 2019	Current Portion of Balances
<u>Governmental Activities</u>					
Direct Placement General obligation debt	\$ 50,140,000	\$ -	\$ 5,700,000	\$ 44,440,000	\$ 5,670,000
Premium on GO debt	6,923,081	-	823,617	6,099,464	823,617
Direct Placement Installment Purchase	5,990,682	-	1,271,128	4,719,554	984,777
Certificates of Participation	38,810,000	-	4,115,000	34,695,000	4,075,000
Premium on COP's	3,402,164	-	340,216	3,061,948	340,216
Limited Obligation Bonds	119,145,000	-	5,885,000	113,260,000	7,030,000
Premium on LOBS Debt	13,185,085	-	752,520	12,432,565	752,520
Net OPEB liability	23,361,422	107,115	-	23,468,537	-
Compensated absences	3,703,966	3,273,679	3,703,966	3,273,679	818,420
Net pension liability (LEOSSA)	3,509,954	60,114	-	3,570,068	-
Net pension liability (LGRS)	12,092,483	7,697,364	-	19,789,847	-
Total	\$ 280,263,837	\$ 11,138,272	\$ 22,591,447	\$ 268,810,662	\$ 20,494,550
<u>Business-type activities</u>					
Accrued landfill closure cost	\$ 13,690,330	\$ 1,003,104	\$ -	\$ 14,693,434	\$ -
Total OPEB liability	1,401,685	-	675,854	725,831	-
Compensated absences	213,998	186,350	201,661	198,687	198,687
Net pension liability (LGRS)	771,861	-	159,804	612,057	-
Total	\$16,077,874	\$1,189,454	\$1,037,319	\$16,230,009	\$198,687

NOTE II. Detail Notes on All Funds, continued

h. Hospital Long-Term Debt

A summary of long-term debt at September 30, 2018 is as follows:

\$42,417,244 FHA Insured Mortgage Loan, including interest at 3.1% through March 2036 secured by a first lien on the Hospital's leasehold interest in the Hospital property owned by Onslow County	\$ 37,858,678
Other	<u>2,258,349</u>
Total	<u>\$ 40,117,027</u>

During 2006, the Hospital issued a \$58,100,000 FHA insured Mortgage Revenue Bond ("2006 HUD Revenue Bond") to finance the cost of expanding and constructing the Hospital, and to redeem the existing 1998 Revenue Bond. The Hospital constructed a new Emergency Department and Surgical Pavilion adjacent to the existing hospital facility as Phase I of its long range plan to develop a replacement hospital. The 2006 HUD Revenue Bond is secured by a first lien on the Hospital's leasehold interest in the property and original buildings, the improvements thereon; and certain fixtures, equipment, and personal property of the Authority. The associated bond agreements require the Hospital to maintain specific financial qualitative covenants. The Hospital was in compliance as of September 30, 2018.

The bonds were issued as fully registered bonds, whereby interest is payable as a fixed rate percentage, with rates of 4.75% at a minimum and 5.13% at maximum.

In March 2016, the Hospital obtained approval from the Department of Housing and Urban Development (HUD) to proceed with a transaction to defease the 2006 HUD Revenue Bond. Accordingly, in May 2016, the Authority obtained a mortgage bank loan in the amount of \$42,417,244. The interest rate at September 30, 2016, was 3.1%. The net proceeds of this new financing arrangement were principally used to fund an escrow account in the amount of \$45,733,053 for the advance refunding of \$44,655,000 of outstanding borrowing related to the 2006 HUD Revenue Bond. The Hospital made \$4,290,000 of principal payments during 2016 prior to the defeasance. The 2006 HUD Revenue Bond was defeased. This reduced the Hospital's interest rate from approximately 5% to a fixed rate of 3.1%. The Hospital maintains the HUD insurance on the new mortgage loan. The mortgage loan is secured by a first lien on the Authority's leasehold interest in the property and original buildings; the improvements thereon; and certain fixtures, equipment, and personal property of the Authority. The Authority is required to maintain specified financial qualitative covenants. The Authority did not comply with certain of these covenants as of and for the year ended September 30, 2018, however is taking the necessary actions in accordance with the loan agreements. As such, management believes these aspects of noncompliance were cured subsequent to September 30, 2018.

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

The Hospital's debt service requirements for outstanding long-term debt as of September 30, 2017, (over the next five years and in five-year increments thereafter), are as follows:

Year Ending September 30	Principal	Interest	Total
2019	2,901,916	1,202,172	4,104,088
2020	2,788,216	1,114,829	3,903,045
2021	2,876,233	1,026,813	3,903,046
2022	2,315,271	944,528	3,259,799
2023	2,327,915	873,406	3,201,321
2024-2028	12,784,701	3,221,904	16,006,605
2029-2033	14,122,775	1,083,500	15,206,275
Total	<u>\$ 40,117,027</u>	<u>\$ 9,467,152</u>	<u>\$ 49,584,179</u>

A summary of changes in debt during 2018 is as follows:

	September 30, 2017	Additions	Payments	September 30, 2018
FHA Insured Mortgage Loan	\$ 39,852,738	\$ -	\$ 1,994,060	\$ 37,858,678
Other	3,153,873	-	895,524	2,258,349
	<u>\$ 43,006,611</u>	<u>\$ -</u>	<u>\$ 2,889,584</u>	<u>\$ 40,117,027</u>

i. Component Unit Term Debt

Onslow 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 payments received from the private businesses 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 bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2019 there were no outstanding bonds.

C. Interfund Balances and Activity

The composition of interfund balances as of June 30, 2019 for operating loans are as follows:

Interfund loans From/To other funds

From the General Fund

Nonmajor funds	\$ 245,318
School Construction Fund	821,529
	<u>\$ 1,066,847</u>

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Transfers to/from other funds to supplement other funding sources:

Operating Transfer From/To Other Funds	Purpose
From the General Fund	
Airport Fund	\$ 254,695 Tourism funds for advertising and debt
Capital Project Fund	1,059,000 Tourism funds for Waterway Maint, Beach Access repairs
From the Capital Project Fund	
Solid Waste Fund	261,222 Refund of unused project funds
From the Nonmajor Funds	
General Fund	50,637 Refund from completed projects
From the Airport Fund	
General Fund	811,197 Indirect costs and debt service
From the Solid Waste Fund	
General Fund	279,062 Indirect costs
	<u>\$ 2,715,813</u>

D. Net Investment in Capital Assets

Net investment in capital assets for governmental activities at June 30, 2019 is computed as follows:

Capital assets, net of accumulated depreciation	\$ 146,144,788
Deferred amount on refunding	7,407,199
Less Capital Debt	
Gross long-term debt	\$(218,708,531)
Retainage payable	(741,640)
School debt related to assets to which the County does not capitalize	95,726,430
Premium on school debt	12,515,334
Unexpended bond proceeds	7,848,544
School portion deferred amount on refunding	<u>(103,359,863)</u>
Net investment in capital assets	<u>\$ 50,192,124</u>

E. Fund Balance

Onslow Country has a revenue spending policy that provides policy for programs with multiple revenue sources. The Finance Officers will use resources in the following hierarchy: bond proceeds, federal funds, State funds, local non-city funds, city funds. For purposed of the 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 is in the best interest of the County.

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

Onslow County, North Carolina
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2019

NOTE II. Detail Notes on All Funds, continued

Total Fund Balance - General Fund	<u>\$ 77,211,865</u>
Less:	
Inventory and prepaids	\$ 773,528
Stabilization by State Statute	26,681,418
Health Programs	3,816,688
Adoption Programs	11,681
Drug Enforcement	541,914
Occupancy Tax	3,562,233
Economic Development	248,308
Capital projects	5,345
Capital Improvements	25,460,490
Other Employee Benefits	1,922
Workers' Compensation Insurance	445,264
Appropriated Fund Balance in 2019 budget	13,137,690
LEO Separation Allowance	<u>1,036,752</u>
Remaining Fund Balance	<u><u>\$ 1,488,632</u></u>

The County has adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that available fund balance is at least equal to or greater than 8% of budgeted expenditures.

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

	School					
	General Fund	Capital Projects Fund	Construction Fund	Non-major Funds	Airport Fund	Solid Waste Fund
Encumbrances	\$ 786,036	\$ 1,416,481	\$ 2,660,087	\$ 16,744	\$ 3,157,943	\$ 85,587

NOTE III. Joint Ventures

The County, in conjunction with the State of North Carolina and the Onslow County Board of Education, participates in a joint venture to operate the Onslow County Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$4,441,555 and \$2,836,000 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2019. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the community college may be obtained from the community college's administrative offices at 444 Western Boulevard, Jacksonville, NC 28546.

The County in conjunction with the City of Jacksonville and the Town of Richlands, Swansboro, Holly Ridge, and North Topsail Beach, participates in a joint venture to operate the Onslow County Water and Sewer Authority. The County and the City each appoint two members of the nine-member board with each town appointing one member each. The participating governments do not have any equity interest in the joint venture; therefore no equity interest has been reflected in the County's financial statements at June 30, 2019. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 232 Georgetown Road, Jacksonville, NC, 28546.

NOTE IV. Jointly Governed Organization

The County, in conjunction with eight other counties and sixty-two municipalities, established the Eastern Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$22,793 to the Council during the fiscal year ended June 30, 2019. The County was the sub recipient of various grants totaling \$767,918 from the U.S. Department of Health and Human Services.

NOTE V. Summary Disclosure of Significant Commitments and Contingencies

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

NOTE VII. Subsequent Event

Management has evaluated subsequent events through January 10, 2020, the date on which the financial statements were available to be issued.

NOTE IX. Restatement

For the year ended June 30, 2018, Construction in Progress was overstated by \$208,779 for the governmental activities and \$743,397 for the airport fund.

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Total Pension Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance
- Schedule of Changes in the Total Other Postemployment Benefits Liability and Related Ratios
- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) of the Local Government Employees' Retirement System
- Schedule of County Contributions to the Local Government Employees' Retirement System
- Schedule of the County's Proportionate Share of Net Pension Liability (Asset) of the Register of Deeds Supplemental Pension Fund
- Schedule of County Contributions to the Register of Deeds Supplemental Pension Fund

Please Note: The Schedule of Changes in the Total Other Postemployment Benefits Liability for the Onslow County ABC Board and the Onslow County Hospital Authority can be found in the separately issued financial statements for the ABC Board and the Hospital. The financial statements are available from the ABC Finance Office and the Hospital Finance Office (see Note I.A. to the County statements for contact information).

SCHEDULE 1
Onslow County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Schedule of Changes in Total Pension Liability

	<u>2019</u>	<u>2018</u>
Beginning balance	\$ 3,509,954	\$ 3,071,164
Service cost	184,320	156,081
Interest on the total pension liability	106,421	113,817
Difference between expected and actual experience	182,393	201,476
Changes of assumptions or other inputs	(128,623)	212,511
Benefit payments	<u>(284,397)</u>	<u>(245,095)</u>
Ending balance of the total pension liability	<u>\$ 3,570,068</u>	<u>\$ 3,509,954</u>

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

SCHEDULE 2
Onslow County, North Carolina
Law Enforcement Officers' Special Separation Allowance
Required Supplementary Information
Total Pension Liability as a Percentage of Covered Payroll

	<u>2019</u>	<u>2018</u>
Total pension liability	\$ 3,570,068	\$ 3,509,954
Covered payroll	7,222,179	6,975,465
Total pension liability as a percentage of covered payroll	49.43%	50.32%

Note to the schedules:

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

SCHEDULE 3
Onslow County, North Carolina

Schedule of Changes in the Total OPEB Liability and Related Ratios

Total OPEB Liability

Service cost	\$ 659,923
Interest	861,254
Differences between expected and actual experience	(405,245)
Changes of assumptions	(533,433)
Benefit payments	(1,151,240)
Net change in total OPEB liability	(568,741)
Total OPEB liability - beginning	24,763,107
Total OPEB liability - ending	\$ 24,194,366

Covered payroll	9,348,638
Total OPEB liability as a percentage of covered payroll	258.80%

Notes to Schedule

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

<u>Fiscal year</u>	<u>Rate</u>
2019	3.89%

SCHEDULE 4
Onslow County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	0.860%	0.842%	0.779%	0.778%	0.722%	0.747%
County's proportionate share of the net pension liability (asset) \$	\$ 20,401,904	\$ 12,864,344	\$ 16,522,378	\$ 3,491,809	\$ (4,255,843)	\$ 9,000,602
County's covered payroll	\$ 50,837,090	\$ 49,949,756	\$ 42,225,701	\$ 38,191,416	\$ 37,331,335	\$ 37,331,335
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	40.13%	25.75%	39.13%	9.14%	-11.40%	24.11%
Plan fiduciary net position as a percentage of the total pension liability **	91.63%	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 ended June 30.

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

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

SCHEDULE 5
Onslow County, North Carolina
Schedule of County Contributions
Local Government Employees' Retirement System

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 4,166,706	\$ 3,968,672	\$ 3,671,074	\$ 3,143,116	\$ 2,700,127	\$ 2,639,887
Contributions in relation to the contractually required contribution	4,166,706	3,968,672	3,671,074	3,143,116	2,700,127	2,639,887
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 45,490,652	\$ 50,837,090	\$ 49,949,756	\$ 42,225,701	\$ 38,191,416	\$ 37,331,335
Contributions as a percentage of covered payroll	9.16%	7.81%	7.35%	7.44%	7.07%	7.07%

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

SCHEDULE 6
Onslow County, North Carolina
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Registers of Deed's Supplemental Pension Fund

	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) %	2.258%	2.210%	2.283%	2.283%	2.283%	2.454%
County's proportionate share of the net pension liability (asset) \$	\$ (373,928)	\$ (377,192)	\$ (415,405)	\$ (529,157)	\$ (516,372)	\$ (524,266)
County's covered payroll	\$ 284,081	\$ 263,098	\$ 263,098	\$ 263,098	\$ 269,519	\$ 269,519
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-131.63%	-143.37%	-157.89%	-201.13%	-191.59%	-194.52%
Plan fiduciary net position as a percentage of the total pension liability	153.31%	153.77%	160.17%	197.29%	193.88%	94.35%

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

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

SCHEDULE 7
Onslow County, North Carolina
Schedule of County Contributions
Registers of Deeds' Supplemental Pension Fund

	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 19,343	\$ 19,320	\$ 19,207	\$ 18,272	\$ 18,601	\$ 19,055
Contributions in relation to the contractually required contribution	19,343	19,320	19,207	18,272	18,601	19,055
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 288,792	\$ 284,081	\$ 263,098	\$ 263,098	\$ 263,098	\$ 269,519
Contributions as a percentage of covered payroll	6.70%	6.80%	7.30%	6.94%	7.07%	7.07%

Pension schedules are intended to show information for ten years, additional years' information will be displayed as it comes available.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUNDS

The General Fund is used to account for resources traditionally associated with government which are required legally or by sound financial management to be accounted for in another fund.

	General Fund	Workers Comp Fund	Burton Industrial Park Fund	Benefit Fund	Reserve	Disaster Contingency Fund	Capital Improvement	LEO Separation	Health Insurance Fund	Revaluation Fund	Eliminations	Totals
ASSETS												
Cash and investments	\$ 30,316,344	\$ 635,670	\$ 220,474	\$ 541,723	\$ 24,378,238	\$ -	\$ 981,983	\$ 1,036,752	\$ 1,176,878	\$ 50,659	\$ -	\$ 59,338,721
Accounts receivable, net	20,103,311	-	-	-	456,048	5,584,654	2,086	-	13,634	-	-	26,159,733
Due from other funds	2,710,635	-	-	-	-	-	-	-	-	-	(1,643,788)	1,066,847
Due from other governments	479,110	-	18	-	-	-	12,424	-	-	-	-	491,552
Inventories	234,936	-	-	-	-	-	-	-	-	-	-	234,936
Prepaid expenditures	538,592	-	-	-	-	-	-	-	-	-	-	538,592
Restricted assets:												-
Cash and investments	5,345	-	-	-	-	-	-	-	-	-	-	5,345
Total assets	\$ 54,388,273	\$ 635,670	\$ 220,492	\$ 541,723	\$ 24,834,286	\$ 5,584,654	\$ 996,493	\$ 1,036,752	\$ 1,190,512	\$ 50,659	\$ (1,643,788)	\$ 87,835,726
LIABILITIES AND FUND BALANCE												
Liabilities:												
Accounts payable and accrued liabilities	\$ 6,760,295	\$ 406	\$ 4,094	\$ 524,733	\$ -	\$ 547,986	\$ 48,811	\$ -	\$ 760,317	\$ 5,833	\$ -	\$ 8,652,475
Due to other funds	-	-	-	15,068	-	1,628,720	-	-	-	-	(1,643,788)	-
Total liabilities	6,760,295	406	4,094	539,801	-	2,176,706	48,811	-	760,317	5,833	(1,643,788)	8,652,475
DEFERRED INFLOWS OF RESOURCES	1,971,386	-	-	-	-	-	-	-	-	-	-	1,971,386
Fund balances:												
Nonspendable												
Inventory and prepaids	773,528	-	-	-	-	-	-	-	-	-	-	773,528
Restricted												
Stabilization by State Statute	22,256,342	-	18	-	456,048	5,584,654	14,510	-	13,634	-	(1,643,788)	26,681,418
Health programs	3,816,688	-	-	-	-	-	-	-	-	-	-	3,816,688
Adoption programs	11,681	-	-	-	-	-	-	-	-	-	-	11,681
Drug enforcement	541,914	-	-	-	-	-	-	-	-	-	-	541,914
Occupancy Tax	3,562,233	-	-	-	-	-	-	-	-	-	-	3,562,233
Economic Development	248,308	-	-	-	-	-	-	-	-	-	-	248,308
Capital Projects	5,345	-	-	-	-	-	-	-	-	-	-	5,345
Committed												
Capital Improvements	-	-	149,080	-	24,378,238	-	933,172	-	-	-	-	25,460,490
Other Employee Benefits	-	-	-	1,922	-	-	-	-	-	-	-	1,922
LEO Separation Allowance	-	-	-	-	-	-	-	1,036,752	-	-	-	1,036,752
Workers' Compensation Insurance	-	445,264	-	-	-	-	-	-	-	-	-	445,264
Assigned												
Subsequent year expenditures	12,080,390	190,000	67,300	-	-	-	-	-	800,000	-	-	13,137,690
Unassigned	2,360,163	-	-	-	-	(2,176,706)	-	-	(383,439)	44,826	1,643,788	1,488,632
Total fund balance	45,656,592	635,264	216,398	1,922	24,834,286	3,407,948	947,682	1,036,752	430,195	44,826	-	77,211,865
Total liabilities, deferred inflows of resources, and fund balances	\$ 54,388,273	\$ 635,670	\$ 220,492	\$ 541,723	\$ 24,834,286	\$ 5,584,654	\$ 996,493	\$ 1,036,752	\$ 1,190,512	\$ 50,659	\$ (1,643,788)	\$ 87,835,726

GENERAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
June 30, 2019

	General	Workers Comp Fund	Burton Industrial Park	Benefit Fund	Reserve	Disaster Contingency Fund	Capital Improvement	LEO Special Separation	Health Insurance Fund	Revaluation Fund	Totals
Revenues:											
Ad valorem taxes	\$ 101,909,216	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,909,216
Local option sales taxes	50,551,745	-	-	-	-	-	-	-	-	-	50,551,745
Other taxes and licenses	4,368,131	-	-	-	-	-	-	-	-	-	4,368,131
Unrestricted intergovernmental	2,270,935	-	-	-	-	-	-	-	-	-	2,270,935
Restricted intergovernmental	23,298,841	-	-	-	1,547,239	5,584,653	-	94,494	8,321,425	-	38,846,652
Permits and fees	3,143,122	-	-	-	-	-	-	-	-	-	3,143,122
Sales and services	9,026,863	-	-	-	-	-	-	-	-	-	9,026,863
Investment earning	769,844	8,535	3,653	351	449,976	78,283	16,232	16,499	26,291	266	1,369,930
Other revenues	375,097	21,802	140,000	-	-	-	152,506	-	187,860	-	877,265
Total revenues	195,713,794	30,337	143,653	351	1,997,215	5,662,936	168,738	110,993	8,535,576	266	212,363,859
Expenditures											
General government	15,818,669	616,097	-	-	-	7,446,181	-	-	10,237,872	110,220	34,229,039
Public safety	38,969,187	-	-	-	-	-	-	-	-	-	38,969,187
Transportation	273,306	-	-	-	-	-	-	-	-	-	273,306
Economic and physical development	2,541,733	-	39,648	-	-	-	-	-	-	-	2,581,381
Human Services	37,599,707	-	-	-	-	-	-	-	-	-	37,599,707
Environmental protection	378,105	-	-	-	-	-	-	-	-	-	378,105
Cultural and recreational	4,363,328	-	-	-	-	-	-	-	-	-	4,363,328
Intergovernmental											
Education	72,713,602	-	-	-	-	-	-	-	-	-	72,713,602
Capital Projects	1,657,017	-	-	-	-	-	562,646	-	-	-	2,219,663
Debt service:											
Principal	10,718,761	-	-	-	-	-	-	-	-	-	10,718,761
Interest and other charges	4,335,343	-	-	-	-	-	-	-	-	-	4,335,343
Total expenditures	189,368,758	616,097	39,648	-	-	7,446,181	562,646	-	10,237,872	110,220	208,381,422
Revenues over (under) expenditures	6,345,036	(585,760)	104,005	351	1,997,215	(1,783,245)	(393,908)	110,993	(1,702,296)	(109,954)	3,982,437
Other financing sources:											
Sale of fixed assets	264,405	-	-	-	-	-	-	-	-	-	264,405
Transfers from (to) other funds	(2,788,605)	500,000	-	-	687,813	-	483,585	-	829,408	115,000	(172,799)
Total other financing sources	(2,524,200)	500,000	-	-	687,813	-	483,585	-	829,408	115,000	91,606
Revenues and other financing sources over (under) expenditures	3,820,836	(85,760)	104,005	351	2,685,028	(1,783,245)	89,677	110,993	(872,888)	5,046	4,074,043
FUND BALANCES, beginning of year	41,835,756	721,024	112,393	1,571	22,149,258	5,191,193	858,005	925,759	1,303,083	39,780	73,137,822
FUND BALANCES, end of year	\$ 45,656,592	\$ 635,264	\$ 216,398	\$ 1,922	\$ 24,834,286	\$ 3,407,948	\$ 947,682	\$ 1,036,752	\$ 430,195	\$ 44,826	\$ 77,211,865

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 100,430,445	\$ 101,360,368		95,475,331
Penalties and interest	600,000	548,848		642,398
Total	101,030,445	101,909,216	878,771	96,117,729
Local option sales taxes:				
Article 39 one percent	12,637,581	15,460,256		12,766,460
Article 40 one-half of one percent	11,059,340	12,284,314		11,110,903
Article 42 one-half of one percent	8,597,960	9,671,030		8,662,835
Article 44 one-half of one percent	766,927	795,142		749,316
Article 46 one-half of one percent	5,108,018	6,054,440		5,154,843
Medicaid Hold Harmless	5,400,000	6,286,563		5,472,495
Total	43,569,826	50,551,745	6,981,919	43,916,852
Other taxes and licenses:				
Deed stamp excise tax	867,557	1,201,852		1,118,570
Motor vehicles taxes	360,000	434,077		346,662
Occupancy and tourism tax	1,896,764	2,722,027		2,091,228
Privilege licenses	9,800	10,175		11,640
Total	3,134,121	4,368,131	1,234,010	3,568,100
Unrestricted intergovernmental :				
Beer and wine tax	500,000	490,552		479,892
Cablevision fees	1,000,000	879,841		920,945
ABC profit distribution	668,700	900,542		726,929
Total	2,168,700	2,270,935	102,235	2,127,766
Restricted intergovernmental:				
Onslow County ABC Board:				
Law enforcement	36,000	84,393		61,690
Social service	14,307,970	14,193,288		14,870,280
Health department	3,635,636	3,707,625		3,719,342
Mental health	100,000	172,845		137,714
Council on Aging	734,381	766,896		687,501
Federal grants	1,139,307	1,256,632		78,859
State grants	1,530,056	1,309,032		618,208
Local grants	471,342	492,942		468,619
Court facility fees	330,000	317,615		315,902
Library	259,362	251,039		227,023
Youth services	527,556	512,194		510,185
Drug enforcement revenues	25,000	234,340		172,769
Total	23,096,610	23,298,841	202,231	21,868,092

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees:				
Clerk of Court fees	\$ 303,000	\$ 299,054		307,280
Building permits and inspection fees	1,242,400	1,351,399		1,225,745
Register of deeds	863,500	924,457		929,249
Elections fees	-	-		6,840
Environmental Health inspections	341,845	447,529		376,610
Other fees	106,265	120,683		114,621
Total	2,857,010	3,143,122	286,112	2,960,345
Sales and services:				
Rescue Squad	3,576,000	4,221,786		4,329,786
Library fees	151,200	114,548		144,491
Rents and other	318,192	267,965		337,537
Sheriff's department fees	1,431,700	1,510,176		1,338,283
Health department fees	3,938,810	2,097,001		996,487
Animal services fees	203,350	186,805		196,139
DSS fees	3,600	17,499		100
Senior services fees	359,350	323,317		1,934,607
Recreation fees	429,972	287,766		259,371
Total	10,412,174	9,026,863	(1,385,311)	9,536,801
Investment earnings	400,000	769,844	369,844	462,675
Miscellaneous:				
Other revenues	180,302	375,097	194,795	334,845
Total revenues	186,849,188	195,713,794	8,864,606	180,893,205
Expenditures				
General Government:				
Governing body				
Salaries and employee benefits	239,718	230,831		207,348
Other operating expenditures	124,131	99,567		97,863
Capital Outlay	-	-		2,130
Total	363,849	330,398	33,451	307,341
Administration:				
Salaries and employee benefits	602,864	600,402		557,414
Other operating expenditures	56,345	45,433		40,194
Capital Outlay	-	-		-
Total	659,209	645,835	13,374	597,608
Elections:				
Salaries and employee benefits	517,181	454,838		389,510
Other operating expenditures	213,903	180,616		147,321
Total	731,084	635,454	95,630	536,831

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Finance:				
Salaries and employee benefits	\$ 773,852	\$ 759,787		745,143
Other operating expenditures	41,924	33,099		38,239
Total	815,776	792,886	22,890	783,382
Legal:				
Other operating expenditures	276,911	247,963		253,207
Total	276,911	247,963	28,948	253,207
Jury selection:				
Salaries and employee benefits	3,300	355		2,107
Other operating expenditures	19,400	12,684		13,535
Total	22,700	13,039	9,661	15,642
Taxes:				
Salaries and employee benefits	1,753,954	1,690,353		1,631,103
Other operating expenditures	804,543	760,602		694,155
Total	2,558,497	2,450,955	107,542	2,325,258
Facilities and maintenance:				
Salaries and employee benefits	1,374,003	1,291,129		1,202,782
Other operating expenditures	523,701	493,109		458,553
Capital outlay	6,500	-		-
Total	1,904,204	1,784,238	119,966	1,661,335
Communications:				
Salaries and employee benefits	117,682	117,677		129,738
Other operating expenditures	50,388	41,403		29,642
Capital outlay	-	-		2,948
Total	168,070	159,080	8,990	162,328
Court facilities:				
Other operating expenditures	308,596	268,494	40,102	205,147
Capital outlay	116,960	110,078		2,948
Total	425,556	378,572	46,984	208,095
Purchasing:				
Salaries and employee benefits	328,030	325,003		302,502
Other operating expenditures	47,826	44,908		18,741
Capital outlay	-	-		1
Total	375,856	369,911	5,945	321,244
Register of Deeds:				
Salaries and employee benefits	417,137	406,267		404,652
Other operating expenditures	37,182	32,384		24,383
Total	454,319	438,651	15,668	429,035

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Information Technology Systems:				
Salaries and employee benefits	\$ 1,429,197	\$ 1,423,148		1,357,600
Other operating expenditures	1,926,700	1,885,834		1,815,650
Capital outlay	106,312	88,078		263,526
Total	3,462,209	3,397,060	65,149	3,436,776
Revaluation:				
Salaries and employee benefits	254,061	214,354		246,192
Other operating expenditures	70,265	64,898		99,210
Total	324,326	279,252	45,074	345,402
District Attorney:				
Other operating expenditures	37,226	37,114	112	54,481
Probation Office:				
Other operating expenditures	61,980	61,588	392	64,833
Public Works Garage:				
Salaries and employee benefits	558,221	525,206		546,124
Other operating expenditures	122,347	95,345		65,094
Capital outlay	26,616	25,421		27,250
Total	707,184	645,972	61,212	638,468
Human Resources:				
Salaries and employee benefits	557,189	545,724		548,962
Other operating expenditures	165,215	128,531		155,639
Capital outlay	-	-		-
Total	722,404	674,255	48,149	704,601
Non-departmental:				
Salaries and employee benefits	55,838	55,837		67,591
Professional fees	218,856	181,439		227,437
Other operating expenditures	892,712	394,054		164,940
Insurance	1,031,800	1,028,663		934,859
Wellness Clinic	1,005,758	986,187		841,394
Capital outlay	151,229	146,829		-
Contingency	38,771	-		-
Contributions to municipalities	53,843	53,843		23,842
Total	3,448,807	2,846,852	601,955	2,260,063
Total general government	17,520,167	16,189,075	1,331,092	15,102,982
Public Safety:				
Sheriff:				
Salaries and employee benefits	10,146,027	10,104,005		9,949,940
Other operating expenditures	1,392,337	1,192,336		1,349,356
Capital outlay	555,412	224,389		660,945
Total	12,093,776	11,520,730	573,046	11,960,241

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sheriff NARC funds	\$ 25,000	\$ 45,779	\$ (20,779)	45,500
Sheriff's office DWI task force:				
Salaries and employee benefits	306,196	131,662		-
Other operating expenditures	132,166	77,987		-
Capital outlay	179,003	169,801		-
Total	617,365	379,450	237,915	-
Jail:				
Salaries and employee benefits	6,981,834	6,939,391		6,640,146
Other operating expenditures	3,175,199	2,910,856		2,537,362
Capital outlay	-	-		6,284
Total	10,157,033	9,850,247	306,786	9,183,792
Communications:				
Salaries and employee benefits	1,773,759	1,696,022		1,551,781
Other operating expenditures	806,539	756,920		720,090
Capital outlay	-	-		5,224
Total	2,580,298	2,452,942	127,356	2,277,095
Emergency management:				
Salaries and employee benefits	448,958	446,754		416,128
Other operating expenditures	156,520	139,720		102,447
Capital outlay	-	-		27,615
Total	605,478	586,474	19,004	546,190
Community Paramedic Program:				
Salaries and employee benefits	174,267	174,156		159,548
Operating expenses	3,765	3,690		16,098
Total	178,032	177,846	186	175,646
Fire and Rescue Commission:				
Assistance to volunteer fire & rescue	2,935,958	2,882,958		2,851,900
Operating expenses	22,600	22,908		26,320
Total	2,958,558	2,905,866	52,692	2,878,220
Code Enforcement:				
Salaries and employee benefits	792,348	716,055		775,388
Other operating expenditures	100,696	102,890		70,925
Capital outlay	-	-		-
Total	893,044	818,945	74,099	846,313
Animal services:				
Salaries and employee benefits	1,179,380	1,071,366		890,439
Other operating expenditures	407,048	372,181		376,119
Pet Smart Grant	2,000	2		2,009
Capital outlay	29,898	29,595		29,215
Total	1,618,326	1,473,144	145,182	1,297,782

SCHEDULE 10
Onslow County, North Carolina

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Medical examiner: Professional services	180,000	187,400	(7,400)	149,100

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Onslow E.M.S.:				
Salaries and employee benefits	\$ 6,563,111	\$ 6,262,758		6,046,397
Other operating expenditures	1,315,922	1,232,283		1,176,570
Capital outlay	701,609	701,608		766,680
Total	8,580,642	8,196,649	383,993	7,989,647
Emergency Responders:				
Salaries and employee benefits	1,238,302	1,090,304		1,024,516
Assistance to emergency responders	123,000	123,000		123,000
Other operating expenditures	72,379	72,485		76,425
Total	1,433,681	1,285,789	147,892	1,223,941
Bear Creek Station 2:				
Salaries and employee benefits	111,190	106,031		62,061
Other operating expenditures	115,334	107,288		75,390
Capital outlay	1,500	391		475,179
Total	228,024	213,710	14,314	612,630
Total public safety	42,149,257	40,094,971	2,054,286	39,186,097
Transportation:				
OUTS grant and county funding	273,784	273,306	478	273,784
Total transportation	273,784	273,306	478	273,784
Economic and Physical Development:				
Tourism:				
Other operating expenditures	537,847	381,315		443,092
Contributions	671,307	365,282		365,578
Contingency	148,935	-		-
Total	1,358,089	746,597	611,492	808,670
Agriculture extension:				
Salaries and employee benefits	71,668	69,327		68,428
Other operating expenditures	77,875	64,184		67,841
Contributions	314,161	297,716		278,037
Total	463,704	431,227	32,477	414,306
Planning:				
Salaries and employee benefits	391,374	329,078		343,076
Other operating expenditures	48,243	45,451		33,071
Total	439,617	374,529	65,088	376,147

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Soil and water conservation:				
Salaries and employee benefits	\$ 181,753	\$ 180,275		177,307
Other operating expenditures	11,185	10,318		13,335
Total	192,938	190,593	2,345	190,642
Land use management:				
Salaries and employee benefits	737,124	687,327		705,629
Other operating expenditures	129,074	111,460		81,902
Capital outlay	-	-		4,035
Total	866,198	798,787	67,411	791,566
Contributions	-	-	-	165,000
Total economic and physical development	3,320,546	2,541,733	778,813	2,746,331
Human Services:				
Consolidated Human Services Admin:				
Salaries and employee benefits	229,586	227,935		212,545
Other operating expenditures	19,415	14,801		11,171
Total Consolidated Human Serv	249,001	242,736	6,265	223,716
Health:				
Administration:				
Salaries and employee benefits	426,856	407,971		366,039
Other operating expenditures	215,456	187,782		185,386
Capital outlay	12,726	12,726		11,752
Total	655,038	608,479	46,559	563,177
AIDS Education:				
Salaries and employee benefits	16,329	14,308		9,850
Other operating expenditures	4,173	2,774		3,883
Total	20,502	17,082	3,420	13,733
Communicable diseases:				
Salaries and employee benefits	340,897	327,875		304,103
Other operating expenditures	31,934	26,824		26,859
Capital outlay	-	-		-
Total	372,831	354,699	18,132	330,962
Immunization:				
Salaries and employee benefits	348,679	319,701		323,284
Other operating expenditures	258,202	251,168		253,770
Total	606,881	570,869	36,012	577,054

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
W.I.C. breast feeding:				
Salaries and employee benefits	\$ 61,645	\$ 34,678		38,245
Other operating expenditures	13,682	8,308		10,235
Total	75,327	42,986	32,341	48,480
W.I.C.:				
Salaries and employee benefits	31,103	30,941		22,601
Other operating expenditures	6,930	4,894		4,427
Total	38,033	35,835	2,198	27,028
Salaries and employee benefits	294,936	197,763		202,671
Other operating expenditures	45,688	35,536		37,969
Total	340,624	233,299	107,325	240,640
W.I.C. client services:				
Salaries and employee benefits	1,020,978	909,769		901,792
Other operating expenditures	82,536	71,603		86,863
Total	1,103,514	981,372	122,142	988,655
W.I.C. breast feeding peer counselor:				
Salaries and employee benefits	85,454	58,293		64,127
Other operating expenditures	425	-		165
Total	85,879	58,293	27,586	64,292
Environmental health:				
Salaries and employee benefits	1,345,574	1,292,659		1,300,216
Other operating expenditures	130,291	125,587		103,176
Capital outlay	-	-		27,966
Total	1,475,865	1,418,246	57,619	1,431,358
Mosquito abatement:				
Salaries and employee benefits	42,520	42,505		-
Other operating expenditures	146,048	178,601		-
Capital outlay	144,335	110,303		-
Total	332,903	331,409	1,494	-
Bioterrorism:				
Salaries and employee benefits	1,233,221	938,635		30,707
Other operating expenditures	1,586,909	1,063,150		28,014
Capital outlay	-	-		50,139
Total	2,820,130	2,001,785	818,345	108,860
Memorial drive facility:				
Other operating expenditures	10,000	5,929		-
Total	10,000	5,929	4,071	-
Tuberculosis:				
Salaries and employee benefits	132,543	127,151		110,422
Other operating expenditures	8,241	6,643		6,351

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Total	140,784	133,794	6,990	116,773
CLAS health equity:				
Other operating expenditures	18,000	15,721		-
Total	18,000	15,721	2,279	-
Maternal CareCoordination:				
Salaries and employee benefits	371,436	367,872		349,638
Capital outlay	19,959	18,005		15,880
Total	391,395	385,877	5,518	365,518
Maternal health & child health mini grant:				
Other operating expenditures	20,757	20,677		-
Total	20,757	20,677	80	-

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Health promotions:				
Salaries and employee benefits	\$ 413,324	\$ 348,228		364,335
Other operating expenditures	84,645	72,527		81,839
Total	497,969	420,755	77,214	446,174
Opioid quick response team:				
Other operating expenditures	53,075	51,899		-
Total	53,075	51,899	1,176	-
Child health:				
Salaries and employee benefits	120,369	115,491		114,388
Other operating expenditures	119,212	115,937		108,659
Total	239,581	231,428	8,153	223,047
Women's preventive health:				
Salaries and employee benefits	529,504	471,378		505,425
Other operating expenditures	127,833	97,767		90,969
Total	657,337	569,145	88,192	596,394
Child service coordination:				
Salaries and employee benefits	426,103	421,143		409,283
Other operating expenditures	21,588	20,935		20,860
Total	447,691	442,078	5,613	430,143
Maternal health:				
Salaries and employee benefits	659,146	576,141		629,586
Other operating expenditures	53,403	43,157		50,736
Total	712,549	619,298	93,251	680,322
Total health	11,116,665	9,550,955	1,565,710	7,252,610
Social services:				
Administration:				
Salaries and employee benefits	1,385,066	1,301,935		1,376,265
Other operating expenditures	889,469	826,523		866,377
Total	2,274,535	2,128,458	146,077	2,242,642
Day care:				
Assistance payments	-	(2,305)		777,675
Other operating expenditures	579,689	533,991		534,903
Total	579,689	531,686	48,003	1,312,578

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Medicaid unit:				
Salaries and employee benefits	6,009,019	5,919,576		5,639,231
Other operating expenditures	59,580	59,164		54,464
Total	6,068,599	5,978,740	89,859	5,693,695
Work first employment services:				
Salaries and employee benefits	551,378	507,170		478,031
Contributions	10,900	1,589		6,980
Other operating expenditures	131,850	86,440		104,856
Total	694,128	595,199	98,929	589,867
Child support enforcement IV-D:				
Other operating expenditures	1,442,295	1,384,327	57,968	1,436,488
Child protective services:				
Salaries and employee benefits	8,688,737	7,305,767		7,512,664
Contributions	366,264	329,542		417,360
Other operating expenditures	3,887,477	2,875,183		3,456,993
Total	12,942,478	10,510,492	2,431,986	11,387,017
Smart Start adolescent parenting:				
Salaries and employee benefits	150,235	107,944		120,428
Other operating expenditures	3,344	59		3,852
Total	153,579	108,003	45,576	124,280
PEERS program:				
Salaries and employee benefits	240,460	215,361		216,553
Other operating expenditures	5,515	5,387		4,560
Total	245,975	220,748	25,227	221,113
Parent Education Enhancement:				
Salaries and employee benefits	66,095	65,198		57,966
Other operating expenditures	2,273	126		1,653
Total	68,368	65,324	3,044	59,619
DSS - Special Children Adoptions:				
Other operating expenditures	11,769	88	11,681	-
Crisis intervention:				
Operating expenditures	1,341,139	1,184,101	157,038	1,142,014
Juvenile Detention Site:				
Operating expenditures	195,200	104,310	90,890	201,422

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Juvenile Crime Prevention:				
Operating expenditures	\$ 4,760	\$ 4,272	\$ 488	4,500
Youth services:				
Salaries and employee benefits	39,970	36,304		38,087
Other operating expenditures	75,916	56,109		57,350
Total	115,886	92,413	23,473	95,437
Restitution program:				
Salaries and employee benefits	183,298	182,645		176,102
Other operating expenditures	41,278	28,321		33,947
Total	224,576	210,966	13,610	210,049
SHARP Program:				
Other operating expenditures	49,715	39,895	9,820	44,636
School Treatment Program:				
Salaries and employee benefits	88,234	87,242		84,133
Other operating expenditures	66,106	60,711		58,540
Total	154,340	147,953	6,387	142,673
Day Services:				
Salaries and employee benefits	91,667	89,269		88,415
Other operating expenditures	24,874	19,788		16,392
Total	116,541	109,057	7,484	104,807
Total social services	26,683,572	23,416,032	3,267,540	25,012,837
Senior Services:				
Administration:				
Salaries and employee benefits	776,707	719,303		728,125
Other operating expenditures	88,341	81,059		79,066
Total	865,048	800,362	64,686	807,191
Adult Day Care:				
Salaries and employee benefits	134,624	92,300		123,985
Other operating expenditures	6,483	5,588		4,617
Total	141,107	97,888	43,219	128,602
Transportation - nutritional:				
Other operating expenditures	199,315	194,358	4,957	178,519
Transportation - medical:				
Other operating expenditures	17,000	17,040	(40)	11,664
Home Delivered Meals:				
Salaries and employee benefits	49,536	47,496		46,274
Other operating expenditures	102,814	63,293		69,336
Total	152,350	110,789	41,561	115,610

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
In home chore (IIIB):				
Salaries and employee benefits	\$ 1,056,041	\$ 812,594		975,332
Other operating expenditures	80,858	66,079		58,668
Total	1,136,899	878,673	258,226	1,034,000
CAP - Chore:				
Salaries and employee benefits	387,399	383,760		356,614
Other operating expenditures	72,185	56,144		56,152
Total	459,584	439,904	19,680	412,766
Title IIID:				
Other operating expenditures	5,512	4,681	831	4,346
Congregate meals:				
Salaries and employee benefits	82,269	77,274		78,775
Other operating expenditures	179,182	142,242		157,448
Total	261,451	219,516	41,935	236,223
Senior Center:				
Other operating expenditures	14,642	13,301	1,341	14,701
Home health:				
Salaries and employee benefits	-	-		945,368
Other operating expenditures	-	-		839,849
Total	-	-	-	1,785,217
Hospice:				
Salaries and employee benefits	-	-		171,343
Other operating expenditures	-	-		61,920
Total	-	-	-	233,263
Outreach Coordination:				
Other operating expenditures	12,648	8,541	4,107	10,603
Total senior services	3,265,556	2,785,053	480,503	4,972,705
Veteran's Services:				
Salaries and employee benefits	443,807	440,171		378,358
Other operating expenditures	14,168	9,397		9,036
Total	457,975	449,568	8,407	387,394
Other Human Services:				
Other contributions	1,427,604	1,296,397	131,207	1,637,642
Total human services	43,200,373	37,740,741	5,459,632	39,486,904

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Environmental Protection:				
Vector control:				
Salaries and employee benefits	\$ 321,852	\$ 229,736		244,364
Other operating expenditures	72,232	42,489		49,398
Capital Outlay	5,134	-		29,637
Total	399,218	272,225	126,993	323,399
Contribution to NC Forestry Service	150,000	105,880	44,120	121,073
Total environmental protection	549,218	378,105	171,113	444,472
Cultural and Recreational:				
Recreation and parks:				
Salaries and employee benefits	1,563,383	1,455,224		1,345,809
Other operating expenditures	422,016	366,464		328,658
Capital outlay	9,200	8,251		38,410
Total	1,994,599	1,829,939	164,660	1,712,877
Library:				
Salaries and employee benefits	1,131,837	1,093,197		1,059,285
Other operating expenditures	415,482	378,962		361,472
Capital outlay	6,290	6,290		22,093
Total	1,553,609	1,478,449	75,160	1,442,850
Salaries and employee benefits	275,663	274,723		265,350
Other operating expenditures	38,652	32,885		33,383
Total	314,315	307,608	6,707	298,733
Swansboro library:				
Salaries and employee benefits	190,272	184,614		188,582
Other operating expenditures	64,773	57,764		65,769
Capital outlay	-	-		-
Total	255,045	242,378	12,667	254,351
Sneads Ferry library:				
Salaries and employee benefits	209,898	204,004		197,829
Other operating expenditures	95,935	91,464		93,603
Total	305,833	295,468	10,365	291,432

GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Final Budget	Actual	Variance Positive (Negative)	Actual
Richlands library:				
Salaries and employee benefits	\$ 188,804	\$ 183,342		166,124
Other operating expenditures	44,231	40,685		43,310
Capital outlay	5,252	5,252		-
Total	238,287	229,279	9,008	209,434
Total cultural and recreational	4,661,688	4,383,121	278,567	4,209,677
Education:				
Public schools - current	51,629,912	51,629,912		49,264,233
Public schools - capital outlay	3,000,000	3,000,000		3,000,000
Community colleges - current	4,441,555	4,441,555		4,337,566
Community colleges - capital outlay	2,836,000	2,836,000		2,736,025
Debt service	10,806,150	10,806,135		13,064,388
Total education	72,713,617	72,713,602	15	72,402,212
Debt service:				
Principal	10,718,761	10,718,761		8,395,045
Interest and fees	4,335,478	4,335,343		4,684,668
Total debt service	15,054,239	15,054,104	135	13,079,713
Total expenditures	199,442,889	189,368,758	10,074,131	186,932,172
Revenues over expenditures	(12,593,701)	6,345,036	(1,209,525)	(6,038,967)
Other financing sources (uses):				
Sale of fixed assets	120,000	264,405	(144,405)	143,046
Transfers from other funds	3,348,224	3,249,478	98,746	5,644,323
Transfers to other funds	(6,205,725)	(6,038,083)	(167,642)	(2,029,011)
Total	(2,737,501)	(2,524,200)	213,301	3,758,358
Revenues and other financing sources over expenditures and other financing uses	(15,331,202)	3,820,836	19,152,038	(2,280,609)
Appropriated fund balance	15,331,202	-	15,331,202	-
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	<u>\$ -</u>	3,820,836	<u>\$ 34,483,240</u>	(2,280,609)
Fund balance, beginning		41,835,756		44,116,365
Fund balance, end of year		\$ 45,656,592		41,835,756

SCHEDULE 11
Onslow County, North Carolina
WORKERS COMPENSATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 8,535	\$ 8,535	\$ 7,496
Other revenues	-	21,802	21,802	21,273
Total revenues	-	30,337	30,337	28,769
Expenditures:				
Workers' compensation fund	690,000	616,097	73,903	555,814
Revenues over (under) expenditures	(690,000)	(585,760)	104,240	(527,045)
Other financing sources (uses):				
Transfers from (to) other funds	500,000	500,000	-	300,000
Total other financing sources (uses)	500,000	500,000	-	300,000
Revenues and other financing sources over expenditures and other uses	(190,000)	(85,760)	104,240	(227,045)
Appropriated fund balance	190,000	-	190,000	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>(85,760)</u>	<u>\$ (85,760)</u>	<u>(227,045)</u>
Fund balance, beginning of year		721,024		948,069
Fund balance, end of year		\$ 635,264		\$ 721,024

SCHEDULE 12
Onslow County, North Carolina
BURTON INDUSTRIAL PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 3,653	\$ 3,653	\$ 1,571
Other revenues	-	140,000	140,000	-
Total revenues	-	143,653	143,653	1,571
Expenditures:				
Economic and physical development	56,900	39,648	17,252	40,795
Revenues over (under) expenditures	(56,900)	104,005	160,905	(39,224)
Appropriated fund balance	56,900	-	-	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	104,005	<u>\$ 160,905</u>	(39,224)
Fund balance, beginning of year		112,393		151,617
Fund balance, end of year		\$ 216,398		\$ 112,393

BENEFIT FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018	
	Budget	Actual	Variance Positive (Negative)	Actual	
Revenues:					
Investment earnings	\$ -	\$ 351	\$ 351	\$ 1,215	
Total revenues	-	351	351	1,215	
Revenues over (under) expenditures	<u>\$ -</u>	<u>351</u>	<u>\$ 351</u>	<u>1,215</u>	
Fund balance, beginning of year		1,571		356	
Fund balance, end of year		\$ 1,922		\$ 1,571	

RESERVE FUND

**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted Intergovernmental	\$ 1,646,000	\$ 1,547,239	\$ (98,761)	\$ 1,646,000
Investment earnings	(2,847,030)	449,976	3,297,006	302,620
Total revenues	(1,201,030)	1,997,215	3,198,245	1,948,620
Revenues over (under) expenditures	(1,201,030)	1,997,215	3,198,245	1,948,620
Other financing sources (uses):				
Transfers from (to) other funds	687,813	687,813	-	(5,178,559)
Total other financing sources (uses)	687,813	687,813	-	(5,178,559)
Revenues and other financing sources over expenditures and other uses	(513,217)	2,685,028	3,198,245	(3,229,939)
Appropriated fund balance	513,217	-	-	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	2,685,028	<u>\$ 3,198,245</u>	(3,229,939)
Fund balance, beginning of year		22,149,258		25,379,197
Fund balance, end of year		\$ 24,834,286		\$ 22,149,258

SCHEDULE 15
Onslow County, North Carolina
DISASTER CONTINGENCY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

		2019			2018
	Budget	Actual	(Negative)	Actual	
Revenues:					
Investment earnings	\$ 61,000	\$ 78,283	\$ 17,283	\$ 59,733	
Restricted grants	2,559,912	5,584,653	3,024,741	-	
Total Revenues	2,620,912	5,662,936	3,042,024	59,733	
Expenditures:					
Contracted services	7,794,000	7,446,181	-	-	
Revenues over (under) expenditures	(5,173,088)	(1,783,245)	\$ 3,042,024	59,733	
Appropriated Fund Balances	24,188,501	-	24,188,501	-	
Revenues over expenditures	<u>\$ 19,015,413</u>	(1,783,245)	<u>\$ 27,230,525</u>	59,733	
Fund balance, beginning of year		5,191,193		5,131,460	
Fund balance, end of year		\$ 3,407,948		\$ 5,191,193	

SCHEDULE 16
Onslow County, North Carolina
CAPITAL IMPROVEMENTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 16,232	\$ 16,232	\$ 4,865
Miscellaneous	152,506	152,506	-	-
Total revenues	152,506	168,738	16,232	4,865
Expenditures:				
Capital projects				
Roofing	167,397	137,399	29,998	8,710
Parking lots	55,200	46,450	8,750	0
Regional park improvements	38,000	20,937	17,063	22,135
HVAC replacement	95,000	79,542	15,458	57,423
Museum improvements	31,450	3,500	27,950	-
Carpet replacements	56,254	29,407	26,847	33,071
Beach access repairs	47,500	6,500	41,000	11,259
Summersill improvements	176,630	171,060	5,570	-
General Improvements	127,954	67,851	60,103	425,323
Total expenditures	795,385	562,646	232,739	557,921
Revenues over (under) expenditures	(642,879)	(393,908)	248,971	(553,056)
Other financing sources (uses):				
Transfer from (to) other Funds	530,000	483,585	(46,415)	890,612
Total other financing sources (uses)	530,000	483,585	(46,415)	890,612
Revenues and other financing sources over (under) expenditures and other financing uses	(112,879)	89,677	202,556	337,556
Appropriated Fund Balance	112,879	-	(112,879)	-
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	89,677	<u>\$ 89,677</u>	337,556
FUND BALANCES, beginning of year		858,005		520,449
FUND BALANCES, end of year		<u>\$ 947,682</u>		<u>\$ 858,005</u>

SCHEDULE 17
Onslow County, North Carolina
LEO SEPARATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted Intergovernmental	\$ -	\$ 94,494	\$ 94,494	106,246
Investment earnings	-	16,499	16,499	6,846
Total Revenues	-	110,993	110,993	113,092
Expenditures:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Revenues over (under) expenditures	<u>\$ -</u>	110,993	<u>\$ 110,993</u>	113,092
Fund balance, beginning of year		925,759		812,667
Fund balance, end of year		\$ 1,036,752		\$ 925,759

HEALTH INSURANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted Intergovernmental	\$ 8,993,042	\$ 8,321,425	\$ (671,617)	\$ 8,344,211
Investment earnings	-	26,291	26,291	14,170
Other Revenues	140,000	187,860	47,860	173,227
Total Revenues	9,133,042	8,535,576	(597,466)	8,531,608
Expenditures:				
Benefits Paid	8,983,042	8,530,650	452,392	8,270,961
Administrative Expenses	1,850,000	1,707,222	142,778	1,548,190
Total Expenditures	10,833,042	10,237,872	595,170	9,819,151
Revenues over (under) expenditures	(1,700,000)	(1,702,296)	(2,296)	(1,287,543)
Other financing sources (uses):				
Transfers from other funds	900,000	829,408	(70,592)	810,281
Total other financing sources (uses)	900,000	829,408	(70,592)	810,281
Revenues and other financing sources over (under) expenditures	(800,000)	(872,888)	(72,888)	(477,262)
Appropriated Fund Balance	800,000	-	(800,000)	-
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	<u>(872,888)</u>	<u>\$ (872,888)</u>	<u>(477,262)</u>
Fund balance, beginning of year		1,303,083		1,780,345
Fund balance, end of year		\$ 430,195		\$ 1,303,083

REVALUATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 266	\$ 266	\$ -
Total Revenues	-	266	266	-
Expenditures:				
Professional services	110,220	110,220	-	75,220
Total Expenditures	110,220	110,220	-	75,220
Revenues over (under) expenditures	(110,220)	(109,954)	266	(75,220)
Other financing sources (uses):				
Transfers from other funds	115,000	115,000	-	115,000
Total other financing sources (uses)	115,000	115,000	-	115,000
Revenues and other financing sources over (under) expenditures	4,780	5,046	266	39,780
Appropriated Fund Balance	(4,780)	-	4,780	
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	5,046	<u>\$ 5,046</u>	39,780
Fund balance, beginning of year		39,780		-
Fund balance, end of year		\$ 44,826		\$ 39,780

COMBINING STATEMENTS AND SCHEDULES FOR NON-MAJOR FUNDS

SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of special revenue sources that are legally restricted to expenditure for specific purposes.

Individual Fund Description:

Memorial Fund - accounts for funds reserved for future emergencies that may arise.

Emergency Telephone System Fund - accounts for the operations of the County's Emergency 911 system.

Register of Deeds Fund - accounts for the costs of automation and enhancement of process for the register of deeds.

Grant Project Fund - accounts for funds received for various grant projects.

Community Assistance Fund - accounts for special grant funds used for maintenance of community-wide sewer system.

Economic Development Fund - accounts for funds used for economic development purposes

SCHEDULE 20
Onslow County, North Carolina
NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
For the Fiscal Year Ended June 30, 2019

	Memorial	Emergency Telephone System Fund	Register of Deeds	Grant Project Fund	Community Assistance	Economic Development	Totals
ASSETS							
Cash and investments	\$ 11,910	\$ 1,110,423	\$ 402,034	\$ -	\$ 57,273	\$ -	\$ 1,581,640
Accounts receivable	-	32	42	-	-	-	74
Due from other governments	-	10,820	8,069	781	-	-	19,670
Total assets	\$ 11,910	\$ 1,121,275	\$ 410,145	\$ 781	\$ 57,273	\$ -	\$ 1,601,384
LIABILITIES AND FUND BALANCE							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 9,800	\$ 635	\$ 4,841	\$ -	\$ -	\$ 15,276
Due to other funds	-	-	-	245,318	-	-	245,318
Total liabilities	-	9,800	635	250,159	-	-	260,594
Fund balances:							
Restricted							
Stabilization by State Statute	-	11,847	8,111	16,530	-	-	36,488
Register of Deeds	-	-	388,301	-	-	-	388,301
Emergency Services	-	1,041,910	-	-	-	-	1,041,910
Committed							
Economic Development	-	-	-	-	-	-	-
Community Assistance	-	-	-	-	57,273	-	57,273
Assigned							
Subsequent year's expenditures	-	57,718	13,098	-	-	-	70,816
Unassigned	11,910	-	-	(265,908)	-	-	(253,998)
Total fund balance	11,910	1,111,475	409,510	(249,378)	57,273	-	1,340,790
Total liabilities, deferred inflows of resources and fund balances	\$ 11,910	\$ 1,121,275	\$ 410,145	\$ 781	\$ 57,273	\$ -	\$ 1,601,384

SCHEDULE 21
Onslow County, North Carolina

NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
For the Fiscal Year Ended June 30, 2019

	Memorial	Emergency Telephone System Fund	Register of Deeds	Grant Project	Community Assistance	Economic Development	Totals
Revenues:							
E-911 fees	\$ -	\$ 378,854	\$ -	\$ -	\$ -	\$ -	\$ 378,854
Grant revenue	-	-	-	33,438	-	-	33,438
Investment earnings	1	20,043	7,870	-	2,290	-	30,204
Other revenues	1,160	-	106,708	-	23,718	-	131,586
Total revenues	1,161	398,897	114,578	33,438	26,008	-	574,082
Expenditures							
Operating expenditures	-	160,392	66,345	-	14,235	-	240,972
Equipment maintenance	-	103,165	-	-	-	-	103,165
Capital outlay	-	30,495	67,458	246,827	-	-	344,780
Total expenditures	-	294,052	133,803	246,827	14,235	-	688,917
Revenues over (under) expenditures	1,161	104,845	(19,225)	(213,389)	11,773	-	(114,835)
Other financing sources:							
Transfers from (to) other funds	-	-	-	-	-	(50,637)	(50,637)
Total other financing sources	-	-	-	-	-	(50,637)	(50,637)
Revenues and other financing sources over (under) expenditures	1,161	104,845	(19,225)	(213,389)	11,773	(50,637)	(165,472)
FUND BALANCES, beginning of year	10,749	1,006,630	428,735	(35,989)	45,500	50,637	1,506,262
FUND BALANCES, end of year	\$ 11,910	\$ 1,111,475	\$ 409,510	\$ (249,378)	\$ 57,273	\$ -	\$ 1,340,790

MEMORIAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Donations	\$ -	\$ 1,160	\$ 1,160	\$ 1,860
Investment earnings	-	1	1	5
Total revenues	-	1,161	1,161	1,865
Expenditures:				
General improvements	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	1,161	1,161	1,865
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	<u>1,161</u>	<u>\$ 1,161</u>	<u>1,865</u>
Fund balance, beginning of year		10,749		8,884
Fund balance, end of year		\$ 11,910		\$ 10,749

SCHEDULE 23
Onslow County, North Carolina
EMERGENCY TELEPHONE SYSTEM FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental:				
Wireless E-911 fees	\$ 324,625	\$ 378,854	\$ 54,229	\$ 327,272
Investment earnings	-	20,043	20,043	9,572
Total revenues	324,625	398,897	74,272	336,844
Expenditures:				
Public Safety				
Professional services	1	-	1	0
Operating expenditures	167,574	160,392	7,182	116,457
Equipment maintenance	180,539	103,165	77,374	96,328
Capital outlay	297,399	30,495	266,904	(5,224)
Total expenditures	645,513	294,052	351,461	207,561
Revenues over (under) expenditures	(320,888)	104,845	425,733	129,283
Fund balance appropriated	320,888	-	(320,888)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	104,845	<u>\$ 104,845</u>	129,283
Fund balance, beginning of year		1,006,630		877,347
Fund balance, end of year		\$ 1,111,475		\$ 1,006,630

REGISTER OF DEEDS FUND**SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Permits and fees	\$ 96,500	\$ 106,708	\$ 10,208	\$ 106,877
Investment earnings	-	7,870	7,870	4,515
Total revenues	96,500	114,578	18,078	111,392
Expenditures:				
Automation expenditures	110,813	66,345	44,468	94,164
Capital outlay	68,000	67,458	542	7,886
Total expenditures	178,813	133,803	45,010	102,050
Revenues over (under) expenditures	(82,313)	(19,225)	63,088	9,342
Appropriated fund balance	82,313	-	(82,313)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(19,225)	<u>\$ (19,225)</u>	9,342
Fund balance, beginning of year		428,735		419,393
Fund balance, end of year		\$ 409,510		\$ 428,735

GRANT PROJECT FUND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2019

		Actual			Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
Restricted intergovernmental					
JAG 2014 Federal Grant	\$ 23,099	\$ 20,956	\$ -	\$ 20,956	\$ (2,143)
JAG 2015 Federal Grant	13,893	13,255	-	13,255	(638)
JAG 2016 Federal Grant	13,235	12,922	-	12,922	(313)
Federal Grant CFDA 97.067	8,800	7,562	-	7,562	(1,238)
Federal Grant CFDA 16.745	741,512	-	-	-	(741,512)
Federal Grant	11,255	-	-	-	(11,255)
EOC Grant	115,014	113,175	-	113,175	(1,839)
Regional Park Improvement Grant	400,000	398,833	-	398,833	(1,167)
Stream/Creek Clean up State Grant	52,617	17,617	33,438	51,055	(1,562)
Homeland Security Grant	40,000	38,535	-	38,535	(1,465)
Joint Land Use Study	261,850	-	-	-	(261,850)
Total Revenue	1,681,275	622,855	33,438	656,293	(1,024,982)
Expenditures					
Capital Expenditures					
JAG 2014 Federal Grant	23,099	20,956	-	20,956	2,143
JAG 2015 Federal Grant	13,893	13,255	-	13,255	638
JAG 2016 Federal Grant	24,490	12,922	11,104	24,026	464
Federal Grant CFDA 97.067	-	8,765	-	8,765	(8,765)
Federal Grant CFDA 16.745	741,512	-	-	-	741,512
EOC Grant	115,014	111,801	-	111,801	3,213
Regional Park Improvement Grant	400,000	398,833	-	398,833	1,167
Steam/Creek Clean Up State Grant	52,617	22,467	28,588	51,055	1,562
Joint Land Use Study	261,850	31,310	207,135	238,445	23,405
Homeland Security Grant	48,800	38,535	-	38,535	10,265
Total Capital Expenditures	1,681,275	658,844	246,827	905,671	775,604
Revenues over (under) expenditures	<u>\$ -</u>	<u>\$ (35,989)</u>	(213,389)	<u>\$ (249,378)</u>	<u>\$ (249,378)</u>
FUND BALANCES, beginning of year			(35,989)		
FUND BALANCES, end of year			\$ (249,378)		

SCHEDULE 26
Onslow County, North Carolina
COMMUNITY ASSISTANCE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Loan repayments	\$ 9,000	\$ 23,718	\$ 14,718	\$ 19,068
Interest on loan payments	-	2,290	2,290	2,159
Miscellaneous Revenue	-	-	-	500
Total revenues	9,000	26,008	17,008	21,727
Expenditures				
Legal fees	4,000	-	4,000	968
Septic system repair program	55,435	14,235	41,200	2,518
Total Expenditures	59,435	14,235	45,200	3,486
Revenues over (under) expenditures	(50,435)	11,773	62,208	18,241
Appropriated fund balance	50,435	-	(50,435)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	11,773	<u>\$ 11,773</u>	18,241
FUND BALANCES, beginning of year		45,500		27,259
FUND BALANCES, end of year		\$ 57,273		\$ 45,500

SCHEDULE 27
Onslow County, North Carolina
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2019

	Actual					
	Project Authorizations	Prior Years	Current Year	Total to Date	Variance Positive (Negative)	
Revenues						
Donations	\$ 250,000	\$ 250,000	\$ -	\$ 250,000	\$ -	
Total revenues	250,000	250,000	-	199,363	(50,637)	
Expenditures						
Economic Development						
Professional services	8,001	8,002	-	8,002	(1)	
Capital outlay	1,376,285	1,376,285	-	1,376,285	-	
Total expenditures	1,384,286	1,384,287	-	1,384,287	(1)	
Revenues over (under) expenditures	(1,134,286)	(1,134,287)	-	(1,184,924)	(50,638)	
Other financing sources (uses):						
Transfers from (to) other funds	1,134,286	1,184,924	(50,637)	1,134,287	1	
Total other financing sources (uses)	1,134,286	1,184,924	(50,637)	1,134,287	1	
Revenues and other financing sources over (under) expenditures	\$ -	\$ 50,637	(50,637)	\$ (50,637)	\$ (50,637)	
FUND BALANCES, beginning of year			50,637			
FUND BALANCES, end of year			\$ -			

CAPITAL PROJECT FUNDS

Capital Project Funds account for funds to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

Individual Fund Descriptions:

School Construction Fund - accounts for funds used for construction of new school facilities.

Capital Project Fund - accounts for funds used for industrial and economic development.

SCHEDULE 28
Onslow County, North Carolina
SCHOOL CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2019	Prior Years	Current Year	Total to Date	
Revenues							
Restricted intergovernmental:							
State grant	\$ -	\$ 12,792,910	\$ 12,792,910	\$ 3,693,398	\$ 5,792,579	\$ 9,485,977	\$ (3,306,933)
Investment earnings	-	92,167	92,167	344,436	67,847	412,283	320,116
Total revenues	-	12,885,077	12,885,077	4,037,834	5,860,426	9,898,260	(2,986,817)
Expenditures							
Dixon Middle School	-	28,086,672	28,086,672	28,084,972	1,700	28,086,672	-
Regional Skills Center	-	12,792,910	12,792,910	3,693,398	6,266,579	9,959,977	2,832,933
Richlands Elementary School	-	24,038,557	24,038,557	19,628,609	2,429,472	22,058,081	1,980,476
West Central Elementary School	-	23,273,263	23,273,263	-	339,516	339,516	22,933,747
New Southern Elementary School	-	23,741,360	23,741,360	-	887,496	887,496	22,853,864
Total expenditures	-	111,932,762	111,932,762	51,406,979	9,924,763	61,331,742	50,601,020
Revenues over (under) expenditures	-	(99,047,685)	(99,047,685)	(47,369,145)	(4,064,337)	(51,433,482)	47,614,203
Other financing sources (uses):							
Proceeds from issuance of debt	-	99,047,685	99,047,685	52,877,456	-	52,877,456	(46,170,229)
Total other financing sources (uses)	-	99,047,685	99,047,685	52,877,456	-	52,877,456	(46,170,229)
Revenues and other financing sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,508,311</u>	<u>(4,064,337)</u>	<u>\$ 1,443,974</u>	<u>\$ 1,443,974</u>
FUND BALANCES, beginning of year					5,508,311		
FUND BALANCES, end of year					<u>\$ 1,443,974</u>		

CAPITAL PROJECT FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND

CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2019	Prior Years	Current Year	Total to Date	
Revenues:							
Restricted intergovernmental							
State grants	\$ 3,340,386	\$ (60,846)	\$ 3,279,540	\$ 1,236,286	\$ 1,622,438	\$ 2,858,724	\$ (420,816)
Local grants	25,491	-	25,491	-	-	-	(25,491)
Total restricted	3,365,877	(60,846)	3,305,031	1,236,286	1,622,438	2,858,724	(446,307)
Unrestricted intergovernmental							
Other income	-	-	-	40,574	-	40,574	40,574
Investment earnings	75,250	197,158	272,408	558,709	152,592	711,301	438,893
Total unrestricted	75,250	197,158	272,408	599,283	152,592	751,875	479,467
Total revenues	3,441,127	136,312	3,577,439	1,835,569	1,775,030	3,610,599	33,160
Expenditures							
Capital projects							
Government Center Public Buildings	20,672,427	(40,907)	20,631,520	20,631,506	-	20,631,506	14
Vehicle Maintenance Building	4,914,987	(232,538)	4,682,449	4,682,449	-	4,682,449	-
Sneads Ferry Library	4,596,580	(77,828)	4,518,752	4,518,752	-	4,518,752	-
USMC Museum	-	-	-	574,159	-	574,159	(574,159)
Discovery Gardens	966,242	114,148	1,080,390	824,634	163,389	988,023	92,367
Sylvester House Preservation	100,000	-	100,000	16,600	-	16,600	83,400
OPP Restroom Redevelopment	-	-	-	103,801	-	103,801	(103,801)
Burton Park Infrastructure	1,804,500	(99,993)	1,704,507	1,704,508	-	1,704,508	(1)
Tax Software	1,255,000	-	1,255,000	1,172,349	-	1,172,349	82,651
800 MHZ Infrastructure	12,122,152	(384,443)	11,737,709	11,736,952	756	11,737,708	1
Courthouse Construction	20,000,000	-	20,000,000	14,541,269	3,930,600	18,471,869	1,528,131
Jail Demolition	1,022,908	(110,168)	912,740	912,739	-	912,739	1
Coastal Carolina College Maintenance	5,577,092	(18,514)	5,558,578	5,558,578	-	5,558,578	-
E&P Development-Waterway Maintenance	1,536,164	250,000	1,786,164	626,523	-	626,523	1,159,641
Health & Service Building	20,406,130	(356,176)	20,049,954	19,934,618	115,337	20,049,955	(1)
Justice Complex Improvements	1,850,000	(152,880)	1,697,120	1,697,120	-	1,697,120	-
Health Department Demolition and Parking Lot	3,290,000	(949,234)	2,340,766	2,282,127	58,639	2,340,766	-
Crisis Center Intervention	2,025,888	-	2,025,888	150,137	1,498,190	1,648,327	377,561
Marine Corps Museum	700,000	-	700,000	-	125,841	125,841	574,159
Animal Shelter Expansion Project	-	3,500,000	3,500,000	-	183,860	183,860	3,316,140
Beach Access Repair	-	709,000	709,000	-	58,773	58,773	650,227
Total expenditures	102,840,070	2,150,467	104,990,537	91,668,821	6,135,385	97,804,206	7,186,331
Revenues over (under) expenditures	(99,398,943)	(2,014,155)	(101,413,098)	(89,833,252)	(4,360,355)	(94,193,607)	7,219,491
Other financing sources (uses):							
Proceeds from issuance of debt	90,328,876	1,300,639	91,629,515	90,846,025	-	90,846,025	(783,490)
Contingency	-	-	-	-	-	-	-
Transfers from other funds	9,099,582	684,001	9,783,583	9,220,583	797,778	10,018,361	234,778
Total other financing sources (uses)	99,428,458	1,984,640	101,413,098	100,066,608	797,778	100,864,386	(548,712)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ 29,515	\$ (29,515)	\$ -	\$ 10,233,356	(3,562,577)	\$ 6,670,779	\$ 6,670,779
FUND BALANCES, beginning of year					10,233,356		
FUND BALANCES, end of year					\$ 6,670,779		

PROPRIETARY FUNDS

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

Solid Waste Fund - accounts for operations at the County landfill.

Airport Fund - accounts for operations at Albert J. Ellis Airport

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES:				
Charges for services				
Tipping fees	\$ 3,756,705	\$ 4,920,296	\$ 1,163,591	\$ 4,495,256
Debris fees	1,536,849	3,101,273	1,564,424	999,927
Site fees	320,000	402,713	82,713	367,727
Other operating revenues	442,215	1,208,429	766,214	529,680
Total operating revenues	6,055,769	9,632,711	3,576,942	6,392,590
Nonoperating revenues				
Restricted intergovernmental	412,000	489,248	77,248	530,218
Investment earnings	-	409,236	409,236	183,531
Total nonoperating revenues	412,000	898,484	486,484	713,749
Total revenues	6,467,769	10,531,195	4,063,426	7,106,339
EXPENDITURES				
Solid Waste Administration				
Salaries and benefits	302,421	262,731	39,690	320,723
Contracted services	500	-	500	-
Other expenditures	629,294	35,629	593,665	19,530
Total	932,215	298,360	633,855	340,253
Landfill operations				
Salaries and benefits	931,125	947,086	(15,961)	851,199
Contracted services	84,310	63,786	20,524	33,572
Other expenditures	2,671,432	1,490,567	1,180,865	954,599
Total	3,686,867	2,501,439	1,185,428	1,839,370
Recycling				
Salaries and benefits	20,912	20,795	117	20,041
Contracted services	40,000	20,276	19,724	18,255
Other expenditures	411,449	328,289	83,160	310,319
Total	472,361	369,360	103,001	348,615
Electronics Recycling				
Contracted services	45,000	45,603	(603)	35,566
Total	45,000	45,603	(603)	35,566
Refuse sites				
Salaries and benefits	322,391	313,106	9,285	357,691
Contracted services	332,807	155,612	177,195	344,176
Other expenditures	84,027	52,169	31,858	70,242
Total	739,225	520,887	218,338	772,109
Keep Onslow Beautiful				
Contracted services	900	-	900	5,000
Other expenditures	10,868	2,051	8,817	21,276
Total	11,768	2,051	9,717	26,276
White goods				
Salaries and benefits	95,465	94,138	1,327	85,719
Other expenditures	77,347	26,861	50,486	22,530
Total	172,812	120,999	51,813	108,249

SOLID WASTE FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)

For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	\$ 107,203	\$ 10,517	\$ 96,686	\$ -
Debt service				
Bond principal	-	-	-	780,000
Interest and fees	-	-	-	27,845
Total	-	-	-	807,845
Total expenditures	6,167,451	3,869,216	2,298,235	4,278,283
Revenues over (under) expenditures	300,318	6,661,979	6,361,661	2,828,056
Other financing sources				
Transfers from (to) other funds	(1,806,227)	(880,920)	925,307	(353,916)
Revenues and other financing sources over (under) expenditures and other financing uses	(1,505,909)	5,781,059	7,286,968	2,474,140
Appropriated fund balance	1,505,909	-	(1,505,909)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	5,781,059	\$ 5,781,059	\$ 2,474,140
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Reconciling items:				
Debt principal		-		780,000
Capital outlay		10,517		-
Depreciation		(1,162,265)		(955,463)
Change in compensated absences		7,826		19,903
Change in OPEB liability		450,569		93,713
Change in OPEB deferred outflows		(24,869)		47,305
Change in OPEB deferred inflows		2,781		(28,109)
Change in net pension liability		106,536		(127,950)
Change in deferred outflows - pensions		(88,512)		64,488
Change in deferred inflows - pensions		12,138		(1,222)
Increase in accrued landfill closure and postclosure care costs		(1,003,104)		(3,629,688)
Increase in accrued interest payable		-		0
Total reconciling items		(1,688,383)		(3,737,023)
Change in net position	\$	4,092,676	\$	(1,262,883)
Change in net position:				
Landfill Fund	\$	4,092,676	\$	(1,262,883)
Landfill Construction Fund (Statement 67)		864,668		
	\$	4,957,344	\$	(1,262,883)

SCHEDULE 31
Onslow County, North Carolina
LANDFILL CONSTRUCTION PROJECT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2019	Prior Years	Current Year	Total to Date	
Revenues:							
Other income	\$ 23,000	\$ -	23,000	\$ 24,343	\$ -	\$ 24,343	\$ 1,343
Investment Earnings	22,000	15,112	37,112	23,761	1,588	25,349	(11,763)
Total Revenue	45,000	15,112	60,112	48,104	1,588	49,692	(10,420)
Expenditures							
General Improvements	7,267,000	1,403,282	8,670,282	1,818,904	79,920	1,898,824	6,771,458
Total Capital Expenditures	7,267,000	1,403,282	8,670,282	1,818,904	79,920	1,898,824	6,771,458
Revenues over (under) expenditures	(7,222,000)	(1,388,170)	(8,610,170)	(1,770,800)	(78,332)	(1,849,132)	6,761,038
Other financing sources (uses):							
Transfers from other funds	7,222,000	1,388,170	8,610,170	7,706,539	863,080	8,569,619	(40,551)
Total other financing sources (uses)	7,222,000	1,388,170	8,610,170	7,706,539	863,080	8,569,619	(40,551)
Revenue and other financing sources over (under) expenditures and financing uses	\$ -	\$ -	\$ -	\$ 5,935,739	784,748	\$ 6,720,487	\$ 6,720,487
Reconciliation of Modified Accrual Basis to Full Accrual Basis:							
Capital Outlay					79,920		
Change in net position					\$ 864,668		

AIRPORT OPERATIONS FUND

SCHEDULE OF REVENUES AND EXPENDITURES

BUDGET AND ACTUAL (Non-GAAP)

For the Fiscal Year Ended June 30, 2019

With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018	
	Budget	Actual	Variance Positive (Negative)	Actual	
REVENUES:					
Charges for services					
Rents and parking	\$ 1,433,711	\$ 1,398,339	\$ (35,372)	\$ 1,190,498	
Fees	1,690,065	1,731,088	41,023	1,569,328	
Other operating revenues	36,000	30,898	(5,102)	37,608	
Total operating revenues	3,159,776	3,160,325	549	2,797,434	
Nonoperating revenues (expenses)					
Restricted intergovernmental	198,950	104,997	(93,953)	49,152	
Investment earnings	-	21,963	21,963	7,661	
Sale of fixed assets	-	5,101	5,101	(59,132)	
Total nonoperating revenues (expenses)	198,950	132,061	(66,889)	(2,319)	
Total revenues	3,358,726	3,292,386	(66,340)	2,795,115	
EXPENDITURES					
Airport Administration					
Salaries and benefits	385,058	319,772		274,623	
Other expenditures	215,284	164,820		154,282	
Total	600,342	484,592	115,750	428,905	
Airport Airside					
Salaries and benefits	488,860	490,008		492,994	
Contract services	17,198	8,428		2,362	
Repairs and maintenance	125,455	82,777		59,423	
Other expenditures	132,114	117,563		115,997	
Total	763,627	698,776	64,851	670,776	
Airport Terminal					
Salaries and benefits	706,170	615,154		670,932	
Contracted services	23,164	25,483		25,621	
Repairs and maintenance	191,368	151,686		70,138	
Other expenditures	353,167	319,374		193,171	
Total	1,273,869	1,111,697	162,172	959,862	
Airport Landside					
Salaries and benefits	51,154	38,281		56,833	
Repairs and maintenance	9,744	4,226		1,138	
Other expenditures	3,275	1,675		1,325	
Total	64,173	44,182	19,991	59,296	
Airport Parking					
Salaries and benefits	198,812	211,286		205,214	
Repairs and maintenance	7,448	1,932		4,232	
Other expenditures	53,115	52,565		52,165	
Total	259,375	265,783	(6,408)	261,611	

SCHEDULE 32
PAGE 2 OF 2
Onslow County, North Carolina
AIRPORT OPERATIONS FUND
SCHEDULE OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL (Non-GAAP)
For the Fiscal Year Ended June 30, 2019
With Comparative Amounts for the Fiscal Year Ended June 30, 2018

	2019			2018
	Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	97,849	-	97,849	-
Contingency	40,246	-	40,246.00	-
Total expenditures	3,099,481.34	2,605,030	494,451	2,380,450
Revenues over (under) expenditures	259,245	687,356	428,111	414,665
Other financing sources				
Capital contributions	-	-	-	-
Contributions from tourism fund	-	-	-	-
Transfers from (to) other funds	(315,695)	(297,112)	18,583	(315,228)
Total	(315,695)	(297,112)	18,583	(315,228)
Revenues and other financing sources over (under) expenditures and other financing uses	(56,450)	390,244	446,694	99,437
Appropriated fund balance	56,450	-	(56,450)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	390,244	\$ 390,244	99,437
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Reconciling items:				
Depreciation		(2,155,009)		(1,247,930)
Principal payments		-		
Change in compensated absences		7,485		17,217
Change in OPEB liability		225,287		46,856
Change in OPEB deferred outflows		(12,444)		23,662
Change in OPEB deferred inflows		1,391		(14,055)
Change in net pension liability		53,268		150,816
Change in deferred outflows - pensions		(44,255)		(156,739)
Change in deferred inflows - pensions		6,069		7,946
Change in retainage payable		(61,503)		(161,599)
Total reconciling items		(1,979,711)		(1,333,826)
Change in net position	\$	(1,589,467)	\$	(1,234,389)
Change in net position:				
Airport Fund	\$	(1,589,467)	\$	(1,234,389)
Airport Construction Fund (Statement 69)		7,123,068		369,204
	\$	5,533,601	\$	2,457,651

SCHEDULE 33
Onslow County, North Carolina
AIRPORT CONSTRUCTION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
From Inception and for the Fiscal Year Ended June 30, 2019

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2019	Prior Years	Current Year	Total to Date	
Revenues:							
Restricted intergovernmental							
State AIP 31	\$ 38,170	\$ -	\$ 38,170	\$ 38,170	\$ -	\$ 38,170	\$ -
State AIP 32	31,771	-	31,771	-	-	-	(31,771)
State AIP 33	16,696	-	16,696	-	-	-	(16,696)
State Terminal Building Construction	343,860	-	343,860	416,145	-	416,145	72,285
State GA Terminal/Apron	4,029,416	-	4,029,416	2,299,998	210,032	2,510,030	(1,519,386)
State AWOS System	-	-	-	-	-	-	-
State Passenger Boarding Bridges	-	-	-	33,855	-	33,855	33,855
State Air Traffic Control Tower	2,400,000	-	2,400,000	172,703	2,227,297	2,400,000	-
State Airfield Electrical Improvements	2,015,000	-	2,015,000	-	1,618,078	1,618,078	(396,922)
Total state grants	8,874,913	-	8,874,913	2,960,871	4,055,407	7,016,278	(1,858,635)
Federal AIP 31	\$ 1,653,216	\$ -	\$ 1,653,216	1,653,216	\$ -	\$ 1,653,216	\$ -
Federal AIP 32	1,189,135	-	1,189,135	1,189,135	-	1,189,135	-
Federal AIP 33	634,462	-	634,462	622,639	-	622,639	(11,823)
Federal Terminal Building Construction	-	-	-	18,363,221	-	18,363,221	18,363,221
Federal FAA Entitlement Terminal Bldg. Const.	18,390,811	-	18,390,811	27,590	-	27,590	(18,363,221)
Federal FAA Entitlement GA Terminal/Apron	105,000	-	105,000	105,000	-	105,000	-
Federal Grant	169,249	-	169,249	103,244	63,136	166,380	(2,869)
Federal Grant	262,215	2,431,510	2,693,725	255,331	1,444,192	1,699,523	(994,202)
Federal Air/Landside Pavement	7,952,901	-	7,952,901	7,952,901	-	7,952,901	-
Federal Reimbursement Airfield Improvements	18,950	-	18,950	18,950	-	18,950	-
Federal Passenger Boarding Bridges	1,378,958	-	1,378,958	1,350,202	-	1,350,202	(28,756)
Federal Airside/Aircraft Apron	1,800,000	-	1,800,000	926,305	431,762	1,358,067	(441,933)
Federal Air Traffic Control Tower	2,000,000	-	2,000,000	1,800,000	200,000	2,000,000	-
Total federal grants	35,554,897	2,431,510	37,986,407	34,367,734	2,139,090	36,506,824	(1,479,583)
Total restricted	44,429,810	2,431,510	46,861,320	37,328,605	6,194,497	43,523,102	(3,338,218)
Unrestricted intergovernmental							
Contract facility charges	1,357,200	-	1,357,200	2,280,928	459,361	2,740,289	1,383,089
Passenger facility charges	6,660,331	938,452	7,598,783	6,202,492	670,332	6,872,824	(725,959)
Tenant contribution	750,000	-	750,000	775,002	-	775,002	25,002
Sale of surplus property	-	-	-	250	-	250	250
Investment earnings	310,610	35,000	345,610	369,020	58,268	427,288	81,678
Total unrestricted	9,078,141	973,452	10,051,593	9,627,692	1,187,961	10,815,653	764,060
Total revenues	\$ 53,507,951	\$ 3,404,962	\$ 56,912,913	\$ 46,956,297	\$ 7,382,458	\$ 54,338,755	\$ (2,574,158)
Expenditures							
Capital projects							
Terminal-AIP 31	\$ 1,791,996	\$ -	\$ 1,791,996	\$ 1,791,996	\$ -	\$ 1,791,996	\$ -
Terminal-AIP 32	1,510,384	-	1,510,384	1,510,383	-	1,510,383	1
Terminal-AIP 33	667,855	-	667,855	655,409	-	655,409	12,446
Terminal Building Construction	25,470,773	-	25,470,773	25,211,292	50,000	25,261,292	209,481
New GA Terminal/Apron	5,616,182	-	5,616,182	5,616,182	-	5,616,182	-
Professional Services	188,055	-	188,055	114,716	70,151	184,867	3,188
Professional Services	286,016	2,559,485	2,845,501	269,301	1,962,547	2,231,848	613,653
Airside-AWOS	-	-	-	-	-	-	-
Landside-Land Acquisition	1,008,472	-	1,008,472	659,771	-	659,771	348,701
Airside-Air/Landside Pavement & Utility	10,460,322	-	10,460,322	10,315,694	14,415	10,330,109	130,213
Airside-Airfield Improvements	29,028	-	29,028	29,028	-	29,028	-
Terminal Passenger Boarding Bridges	1,960,546	-	1,960,546	1,951,351	-	1,951,351	9,195
Airside-Aircraft Apron Rehabilitation	2,000,000	-	2,000,000	1,041,861	532,376	1,574,237	425,763
Airside-Rotating Beacon Refurbishment	29,619	-	29,619	29,618	-	29,618	1
Airside-Air Traffic Control Tower	5,793,200	-	5,793,200	4,083,731	1,487,825	5,571,556	221,644
PFC Application #7	65,000	-	65,000	23,976	-	23,976	41,024
Landside-Rental Car Service Site	447,200	-	447,200	405,630	-	405,630	41,570
Airfield Electrical Improvements 2017	2,258,000	72,000	2,330,000	97,703	1,777,118	1,874,821	455,179
South GA Site Development	1,800,000	514,087	2,314,087	24	225,469	225,493	2,088,594
Total expenditures	61,382,648	3,145,572	64,528,220	53,807,666	6,119,901	59,927,567	4,600,653
Revenues over (under) expenditures	(7,874,697)	259,390	(7,615,307)	(6,851,369)	1,262,557	(5,588,812)	(7,174,811)
Other financing sources (uses):							
Financing Costs	(105,352)	-	(105,352)	(105,970)	-	-	105,352
Capital contributions	8,189,906	-	8,189,906	8,189,219	-	-	(8,189,906)
Transfers from other funds	557,563	-	557,563	603,352	-	-	(557,563)
Transfers to other funds	(767,420)	(259,390)	(1,026,810)	(293,288)	(259,390)	-	1,026,810
Total other financing sources (uses)	7,874,697	(259,390)	7,615,307	8,393,313	(259,390)	-	(7,615,307)
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 1,541,944	1,003,167	\$ (5,588,812)	\$ (14,790,118)
Reconciliation of Modified Accrual Basis to Full Accrual Basis:							
Capital Outlay					6,119,901		
Change in net position					\$ 7,123,068		

FIDUCIARY FUNDS

Fiduciary funds consist of two types: trust funds and agency funds.

Agency Funds are used to account for assets held by the County as an agent for individuals, private organizations, other governments, and/or other funds. The County utilizes the following agency funds:

Agency Funds

Social Services Fund - accounts for moneys deposited with the Social Services Department for the benefit of certain individuals in the County

Agriculture Fund - accounts for moneys deposited with the Agriculture Department for the benefit of certain groups in the County

Bear Creek Volunteer Fire Fund - accounts for moneys deposited by the County for the benefit of the operations of Bear Creek Volunteer Fire Department

Sheriff's Fund - accounts for moneys collected by the Sheriff's Department on judgments and executions

Fines and Forfeitures Fund - accounts for fines and forfeitures collected by the County that are required to be remitted to the Onslow County Board of Education

Municipal Tax Fund - accounts for the proceeds of property taxes that are collected by the County on behalf of the municipalities within the County

Register of Deeds Trust Fund - accounts for the five dollars of each fee collected by the register of deeds for registering or filing a deed of trust or mortgage

SCHEDULE 34
Onslow County, North Carolina
**COMBINING SCHEDULE OF CHANGES IN ASSETS
AND LIABILITIES - AGENCY FUNDS**
June 30, 2019

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019
Social Services:				
Assets				
Cash and investments	\$ 364,257	\$ 857,051	\$ 791,513	\$ 429,795
Liabilites				
Miscellaneous liabilities	\$ 364,257	\$ 857,051	\$ 791,513	\$ 429,795
Agriculture:				
Assets				
Cash and investments	\$ 49,292	\$ 30,862	\$ 21,334	\$ 58,820
Liabilites				
Miscellaneous liabilities	\$ 49,292	\$ 30,862	\$ 21,334	\$ 58,820
Bear Creek Volunteer Fire				
Assets				
Cash and investments	\$ 61,454	\$ 62,052	\$ 61,454	\$ 62,052
Liabilites				
Miscellaneous liabilities	\$ 61,454	\$ 62,052	\$ 61,454	\$ 62,052
Sheriff:				
Assets				
Cash and investments	\$ 151,203	\$ 191,571	\$ 191,402	\$ 151,372
Liabilites				
Miscellaneous liabilities	\$ 151,203	\$ 191,571	\$ 191,402	\$ 151,372
Fines and Forfeitures:				
Assets				
Cash and investments	\$ 120	\$ 822,311	\$ 822,210	\$ 221
Liabilites				
Intergovernmental payables	\$ 120	\$ 822,311	\$ 822,210	\$ 221
Municipal Tax:				
Assets				
Cash and investments	\$ 70,314	\$ 31,330,611	\$ 31,383,243	\$ 17,682
Liabilites				
Intergovernmental payables	\$ 70,314	\$ 31,330,611	\$ 31,383,243	\$ 17,682
Register of Deeds Trust Fund				
Assets				
Cash and investments	\$ 14,713	\$ 145,347	\$ 143,909	\$ 16,151
Liabilites				
Intergovernmental payables	\$ 14,713	\$ 145,347	\$ 143,909	\$ 16,151
Total - All Agency Funds:				
Assets				
Cash and investments	\$ 711,353	\$ 33,439,805	\$ 33,415,065	\$ 736,093
Liabilites				
Miscellaneous liabilities	\$ 626,206	\$ 1,079,484	\$ 1,065,703	\$ 702,039
Intergovernmental payables	85,147	\$ 32,298,269	\$ 32,349,362	34,054
Total	\$ 711,353	\$ 33,377,753	\$ 33,415,065	\$ 736,093

GOVERNMENTAL CAPITAL ASSETS

SCHEDULE 35
Onslow County, North Carolina
**COMPARATIVE SCHEDULE OF CAPITAL ASSETS
BY SOURCE**
June 30, 2019 and 2018

GOVERNMENTAL FIXED ASSETS	2019	2018
Land	\$ 13,889,868	\$ 13,810,121
Buildings	141,317,953	123,373,866
Improvements	24,226,893	22,246,577
Equipment	20,714,890	20,424,169
Computer Equipment	6,164,879	5,999,127
Vehicles	11,558,028	10,282,911
Heavy Equipment	270,244	270,244
Construction in process	1,780,118	19,615,006
Total Governmental Fixed Assets	\$ 219,922,873	\$ 216,022,021
INVESTMENT IN FIXED ASSETS BY SOURCE:		
General Fund	\$ 49,151,911	\$ 47,683,369
Capital Project Funds	169,359,157	163,231,007
Donations	1,620,584	1,588,810
Total Investment in Governmental Fixed Assets	\$ 220,131,652	\$ 212,503,186

**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY**

June 30, 2019

Function & Activity	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
General Government:								
Governing Body	-	-	-	20,387.44	-	-	-	\$ 20,387
Administration	-	-	-	40,750.19	-	-	-	40,750
Taxes	-	-	-	1,932,508.35	85,826.40	-	-	2,018,335
Revaluation	-	-	-	-	91,290.00	-	-	91,290
Human Resources	-	-	-	13,979.57	19,610.17	-	-	33,590
Court Facilities	-	169,300.85	-	116,278.06	-	-	-	285,579
District Attorney	-	14,904.49	-	-	-	-	-	14,904
Probation	-	33,958.89	1,025,575.62	165,976.90	-	-	-	1,225,511
Elections	-	12,283.97	-	344,497.65	-	-	-	356,782
Register of Deeds	-	-	-	149,359.59	-	-	-	149,360
ITS	-	-	-	729,842.41	-	-	-	729,842
GIS	-	-	-	316,256.51	-	-	-	316,257
ITS-Activities	-	-	-	3,830,234.09	-	-	-	3,830,234
Purchasing	-	8,200.00	-	37,252.86	48,297.73	20,354.00	-	114,105
Central Garage	-	-	4,544,737.48	131,974.08	248,796.29	-	-	4,925,508
Public Buildings	-	-	-	38,943.85	399,612.89	-	-	438,557
Communications	-	-	-	2,947.99	-	-	-	2,948
Non-departmental	12,021,125.22	10,805,561.40	46,654,732.77	1,325,017.79	-	-	-	70,806,437
Construction in progress	-	-	-	-	-	-	741,639.99	741,640
Total General Government	12,021,125	11,044,210	52,225,046	9,196,207	893,433	20,354	741,640	86,142,015
Public Safety:								
Sheriff	-	-	-	825,191	4,371,197	-	-	5,196,387
Communications	-	95,346	1,527,459	13,194,194	-	-	-	14,816,998
Jail	-	2,668,902	56,664,730	439,050	40,367	-	-	59,813,049
Emergency Mgt.	-	9,252	2,186,962	323,479	96,641	-	-	2,616,334
Emergency Responder Services	-	-	-	60,546	80,855	-	-	141,401
Bear Creek	36,250	10,624	252,770	38,521	677,168	-	-	1,015,333
Emergency Med. Ser.	-	-	-	6,504	838,543	-	-	845,047
Onslow EMS	-	102,853	127,431	1,029,421	2,605,643	-	-	3,865,348
Animal Control	-	419,303	676,577	157,919	278,623	-	-	1,532,421
Inspections	-	-	-	-	255,881	-	-	255,881
Construction in progress	-	-	-	-	-	-	183,860	183,860
Total Public Safety	36,250	3,306,279	61,435,928	16,074,823	9,244,917	-	183,860	90,282,057

**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY**

June 30, 2019

	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
Economic & Physical Development								
Planning	-	-	-	2,040	-	-	-	2,040
Building Inspections	-	-	-	41,306	98,229	-	-	139,534
Central Permitting	-	-	-	2,040	-	-	-	2,040
Agriculture	-	263,489	-	25,476	58,737	-	-	347,702
Soil Conservation	-	-	-	16,791	39,109	-	-	55,901
Total Economic and Physical Development	-	263,489	-	87,653	196,075	-	-	547,217
Human Services:								
Consolidated Human Services	201,714	3,877,192	20,239,074	29,652	-	-	-	24,347,632
Health	-	26,876	27,860	358,832	20,496	-	-	434,063
Environmental Health	-	-	-	34,223	402,431	-	-	436,653
Social Services	-	6,680	-	28,700	152,119	-	-	187,499
Council on Aging	13,761	31,759	163,408	43,605	18,035	-	-	270,568
Veterans Services	-	-	-	2,995	-	-	-	2,995
Total Human Services	215,475	3,942,506	20,430,342	498,007	593,081	-	-	25,679,411
Cultural & Recreational:								
Libraries	83,723	1,308,769	5,680,831	276,749	43,804	-	-	7,393,876
Parks & Recreation	1,261,410	4,210,844	409,557	575,545	380,455	79,252	-	6,917,062
Museum	271,885	150,795	1,063,795	30,675	18,691	-	-	1,535,842
Construction in progress	-	-	-	-	-	-	1,063,397	1,063,397
Total Cultural & Recreational	1,617,018	5,670,409	7,154,182	882,969	442,950	79,252	1,063,397	16,910,177
Environmental Protection:								
Vector/Mosquito Control	-	-	72,456	140,110	187,572	170,638	-	570,775
Total Environmental Protection	-	-	72,456	140,110	187,572	170,638	-	570,775
Total Governmental Capital Assets	\$ 13,889,868	\$ 24,226,893	\$ 141,317,953	\$ 26,879,769	\$ 11,558,028	\$ 270,244	\$ 1,988,897	\$ 220,131,652

SCHEDULE 37

Onslow County, North Carolina

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS

BY FUNCTION AND ACTIVITY

June 30, 2019

Function and Activity	Governmental Capital Assets June 30, 2018	Additions	Retirements	Reclassifications and Adjustments	Governmental Capital Assets June 30, 2019
General Government					
Governing Body	\$ 20,387				\$ 20,387
Administration	42,364		\$ 1,614		40,750
Taxes	1,946,387	85,828	13,880		2,018,335
Revaluation	96,042	64,370	25,532	(43,590)	91,290
Human Resources	33,590			-	33,590
Court Facilities	192,850	110,078	17,349		285,579
Legal	14,904				14,904
Probation	1,252,642	11,808	38,939		1,225,511
Elections	356,782				356,782
Register of Deeds	74,016	75,344			149,360
ITS	4,863,839	11,098	5,166	6,562	4,876,333
Purchasing	114,105				114,105
Public Works Garage	4,960,427	25,423	12,260	(48,082)	4,925,508
Facilities Maintenance	263,925	264,060	35,991	(53,438)	438,556
Communications	2,948				2,948
Non-Departmental/Surplus	52,672,696	18,319,005	185,264		70,806,437
Construction in progress	15,227,122	3,398,407	17,883,889	-	741,640
Total General Government	82,135,026	22,365,421	18,219,884	(138,548)	86,142,015
Public Safety:					
Sheriff	4,670,758	574,600	162,976	114,006	5,196,387
Jail	59,772,040	41,009	-		59,813,049
Communications	14,791,913	30,495	5,412		14,816,996
Emergency Management	2,573,217	19,200		23,917	2,616,334
Emergency Medical Ser.	3,518,866	739,408	560,975	168,050	3,865,348
Emergency Services	2,095,927	45,588	66,394	(73,341)	2,001,780
Animal Control	1,470,522	54,737		7,163	1,532,422
Inspection/code enf.	204,728	237,355	106,865	(79,338)	255,881
Construction in progress	-	183,860			183,860
Total Public Safety	89,097,971	1,926,251	902,622	160,457	90,282,057

SCHEDULE 37

Onslow County, North Carolina

**SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS
BY FUNCTION AND ACTIVITY**

June 30, 2019

Function and Activity	Governmental Capital Assets June 30, 2018	Additions	Retirements	Reclassifications and Adjustments	Governmental Capital Assets June 30, 2019
Economic & Physical Dev.					
Agriculture Extension	347,702		-	-	347,702
Planning	129,160	122,023	53,557	(54,012)	143,614
Community Development	-		-	-	-
Soil and Water Conservation	55,901		-	-	55,901
Construction in progress	-			-	-
Total Econ. & Phy. Develop.	532,763	122,023	53,557	(54,012)	547,217
Human Services:					
Consolidated Human Services	22,740,757	1,615,948	9,073		24,347,632
Health	557,104	468,543	105,311	(49,620)	870,717
Mental Health	-				-
Social Services	187,499				187,499
Senior Services	330,072			(59,504)	270,568
Veteran Services	2,995				2,995
Construction in progress	-	1,822,303	1,822,303		-
Total Human Services	23,818,427	3,906,795	1,936,687	(109,124)	25,679,411
Cultural & Recreational:					
Library - Main Branch	2,049,628	6,290		-	2,055,918
Library - Swansboro	123,982			-	123,982
Library - Snead Ferry	4,792,577			-	4,792,577
Library - Richlands	416,147	5,252		-	421,399
Parks & Recreation	6,608,608	221,397	24,246	111,302	6,917,061
Museum	1,516,672	19,170		-	1,535,842
Construction in progress	841,236	222,162		-	1,063,398
Total Cultural & Recreation	16,348,850	474,271	24,246	111,302	16,910,177
Environmental Protection:					
Vector/Mosquito Control	570,150	2	-	623	570,775
Construction in progress	-	-	-	-	-
Total Environmental Protection	570,150	2	-	623	570,775
Total Governmental Capital Assets	\$ 212,503,187	\$ 28,794,763	\$ 21,136,996	\$ (29,302)	\$ 220,131,652

ADDITIONAL FINANCIAL DATA

This section contains additional information on property taxes, interfund and component unit transfers, and cash and investments.

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy - County-wide Levy

Analysis of Current Tax Levy - Secondary Market Disclosures

Schedule of Cash and Investment Balances

Schedule of Interfund Transactions

Calculation of Debt Service Coverage Ratio in the Solid Waste Fund

SCHEDULE 38
Onslow County, North Carolina
SCHEDULE OF AD VALOREM TAXES RECEIVABLE
June 30, 2019

Fiscal Year	Uncollected Balance June 30, 2018	Additions	Collections and Credits	Uncollected Balance June 30, 2019
2018-2019	\$ -	91,164,849	90,327,272	837,577
2017-2018	1,125,741	-	800,067	325,674
2016-2017	597,180	-	326,330	270,850
2015-2016	406,020	-	170,993	235,027
2014-2015	293,430	-	78,239	215,191
2013-2014	424,806	-	55,595	369,211
2012-2013	528,002	-	48,996	479,006
2011-2012	362,998	-	40,679	322,319
2010-2011	325,128	-	19,102	306,026
2009-2010	342,944	-	19,294	323,650
2008-2009	315,973	-	315,973	-
	<u>\$ 4,722,222</u>	<u>\$ 91,164,849</u>	<u>\$ 92,202,540</u>	<u>\$ 3,684,531</u>
Less allowance for uncollectible taxes General Fund				(1,866,562)
Ad valorem taxes receivable - net				<u>\$ 1,817,969</u>
Reconciliation with revenues:				
Ad valorem taxes - General Fund				\$ 101,909,216
Reconciling items				
Penalties and interest				(548,848)
Motor Vehicle taxes				(9,856,802)
Releases on prior years				386,976
Amounts written off for prior years				308,739
Refund overpaid taxes				3,259
Total reconciling items				<u>(9,706,676)</u>
Total Collections and Credits				<u>\$ 92,202,540</u>

SCHEDULE 39
Onslow County, North Carolina
ANALYSIS OF CURRENT TAX LEVY-COUNTY-WIDE LEVY
June 30, 2019

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 14,655,274,858	0.00705	\$ 103,319,688	\$ 93,340,463	9,979,225
Penalties	-	-	86,871	86,871	-
Total	14,655,274,858		103,406,559	93,427,334	9,979,225
Discoveries:					
Current year discoveries and (releases) net	27,160,000	0.00705	\$ 191,478	191,478	-
Prior year taxes			228,890	228,890	-
Total	14,682,434,858		103,826,927	93,847,702	9,979,225
Abatements	(380,546,490)	0.00705	(2,682,853)	(2,682,853)	-
Total property valuation	<u>\$ 14,301,888,368</u>				
Net Levy			101,144,074	91,164,849	9,979,225
Uncollected taxes at June 30, 2019			837,577	837,577	-
Current years taxes collected			\$ 100,306,497	\$ 90,327,272	\$ 9,979,225
Current levy collection percentage			99.17%	99.08%	100.00%

SCHEDULE 40
Onslow County, North Carolina
ANALYSIS OF CURRENT TAX LEVY
SECONDARY MARKET DISCLOSURES
June 30, 2019

Assessed Valuation:	
Assessment Ratio*	
Real property	\$ 12,027,602,128
Personal property	901,922,553
Public service companies**	1,372,363,687
<hr/>	
Total assessed valuation	14,301,888,368
Tax rate per \$100	0.00705
Levy (including discoveries, releases and abatements)***	\$ 100,828,313

* Percentage of appraised value has been established by statute

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

*** The levy includes interest and penalties

SCHEDULE 41
Onslow County, North Carolina
SCHEDULE OF CASH AND INVESTMENT BALANCES
June 30, 2019

	Amounts Presented On Statements	Cost Value	Market Value
Cash			
On hand	22,247,459	22,247,459	22,247,459
In demand deposits including NCCMT	72,556,833	72,556,833	72,556,833
	<u>94,804,292</u>	<u>94,804,292</u>	<u>94,804,292</u>
Other investments			
North Carolina Capital Management Trust - Term portfolio	1,316,060	1,316,060	1,316,060
Commercial Paper (held by the dealer bank's trust department in the name of the County)	3,466,013	3,432,264	3,466,013
Total other investments	<u>4,782,073</u>	<u>4,748,324</u>	<u>4,782,073</u>
Total cash and investments	<u>\$ 99,586,365</u>	<u>\$ 99,552,616</u>	<u>\$ 99,586,365</u>

Distribution by Funds:		<u>Carrying Value</u>
General Funds		
General Fund	30,321,689	
Workers Compensation Fund	635,670	
Burton Industrial Park	220,474	
Benefit Fund	541,723	
Reserve Fund	24,378,238	
Disaster Contingency Fund	-	
Capital Improvements Fund	981,983	
LEO Separation Allowance	1,036,752	
Health Insurance Fund	1,176,878	
Revaluation Fund	<u>50,659</u>	\$ 59,344,066
Special Revenue Funds		
Memorial Fund	11,910	
Emergency 911 Fund	1,110,423	
Register of Deeds Fund	402,034	
Community Assistance Fund	57,273	
Grant Project fund	<u>-</u>	1,581,640
Capital Project Funds		
Capital Project Fund	<u>6,770,785</u>	6,770,785
School Construction Fund		
School Construction Fund	2,240,091	2,240,091
Enterprise Funds		
Solid Waste Fund	24,331,060	
Airport Fund	<u>4,582,630</u>	28,913,690
Fiduciary Funds		
Agency Funds	<u>736,093</u>	736,093
		<u><u>\$ 99,586,365</u></u>

SCHEDULE 42
Onslow County, North Carolina
SCHEDULE OF INTERFUND TRANSACTIONS
June 30, 2019

	Transfers	
	From	To
Operating Transfer From/To Other Funds:		
General Fund		
Workers Comp Fund	\$ -	\$ 500,000
Economic Development Fund	-	(50,637)
Revaluation Fund	-	115,000
Health Insurance Fund	-	829,408
Burton Park Fund	-	-
Capital Improvement Fund	-	483,585
Capital Reserve Fund	2,159,219	2,847,030
Solid Waste Fund	279,062	-
Airport Fund	811,199	254,695
Capital Project Fund	-	1,059,000
Workers Comp Fund		
General Fund	500,000	-
Revaluation Fund		
General Fund	115,000	-
Health Insurance Fund		
General Fund	829,408	-
Capital Reserve Fund		
General Fund	2,847,030	2,159,219
Capital Improvement Fund		
General Fund	483,585	-
Capital Project Fund		
General Fund	1,059,000	
Solid Waste Fund		261,222
Economic Development		
General Fund	(50,637)	-
Solid Waste Fund		
Capital Project Fund	261,222	-
General Fund	-	279,062
Airport Fund		
General Fund	254,695	811,197
Total operating transfers-other funds	\$ 9,548,783	\$ 9,548,781
Operating Transfers From/To Component Units:		
General Fund		
Component Units - discretely presented		
Onslow County ABC Board	\$ 900,542	\$ -
Component Units - discretely presented		
Onslow County ABC Board		
General Fund	-	900,542
Total operating transfers - component units	\$ 900,542	\$ 900,542

SCHEDULE 43
Onslow County, North Carolina
**CALCULATION OF DEBT SERVICE COVERAGE RATIO
IN THE SOLID WASTE FUND**
June 30, 2019

	2019	2018
Gross Revenue	\$ 9,632,711	\$ 6,392,590
Current Expense (1)	3,392,230	3,470,438
Net Operating Revenues	6,240,481	2,922,152
Non-Operating Revenues (2)	900,072	713,749
Net Revenues Available for Debt Service	7,140,553	3,635,901
Debt Service(4)	-	807,845
Balance after Debt Service	\$ 7,140,553	\$ 2,828,056
Debt Service Coverage Ratio (3)	-	4.50

(1) Not including depreciation, interest expense, and accrued landfill closure and post-closure costs

(2) Non-operating revenues include interest earnings

(3) Ratio of Net Revenues Available for Debt Service to Debt Service

(4) Excluding early retirement of debt

STATISTICAL SECTION (UNAUDITED)

The information presented in this section is provided for additional analysis purposes only and has not be subjected to audit verification as presented. The information is split into the 5 categories listed below:

Financial Trends

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

Revenue Capacity

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

Debt Capacity

These schedules 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

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

Operating Information

These schedules 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.

Table 1
Onslow County, North Carolina
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 37,923,064	\$ 39,169,765	\$ 41,295,541	\$ 52,499,284	35,009,562	\$ 21,751,936	\$ 27,383,173	\$ 46,638,251	\$ 43,059,886	\$ 50,192,124
Restricted	25,386,032	23,751,953	21,880,805	17,933,655	17,587,375	20,415,082	24,513,219	43,772,141	46,966,936	43,091,160
Unrestricted	(87,567,450)	(73,052,983)	(57,291,328)	(55,307,563)	(21,429,680)	(18,480,500)	(31,553,746)	(97,008,911)	(114,211,226)	(106,106,599)
Total governmental activities net position	\$ (24,258,354)	\$ (10,131,265)	\$ 5,885,018	\$ 15,125,376	\$ 31,167,257	\$ 23,686,518	\$ 20,342,646	\$ (6,598,519)	\$ (24,184,404)	\$ (12,823,315)
Business-type activities										
Net investment in capital assets	\$ 8,424,592	\$ 10,483,833	\$ 9,920,340	\$ 6,996,050	7,584,760	\$ 52,764,262	\$ 61,195,486	\$ 66,859,805	\$ 68,322,013	\$ 70,579,752
Restricted	3,365,129	-	-	434,333	3,621,795	11,506,481	5,973,043	3,116,482	-	-
Unrestricted	8,068,733	7,654,375	6,679,992	10,381,899	5,658,668	(1,147,250)	3,426,382	5,474,333	4,682,337	12,172,146
Total business-type activities net position	\$ 19,858,454	\$ 18,138,208	\$ 16,600,332	\$ 17,812,282	\$ 16,865,223	\$ 63,123,493	\$ 70,594,911	\$ 75,450,620	\$ 73,004,350	\$ 82,751,898
Primary government										
Net investment in capital assets	\$ 46,347,656	\$ 49,653,598	\$ 51,215,881	\$ 59,495,334	\$ 42,594,322	\$ 74,516,198	\$ 88,578,659	\$ 113,498,056	\$ 111,381,899	\$ 120,771,876
Restricted	28,751,161	23,751,953	21,880,805	18,367,988	21,209,170	31,921,563	30,486,262	46,888,623	46,966,936	43,091,160
Unrestricted	(79,498,717)	(65,398,608)	(50,611,336)	(44,925,664)	(15,771,012)	(19,627,750)	(28,127,364)	(91,534,578)	(109,528,889)	(93,934,453)
Total primary governmental net position	\$ (4,399,900)	\$ 8,006,943	\$ 22,485,350	\$ 32,937,658	\$ 48,032,480	\$ 86,810,011	\$ 90,937,557	\$ 68,852,101	\$ 48,819,946	\$ 69,928,583

Table 2
Onslow County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses										
Governmental activities:										
General government	\$ 13,108,549	\$ 14,411,264	\$ 15,560,998	\$ 14,799,008	\$ 22,777,669	\$ 30,659,150	\$ 47,971,694	\$ 70,662,241	\$ 30,274,066	\$ 41,439,497
Public safety	25,113,972	26,146,318	28,802,679	32,660,320	36,093,273	33,008,595	33,239,161	37,686,112	51,253,280	48,915,138
Transportation	2,819,917	2,925,992	2,936,231	2,661,338	2,690,594	256,337	252,469	273,784	279,622	334,593
Economic and physical development	2,777,640	3,072,804	3,070,191	3,168,507	2,908,105	3,058,587	2,595,080	965,006	3,085,350	4,359,635
Human services	40,821,312	42,670,482	43,152,170	42,198,540	41,384,535	42,075,113	34,890,914	37,879,610	41,763,091	39,083,017
Environmental protection	451,991	925,393	486,504	431,598	428,552	375,724	337,895	493,372	655,346	459,241
Cultural and recreation	3,798,833	3,922,812	3,994,784	3,491,814	4,307,435	3,489,563	4,225,753	3,868,999	5,090,754	4,736,706
Education	40,290,927	40,223,529	43,724,834	48,109,492	48,109,492	39,606,710	54,574,794	56,535,827	64,271,131	66,461,235
Interest on debt	8,915,976	8,650,557	8,221,233	8,093,175	7,766,668	7,035,533	6,948,105	10,002,444	3,442,845	3,336,187
Total governmental activities	138,099,117	142,949,151	149,949,624	155,613,792	166,466,323	159,565,312	185,035,865	218,367,395	200,115,485	209,125,249
Business-type activities:										
Solid waste	6,419,767	6,424,364	7,323,629	5,808,913	5,372,303	5,544,747	5,542,587	5,323,833	8,015,286	5,557,599
Airport	-	-	-	-	-	2,908,190	2,785,503	5,205,255	3,684,276	4,584,741
Total business-type activities	6,419,767	6,424,364	7,323,629	5,808,913	5,372,303	8,452,937	8,328,090	10,529,088	11,699,562	10,142,340
Total primary government expenses	\$ 144,518,884	\$ 149,373,515	\$ 157,273,253	\$ 161,422,705	\$ 171,838,626	\$ 168,018,249	\$ 193,363,955	\$ 228,896,483	\$ 211,815,047	\$ 219,267,589
Program Revenues										
Governmental activities										
Charges for services:										
General government	\$ 1,963,740	\$ 2,138,352	\$ 2,182,950	\$ 1,787,860	\$ 2,131,857	\$ 3,446,028	\$ 3,296,243	\$ 2,496,439	\$ 3,613,784	\$ 3,726,989
Public safety	5,769,223	6,399,138	6,002,452	6,147,792	6,447,295	4,967,549	5,618,146	5,321,934	6,766,387	5,949,465
Transportation	1,593,337	2,270,807	1,909,151	3,174,812	2,239,559	-	-	-	-	-
Economic and physical development	489,413	182,582	177,695	161,775	109,049	106,112	101,562	110,697	-	-
Human services	4,685,967	5,075,059	4,411,314	4,663,733	4,420,348	4,360,533	4,442,703	3,853,199	2,931,194	2,437,817
Cultural and recreation	242,348	272,779	266,546	250,904	414,953	402,178	429,525	431,446	403,862	402,314
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	1,131,643	1,156,629	1,250,276	1,118,654	9,816,366	7,192,983	7,644,059	9,205,609	9,008,880	14,572,460
Public safety	957,419	933,541	836,718	1,073,486	874,443	703,787	811,431	1,505,781	195,748	206,699
Transportation	1,066,915	1,815,222	349,362	328,046	487,700	256,337	252,469	239,784	-	-
Economic and physical development	30,053	631,746	604,233	80,484	43,598	1,005,327	1,047,960	1,003,593	-	-
Human services	23,030,678	23,964,412	25,043,577	23,385,442	22,939,407	26,159,904	26,144,754	25,477,765	21,490,500	22,896,833
Environmental protection	18,600	4,904	56,737	-	16,796	411,025	354,669	446,860	-	-
Cultural and recreation	276,698	377,949	259,635	233,124	232,538	242,506	248,092	263,451	33,341	33,341
Education	-	87	1,562	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	-	50,303	-	2,940,557	3,203,115
Public safety	-	-	3,400	-	-	-	-	-	-	-
Transportation	-	-	2,598,850	144,210	4,860,837	-	-	-	-	-
Economic and physical development	52,275	-	-	-	2,046,467	-	-	-	-	-
Cultural and recreation	-	-	19,604	-	-	-	-	-	-	-
Education	2,426,414	3,163,000	3,000,000	3,000,000	-	1,646,000	3,171,574	1,735,703	3,524,824	5,792,579
Total governmental activities program revenues	43,734,723	48,386,207	48,974,062	45,550,322	57,081,213	50,900,269	53,613,490	52,092,261	50,909,077	59,221,612

Table 2
Onslow County, North Carolina
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Business-type activities:										
Charge for services - Solid waste	6,348,998	6,689,597	6,876,377	5,969,509	5,653,844	5,634,478	5,565,184	5,782,673	6,392,590	9,632,711
Charge for services - Airport						3,011,013	4,028,920	3,685,014	3,912,780	4,290,018
Operating grants and contributions - Solid Waste	1,735	76,460	198,301	788,394	408,088	410,136	448,614	526,806	-	-
Operating grants and contributions - Airport	-	-	-	-	-	-	-	4,555	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	-	197,557	-	197,927	9,714	-
Capital grants and contributions - Airport	-	-	-	-	-	-	-	-	2,395,674	6,299,494
Total business-type activities program revenues	6,350,733	6,766,057	7,074,678	6,757,903	6,061,932	9,253,184	10,042,718	10,196,975	12,710,758	20,222,223
Total primary government program revenues	\$ 50,085,456	\$ 55,152,264	\$ 56,048,740	\$ 52,308,225	\$ 63,143,145	\$ 60,153,453	\$ 63,656,208	\$ 62,289,236	\$ 63,619,835	\$ 79,443,835
Net (Expense)/Revenue										
Governmental activities	\$ (94,364,394)	\$ (94,562,944)	\$ (100,975,562)	\$ (110,063,470)	\$ (109,385,112)	\$ (108,665,043)	\$ (131,422,375)	\$ (166,275,134)	\$ (149,206,408)	\$ (149,903,637)
Business-type activities	(69,034)	341,693	(248,951)	948,990	689,629	800,247	1,714,628	(332,113)	1,011,196	10,079,883
Total primary government net (expense)/revenue	\$ (94,433,428)	\$ (94,221,251)	\$ (101,224,513)	\$ (109,114,480)	\$ (108,695,483)	\$ (107,864,796)	\$ (129,707,747)	\$ (166,607,247)	\$ (148,195,212)	\$ (139,823,754)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes	70,692,827	72,001,685	74,515,960	77,688,298	82,125,826	88,826,062	90,617,420	92,571,203	96,527,768	101,817,468
Local option sales tax	24,884,095	29,764,463	35,124,668	36,431,687	37,749,744	38,646,343	39,677,477	42,089,627	43,916,852	50,551,745
Other taxes and licenses	2,946,759	2,930,666	2,947,134	2,895,039	2,800,525	2,841,268	2,825,316	3,100,073	5,695,866	6,639,066
Investment earnings	785,945	314,889	252,501	246,202	206,322	402,355	337,455	650,781	1,222,070	1,587,232
Grants and contributions not restricted	-	-	-	-	472,153	518,230	481,682	2,138,830	-	-
Miscellaneous	615,871	1,178,330	1,651,581	2,042,600	(14,010)	1,833,997	(6,379,618)	1,522,712	312,883	303,652
Transfers	-	2,500,000	2,500,000	-	2,086,436	-	518,780	389,085	928,534	574,342
Total governmental activities:	99,925,497	108,690,033	116,991,844	119,303,826	125,426,996	133,068,255	128,078,512	142,462,311	148,603,973	161,473,505
Business-type activities:										
Other taxes and licenses	-	-	-	-	381,391	407,735	412,005	428,688	502,911	461,977
Investment earnings	271,063	57,803	49,469	60,509	41,010	42,795	41,666	62,159	220,585	491,055
Grants	-	-	-	-	291,299	18,541,290	6,553,343	5,085,800	17,592	27,271
Miscellaneous	172,196	380,258	1,161,606	202,451	(263,952)	(35,808)	(731,449)	260	(59,132)	5,101
Transfers	-	(2,500,000)	(2,500,000)	-	(2,086,436)	-	(518,780)	(389,085)	(928,534)	(574,342)
Total business-type activities	443,259	(2,061,939)	(1,288,925)	262,960	(1,636,688)	18,956,012	5,756,785	5,187,822	(246,578)	411,062
Total primary government	\$ 100,368,756	\$ 106,628,094	\$ 115,702,919	\$ 119,566,786	\$ 123,790,308	\$ 152,024,267	\$ 133,835,297	\$ 147,650,133	\$ 148,357,395	\$ 161,884,567
Change in Net Position										
Governmental activities	5,561,103	14,127,089	16,016,282	9,240,356	16,041,883	24,403,212	(3,343,863)	(23,812,823)	(602,435)	11,569,868
Business-type activities	374,225	(1,720,246)	(1,537,876)	1,211,950	(947,059)	19,756,259	7,471,413	4,855,709	764,618	10,490,945
Total primary government	\$ 5,935,328	\$ 12,406,843	\$ 14,478,406	\$ 10,452,306	\$ 15,094,824	\$ 44,159,471	\$ 4,127,550	\$ (18,957,114)	\$ 162,183	\$ 22,060,813

Table 3
Onslow County, North Carolina
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Non Spendable	\$ 220,199	\$ 201,363	\$ 385,272	\$ 378,401	\$ 315,160	\$ 838,763	\$ 203,256	\$ 562,492	\$ 814,237	\$ 773,528
Restricted	18,025,155	17,520,915	18,604,070	16,815,361	22,979,240	26,533,879	22,976,631	23,639,266	25,386,881	37,105,076
Committed	2,814,281	5,748,148	9,971,633	12,732,066	14,119,181	30,203,810	30,637,191	30,276,933	27,316,359	26,944,428
Assigned	11,602,272	16,235,147	16,512,852	14,352,225	15,045,048	13,175,417	16,844,249	20,139,611	16,927,244	13,137,690
Unassigned	19,807,478	19,176,784	17,260,233	19,527,233	13,343,077	11,959,790	10,911,833	4,222,223	2,693,101	(748,857)
Total general fund	\$ 52,469,385	\$ 58,882,357	\$ 62,734,060	\$ 63,805,286	\$ 65,801,706	\$ 82,711,658	\$ 81,573,160	\$ 78,840,525	\$ 73,137,822	\$ 77,211,865
All Other Governmental Funds										
Restricted										
Special revenue funds	420,719	3,662,646	1,342,657	1,017,659	1,088,535	1,158,894	1,256,264	1,296,626	1,590,694	1,466,699
Capital project funds	14,315,981	2,547,963	1,934,078	100,635	367,482	459,776	280,324	530,280	14,988,273	7,184,221
School Construction	683,481	20,429	-	-	-	-	-	18,305,969	13,465,458	5,181,106
Committed										
Special revenue funds	-	272,108	21,645	70,292	74,553	59,908	36,140	183,747	59,046	57,273
Capital project funds	-	3,302,634	4,508,352	40,669,482	30,406,223	8,290,150	15,602,676	20,206,565	-	-
School Construction	-	-	-	-	-	(1,422,280)	15,683,840	-	-	-
Assigned										
Special revenue funds	-	105,000	-	-	49,764	103,339	11,740	74,154	120,862	70,816
Capital project funds	4,929,620	-	-	-	115,378	-	-	-	-	-
School Construction	998,095	-	-	-	-	-	-	-	-	-
Unassigned										
Special revenue funds	1,323,284	(119,912)	(75,401)	(26,802)	(172,624)	(18,547)	(188,708)	(28,551)	(264,339)	(253,998)
Capital project funds	1,687,975	-	-	-	-	-	-	-	(4,754,917)	(513,442)
School Construction	-	(20,429)	-	-	-	-	-	-	(7,957,147)	(3,737,132)
Total all other governmental funds	\$ 24,359,155	\$ 9,770,439	\$ 7,731,331	\$ 41,831,266	\$ 31,929,311	\$ 8,631,240	\$ 32,682,276	\$ 40,568,790	\$ 17,247,930	\$ 9,455,543

Table 3a
Onslow County, North Carolina
Fund Balances of Governmental Funds as % of Expenditures
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund										
Expenditures	\$ 135,282,972	\$ 147,861,457	\$ 157,177,551	\$ 161,852,822	\$ 173,120,035	\$ 168,044,709	\$ 189,919,382	\$ 196,570,603	\$ 197,981,073	\$ 208,381,422
Non Spendable	0.16%	0.14%	0.25%	0.23%	0.18%	0.50%	0.11%	0.29%	0.41%	0.37%
Restricted	13.32%	11.85%	11.84%	10.39%	13.27%	15.79%	12.10%	12.03%	12.82%	17.81%
Committed	2.08%	3.89%	6.34%	7.87%	8.16%	17.97%	16.13%	15.40%	13.80%	12.93%
Assigned	8.58%	10.98%	10.51%	8.87%	8.69%	7.84%	8.87%	10.25%	8.55%	6.30%
Unassigned	14.64%	12.97%	10.97%	12.06%	7.71%	7.12%	5.75%	2.15%	1.36%	-0.36%
Total general fund	38.78%	39.82%	39.91%	39.42%	38.01%	49.22%	42.95%	40.11%	36.94%	37.05%
All Other Governmental Funds										
Expenditures	\$ 26,962,722	\$ 18,031,083	\$ 7,412,474	\$ 9,749,587	\$ 28,194,360	\$ 14,430,800	\$ 29,666,330	\$ 44,491,470	\$ 29,536,490	\$ 16,749,065
Restricted										
Special revenue funds	1.56%	20.31%	18.11%	10.44%	3.86%	8.03%	4.23%	2.91%	5.39%	8.76%
Capital project funds	53.10%	14.13%	26.09%	1.03%	1.30%	3.19%	0.94%	1.19%	50.74%	42.89%
School Construction	2.53%	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	41.14%	45.59%	30.93%
Committed										
Special revenue funds	0.00%	1.51%	0.29%	0.72%	0.26%	0.42%	0.12%	0.41%	0.20%	0.34%
Capital project funds	0.00%	18.32%	60.82%	417.14%	107.85%	57.45%	52.59%	45.42%	0.00%	0.00%
School Construction	0.00%	0.00%	0.00%	0.00%	0.00%	-9.86%	52.87%	0.00%	0.00%	0.00%
Assigned										
Special revenue funds	0.00%	0.00%	0.00%	0.00%	0.18%	0.72%	0.04%	0.17%	0.41%	0.42%
Capital project funds	18.28%	0.58%	0.00%	0.00%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%
School Construction	3.70%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unassigned										
Special revenue funds	4.91%	-0.67%	-1.02%	-0.27%	-0.61%	-0.13%	-0.64%	-0.06%	-0.89%	-1.52%
Capital project funds	6.26%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-16.10%	-3.07%
School Construction	0.00%	-0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-26.94%	-22.31%
Total all other governmental funds	90.34%	54.19%	104.29%	429.05%	113.25%	59.81%	110.17%	91.18%	58.40%	56.45%

Table 4
Onslow County, North Carolina
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues										
Taxes:										
Property tax	\$ 69,385,321	\$ 72,618,421	\$ 74,594,932	\$ 77,685,835	\$ 82,381,962	\$ 90,012,138	\$ 91,827,237	\$ 93,509,432	\$ 96,117,729	\$ 101,909,216
Sales tax	24,884,096	29,764,463	35,124,668	36,431,687	37,749,744	38,646,343	39,677,477	42,089,627	43,916,852	50,551,745
Other tax	2,946,760	2,930,666	2,947,134	2,895,039	2,800,525	2,841,268	2,825,316	3,100,073	3,568,100	4,368,131
Total taxes	97,216,177	105,313,550	112,666,734	117,012,561	122,932,231	131,499,749	134,330,030	138,699,132	143,602,681	156,829,092
Intergovernmental	29,667,721	32,990,197	34,684,046	31,307,663	41,366,424	37,692,797	36,644,051	41,143,776	38,832,259	48,566,042
Charges for Services, Permits and Fees	10,397,550	15,813,798	14,867,213	15,398,482	15,763,061	13,693,426	17,414,422	12,660,575	12,824,418	12,548,839
Interest	785,945	314,889	250,812	246,202	206,322	402,355	337,455	650,781	1,255,411	1,620,573
Miscellaneous	4,750,887	760,439	1,059,099	1,004,686	1,293,058	1,024,576	1,152,512	1,956,647	907,651	1,008,851
Total Revenues	142,818,280	155,192,873	163,527,904	164,969,594	181,561,096	184,312,903	189,878,470	195,110,911	197,422,420	220,573,397
Expenditures										
General Government	11,955,285	12,606,338	13,839,700	13,546,837	21,549,070	22,999,946	24,933,886	25,552,823	25,354,964	34,309,619
Public Safety	23,150,641	24,648,768	27,696,591	29,816,004	32,356,310	33,994,452	34,737,802	36,090,773	37,427,739	39,232,744
Transportation	1,678,993	1,815,862	1,966,533	1,864,069	2,024,051	256,337	252,469	273,784	273,784	273,306
Economic Development	2,626,961	2,857,424	3,621,583	3,054,463	2,843,520	3,125,569	3,017,868	3,554,015	2,783,456	2,581,381
Human Services	40,019,477	41,919,385	43,049,213	41,131,828	41,123,280	42,979,592	45,155,903	46,909,201	39,381,167	37,599,707
Environmental Protection	455,353	524,107	459,966	483,414	388,634	418,666	481,995	441,254	414,835	378,105
Culture and Recreation	3,737,238	3,784,381	3,703,656	3,523,774	4,097,889	4,067,374	4,051,113	4,258,693	4,149,174	4,363,328
E-911	441,711	444,308	264,966	78,234	316,131	304,588	314,300	341,161	-	-
Education	36,729,263	40,223,529	43,724,834	48,109,492	48,109,492	39,606,710	54,574,794	56,535,827	72,402,213	72,713,602
Capital Outlay	26,112,325	16,519,532	6,628,862	9,543,564	27,847,160	15,810,784	29,831,178	43,882,522	32,250,518	18,624,591
Debt Service:										
Principal	6,356,359	11,832,236	11,358,243	12,736,387	12,709,662	12,083,616	13,983,748	14,067,486	8,395,045	10,718,761
Interest and Fees	8,982,087	8,716,670	8,275,880	7,714,343	7,949,197	8,077,532	8,250,656	9,154,534	4,684,668	4,335,343
Total Expenditures	162,245,693	165,892,540	164,590,027	171,602,409	201,314,396	183,725,166	219,585,712	241,062,073	227,517,563	225,130,487
Excess of revenues over (under) expenditures	(19,427,413)	(10,699,667)	(1,062,123)	(6,632,815)	(19,753,300)	587,737	(29,707,242)	(45,951,162)	(30,095,143)	(4,557,090)
Other Financing Sources (Uses)										
Transfers in	1,733,450	4,104,869	5,084,659	5,515,670	6,975,085	20,386,729	6,703,709	4,815,915	8,136,104	9,032,864
Transfers out	(1,733,450)	(1,604,869)	(2,584,659)	(5,515,670)	(4,888,649)	(20,386,729)	(6,184,929)	(4,129,830)	(7,207,570)	(8,458,522)
Proceeds from issuance of debt	1,600,000	-	335,000	81,862,358	9,643,440	61,671,787	51,986,289	49,561,822	-	-
Proceeds from sale of capital assets	235,631	23,922	39,716	256,239	117,891	1,290,607	114,717	419,649	143,046	264,405
Transfer to escrow agent	-	-	-	(40,314,625)	-	(61,299,846)	-	-	-	-
Total other financing sources (uses)	1,835,631	2,523,922	2,874,716	41,803,972	11,847,767	1,662,548	52,619,786	50,667,556	1,071,580	838,747
Net change in fund balances	\$ (17,591,782)	\$ (8,175,745)	\$ 1,812,593	\$ 35,171,157	\$ (7,905,533)	\$ 2,250,284	\$ 22,912,543	\$ 4,716,393	\$ (29,023,563)	\$ (3,718,343)
Debt service as a percentage of noncapital expenditures	10.44%	14.14%	13.54%	13.53%	11.44%	12.33%	11.27%	10.66%	6.10%	7.17%

Table 5
Onslow County, North Carolina
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended 30-Jun	Real Property				Personal Property	Public Service Companies ²	Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate ³	Estimated Actual Taxable Value ⁴	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value ¹							
2010	8,848,045,085	1,367,404,373	24,408,576	130,066,492	1,521,406,735	218,132,906	84,036,122	12,025,428,045	0.590	13,401,792,093	90.36%
2011	8,891,552,353	1,594,443,809	24,554,930	146,074,040	1,529,407,049	221,310,911	98,526,412	12,308,816,680	0.585	12,419,209,655	101.78%
2012	9,245,167,973	1,682,814,273	24,394,430	142,138,096	1,558,905,126	235,265,035	105,140,261	12,783,544,672	0.585	12,898,339,897	99.85%
2013	9,780,653,503	1,774,523,012	24,394,430	143,861,236	1,680,109,281	237,905,066	292,394,369	13,349,052,159	0.585	13,220,239,568	103.19%
2014	10,070,041,503	1,742,233,183	23,753,560	140,333,245	1,370,781,476	245,936,849	304,430,612	13,288,649,204	0.585	13,160,419,476	103.08%
2015	9,425,864,578	1,818,264,946	21,282,240	129,609,455	1,694,406,591	243,106,513	295,631,090	13,036,903,233	0.675	12,911,102,745	97.83%
2016	9,583,040,338	1,837,274,076	22,555,280	292,376,515	1,636,719,724	284,070,687	310,057,493	13,345,979,127	0.675	13,217,196,190	97.83%
2017	9,733,175,407	1,874,018,606	22,086,340	292,342,825	1,813,199,894	290,126,822	321,003,804	13,703,946,090	0.675	13,571,708,926	97.83%
2018	9,967,919,548	1,886,558,006	23,348,540	121,110,965	2,019,208,424	315,527,205	342,994,851	13,990,677,837	0.675	13,990,677,837	102.45%
2019	10,048,593,750	2,036,604,494	29,444,271	125,910,010	1,929,078,328	316,590,295	184,332,780	14,301,888,368	0.705	14,506,429,017	99.86%

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

¹ Present use value property is agricultural, horticultural and forestland for which the owner has applied for the property to be taxed at its present use.

The difference in taxes on the present use basis and the taxes that would have been payable are a lien on the property and are deferred. The taxes become due if the property ceases to qualify for present use value. The preceding three fiscal years taxes are then required to be paid.

² Public service companies valuations are provided to the County by the North Carolina Department of Revenue. These amounts include both real and personal property.

³ Per \$100 of value.

⁴ The estimated market value is calculated by dividing the assessed value by an assessment-to-sales ratio determined by the State Department of Revenue. The ratio is based on actual property sales which took place during the fiscal year.

⁵ Property in Onslow County is reassessed every four years. The last reassessment was on January 1, 2018 and was the basis for fiscal 2018 taxes.

Table 6
Onslow County, North Carolina
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

	<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>	
Onslow County	\$	0.5900	\$	0.5850	\$	0.5850	\$	0.5850	\$	0.5850	\$	0.6750	\$	0.6750	\$	0.6750	\$	0.6750	\$	0.7050
<u>Municipality Rates:</u>																				
Holly Ridge		0.3500		0.4150		0.4150		0.4150		0.4150		0.4150		0.4150		0.4150		0.4150		0.4050
Jacksonville		0.6260		0.5380		0.5380		0.5380		0.5380		0.6420		0.6420		0.6420		0.6420		0.6420
North Topsail Beach		0.1400		0.2355		0.2355		0.2355		0.3755		0.3932		0.3932		0.3932		0.3932		0.3435
Richlands		0.3800		0.3700		0.3700		0.3700		0.3600		0.3800		0.3800		0.3800		0.3800		0.3800
Surf City (1)		0.3100		0.3100		0.2826		0.3100		0.4100		0.4100		0.4100		0.4100		0.4100		0.4100
Swansboro		0.3930		0.3930		0.3930		0.3930		0.3500		0.3500		0.3500		0.3500		0.3500		0.3500

¹ This municipality became a multi-county town through annexation in 1988.

Notes:

^A Property was revalued in 2018

^B For each government, certain motor vehicles were taxed at the preceding year's rates.

Source: Onslow County Tax Administration

Table 7
Onslow County, North Carolina
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2019			2010		
	Taxable Assessed	Rank	Percentage of Total County Taxable Assessed	Taxable Assessed	Rank	Percentage of Total County Taxable Assessed
	Value		Value	Value		Value
Jones Onslow EMC	146,857,334	1	1.18%	107,054,236	1	0.95%
Duke Energy Progress	81,791,014	2	0.66%			
PR Jacksonville Limited Partnership	56,559,356	3	0.45%	37,031,438	5	
Wal Mart Real Estate Business Trust	43,608,364	4	0.35%			
Traingle Palisades at Jacksonville LLC	29,891,869	5	0.24%			
Stanadyne Corporation	27,606,213	6	0.22%			
Bailey & Fuller Properties LLC	26,538,515	7	0.21%			
Time Warner Cable Southeast LLC	25,654,260	8	0.21%			
Brunswick Timber LLC	25,417,230	9		22,114,683	7	0.20%
BRC Jacksonville Commons LLC	24,224,300	10	0.19%			
Carolina Telephone				53,468,419	3	
Independence Place Arlington West LLC			0.00%			
RA North Development I Inc				82,153,932	2	0.73%
Progress Energy Carolinas				40,063,748	4	0.36%
Electronic Data Systems				12,716,000	6	0.11%
Finlay Robert J & Krin K				17,934,584	9	0.16%
Rogers Bay Campground Co				21,500,000	8	0.19%
John Koenig LLC				16,532,862	10	0.15%
Total	488,148,455		3.71%	410,569,902		2.85%

Source: County Tax Administration

* Value includes prior year discovery assessments.

Table 8
Onslow County, North Carolina
Property Tax Levies and Collections
Last Ten Fiscal Years
Expressed in Thousands

Fiscal Year Ended 30-Jun	Taxes levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percent of Levy Collected		Amount	Percent of Levy Collected
2010	70,601	66,822	94.65%	3,209	70,031	99.19%
2011	72,816	69,098	94.89%	2,313	71,411	98.07%
2012	75,432	71,749	95.12%	2,393	74,142	98.29%
2013	79,022	74,883	94.76%	2,334	77,217	97.72%
2014	78,566	75,301	95.84%	2,036	77,337	98.44%
2015	82,177	79,757	97.06%	1,778	81,535	99.22%
2016	83,333	81,172	97.41%	1,891	83,063	99.68%
2017	84,550	82,560	97.65%	1,489	84,049	99.41%
2018	85,825	84,486	98.44%	784	85,270	99.35%
2019	91,165	90,009	98.73%	-	90,009	98.73%

Source: Onslow County Tax Administration

Table 9
Onslow County, North Carolina
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Purchase Obligations	Bond Anticipation Notes	Limited Obligation Bonds	Certificates of Participation	General Obligation Bonds	Revenue Bonds	Special Obligation Bonds			
2010	100,190,034	15,620,649	-	-	69,400,000	-	-	5,550,000	190,760,683	1,050	2.44%
2011	94,323,921	13,538,410	-	-	65,450,000	-	-	4,940,000	178,252,331	1,003	2.21%
2012	88,492,808	12,175,520	-	-	61,500,000	-	-	4,305,000	166,473,328	904	2.04%
2013	87,547,123	10,129,133	-	40,996,930	57,555,000	-	-	3,650,000	199,878,186	1,046	2.46%
2014	81,240,776	16,922,742	-	40,996,930	53,610,000	-	-	2,970,000	195,740,448	1,013	2.38%
2015	67,455,000	11,783,043	-	38,500,000	51,095,000	-	-	2,265,000	171,098,043	888	2.06%
2016	61,830,000	9,679,295	-	83,325,000	46,980,000	-	-	1,535,000	203,349,295	1,049	2.30%
2017	56,000,000	7,676,809	-	124,050,000	42,885,000	-	-	780,000	231,391,809	1,183	2.65%
2018	50,140,000	5,990,682	-	119,145,000	38,810,000	-	-	-	214,085,682	1,084	N/A
2019	44,440,000	4,719,554	-	113,260,000	34,695,000	-	-	-	197,114,554	992	N/A

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

(1) See Schedule 14 for personal income and population data.

Table 10
Onslow County, North Carolina
Ratios of Net General Bonded Debt Outstanding,
Last Ten Fiscal Years

Fiscal Year	General Bonded Debt Outstanding				Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Unamortized Premium	Less: Amounts Restricted to Repaying Principal	Total			
2010	99,000,000	1,190,034	-	100,190,034	1.28%	0.83%	551
2011	93,200,000	1,123,921	-	94,323,921	1.17%	0.77%	531
2012	87,435,000	1,057,808	-	88,492,808	1.08%	0.69%	480
2013	79,990,000	7,557,123	-	87,547,123	1.08%	0.66%	458
2014	74,275,000	6,965,776	-	81,240,776	0.99%	0.61%	420
2015	67,455,000	9,393,934	-	76,848,934	0.92%	0.59%	399
2016	61,830,000	8,570,316	-	70,400,316	0.80%	0.54%	363
2017	56,000,000	7,746,698	-	63,746,698	0.73%	0.47%	326
2018	50,140,000	6,923,081	-	57,063,081	NA	0.41%	289
2019	44,440,000	6,099,464	-	50,539,464	NA	0.36%	254

Notes: Details regarding the County's outstanding debt can be found in the notes to the Financial Statements.

(1) See Schedule 14 for personal income and population data.

(2) See schedule 5 for property value data.

Table 11
Onslow County , North Carolina
Legal Debt Margin Information,
Last Ten Fiscal Years
(dollars in thousands)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Assessed Value of Property	\$ 12,025,428	\$ 12,308,817	\$ 12,792,909	\$ 13,349,052	\$ 13,316,023	\$ 13,036,903	\$ 13,154,328	\$ 13,703,946	\$ 13,935,632	14,210,500
Debt Limit, 8% of Assessed Value (Statutory Limitation)	962,034	984,705	1,023,433	1,067,924	1,065,282	1,042,952	1,052,346	1,096,316	1,114,851	1,136,840
Amount of Debt Applicable to Limit										
General obligation bonds	100,190	94,324	88,493	84,631	81,240	67,455	61,830	56,000	50,140	44,440
Bonds authorized but not issued	3,780	3,780	3,780	-	-	-	-	-	-	-
Installment purchase agreements	15,621	13,538	12,176	10,129	16,922	11,783	9,679	7,676	5,990	4,719
Bond anticipation bonds	-	-	-	-	-	-	-	-	-	-
Limited obligation bonds	-	-	-	40,997	40,996	38,500	83,325	124,050	119,145	113,260
Certificates of participation	69,400	65,450	61,500	57,555	53,610	51,095	46,980	42,885	38,810	34,695
Special obligation bonds	5,550	4,940	4,305	-	2,970	2,265	1,535	780	-	-
Gross Debt	194,541	182,032	170,254	193,312	195,738	171,098	203,349	231,391	214,085	197,114
Less:										
Debt outstanding for water and sewer purposes	-	-	-	-	-	-	-	-	-	-
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Special obligation Bonds	5,550	4,940	4,305	3,650	2,970	2,265	1,535	780	-	-
Total net debt applicable to limit	188,991	177,092	165,949	189,662	192,768	168,833	201,814	230,611	214,085	197,114
Legal Debt Margin	\$ 773,043	\$ 807,613	\$ 857,484	\$ 878,262	\$ 872,514	\$ 874,119	\$ 850,532	\$ 865,705	\$ 900,766	\$ 939,726
Total net debt applicable to the limit as a percentage of debt limit	19.64%	17.98%	16.21%	17.76%	18.10%	16.19%	19.18%	21.04%	19.20%	17.34%

Note: NC Statute GS159-55 limits the county's outstanding debt to 8% of the appraised value of property subject to taxation. The following deductions are made from gross debt to arrive at net debt applicable to the limit: money held for payment of principal; debt incurred for water, sewer, gas, or electric power purposes; uncollected special assessments, funding and refunding bonds not yet issued; and revenue bonds.

The legal debt margin is the difference between the debt limit and the county's net debt outstanding applicable to the limit, and represents the county's legal borrowing authority.

Table 12
Onslow County, North Carolina
Computation of Direct and Overlapping Debt
General Obligation Bonds
June 30, 2019
(unaudited)

<u>Governmental Unit</u>	<u>General Obligation Bonded Debt Outstanding</u>		<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Direct Debt:				
Onslow County	\$ 197,114,554	-	100.00%	\$ 197,114,554
Overlapping Debt:				
Jacksonville	\$ -	-	100.00%	-
Holly Ridge	115,000	-	100.00%	115,000
North Topsail Beach	-	-	100.00%	-
Richlands	-	-	100.00%	-
Surf City *	-	-	42.82%	-
Swansboro	-	-	100.00%	-
Total direct and overlapping debt				<u>\$ 197,229,554</u>

* Municipality is split between Onslow and Pender County this percent represents share of property tax from Onslow County

Table 13
Onslow County, North Carolina
Calculation of Debt Service Coverage
Solid Waste Fund
Last Ten Years
(amounts expressed in thousands)
(unaudited)

Fiscal Year Ended June 30	Gross Operating Revenue	Direct Operating Expenses	Non Operating Revenues	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					Principal	Interest	Total	
2010 *	6,620	3,073	176	3,723	2,113	382	2,495	1.49
2011	7,107	3,495	94	3,706	610	196	806	4.60
2012	7,074	4,577	418	2,915	635	175	810	3.60
2013	7,033	5,810	50	1,273	655	151	806	1.58
2014	7,229	5,540	-	1,689	680	129	809	2.09
2015	6,554	5,135	-	1,419	705	106	811	1.75
2016	6,890	5,256	-	1,634	730	80	810	2.02
2017	6,995	5,304	-	1,691	755	55	810	2.09
2018	6,980	4,919	-	2,061	780	27	807	2.55
2019	10,531	6,998		3,533	-	-	-	-

* excludes early retirement of debt

Source: Onslow County Audits

Table 14
Onslow County, North Carolina
Demographic and Economic Statistics
Last Ten Fiscal Years

Year	Population(1)	Personal Income (2) (thousands of dollars)	Per Capita Personal Income (2)	Median Age (1)	Public School Enrollment(3)	Unemployment Rate(4)
2010	181,743	7,821,017	41,848	25.05	23,665	8.80%
2011	177,772*	8,073,259	43,636	26.08	23,477	9.60%
2012	184,228	8,176,417	42,872	26.60	24,232	9.20%
2013	191,030	8,114,979	42,183	25.90	24,889	7.50%
2014	193,221	8,226,458	42,876	26.29	25,169	6.20%
2015	192,645	8,308,684	43,031	26.26	25,314	6.30%
2016	193,914	8,834,884	45,967	26.40	25,839	5.50%
2017	195,621	8,719,755	44,972	26.51	26,055	5.00%
2018	197,455	N/A	N/A	26.24	26,329	4.60%
2019	198,783	N/A	N/A	N/A	26,639	4.80%

Notes:

(1) state demographics website. www.osbm.state.nc.us. Figure is as of July

previous reports used a different website, preceding years have been changed to current website figures

(2) www.bea.gov CA1-3 and www.osbm.state.nc.us/demog/countytotals (single age)

(3) N.C. Department of Public Instruction, First Month Average Daily Membership, www.dpi.state.nc.us/fbs/resources/data/esas
Onslow County Board of Education

(4) N. C. Employment Security Commission, www.ncesc.com, June figures

* per 2010 census

Table 15
Onslow County, North Carolina
Principal Employers
Current Year and Nine Years Ago

Employer	2018			2009		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
US Department of Defense	1000+	1	See %	1000+	1	See %
MCAS New River			Below	1000+	2	Below
Onslow County Board of Education	1000+	2		1000+	3	
Marine Corps Exchange Service	1000+	3				
Wal-Mart Associates, Inc.	1000+	4		500-999	6	
Onslow County Government	1000+	5		1000+	5	
Onslow Memorial Hospital	1000+	6		1000+	4	
Coastal Carolina Community College	500-999	7		500-999		
Food Lion	500-999	8				
City of Jacksonville	500-999	9		500-999	9	
Concentrix/Convergys Customer Mgmt Group	500-999	10		500-999	7	
Coastal Enterprises				500-999	8	
Camp Lejeune Dependant Schools				500-999	10	

Source: NC Department of Commerce

Note: Actual number of employees is not available; therefore, the range/ranking provided by the Employment Security Commission is used

Table 16
Onslow County, North Carolina
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government	122	121	123	127	130	135	136	131	135	140
Public safety	307	331	430	426	461	465	436	446	461	474
Transportation	23	23	23	23	28	-	-	-	-	-
Economic & physical development	34	33	33	31	31	32	32	31	31	31
Human Services	472	474	474	455	467	451	451	443	444	453
Environmental protection	4	4	4	4	4	4	4	4	4	4
Cultural and recreational	66	66	67	65	88	87	66	66	66	66
Enterprise Fund - Solid Waste	27	27	27	27	27	27	27	27	28	28
Enterprise Fund - Airport	-	-	-	-	-	31	22	28	27	27
Total	1055	1079	1181	1158	1236	1232	1174	1176	1196	1223

Source: County Human Resources Department

Note: This schedule represents number of employees budgeted per fiscal year rounded to the nearest whole number

Table 17
Onslow County, North Carolina
Operating Indicators by Function/Program,
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General government										
Number of registered voters	86,857	87,126	92,076	92,234	94,684	95,408	90,601	100,159	108,298	100,782
Marriage licenses issued	3,187	3,101	2,851	2,714	2,697	2,633	2,577	2,662	2,691	2,585
Deeds recorded	7,227	6,903	6,613	6,984	6,658	7,152	7,292	8,320	8,984	9,116
Public Safety										
# of Civil papers received at sheriffs	26,345	24,853	23,847	25,377	25,471	26,226	24,834	25,554	24,717	23,113
# of Civil papers served at sheriffs	20,588	20,049	18,789	19,781	19,299	20,318	19,856	20,443	20,243	1,847
# of E911 EMS calls	16,329	16,596	16,691	17,510	25,587	26,447	29,020	31,573	32,161	28,729
# of E911 Fire calls	3,920	4,336	3,919	12,598	3,964	3,917	4,304	4,876	4,618	11,069
# of E911 law enforcement calls	45,986	45,134	48,861	46,348	60,347	67,373	75,878	85,501	95,024	96,734
Animal Complaints	8,437	7,625	7,719	8,348	9,203	8,039	6,567	7,636	9,003	9,678
Animals sheltered	6,639	5,994	6,477	6,012	5,889	6,297	4,788	4,346	4,756	4,775
Transportation										
Enplanements	129,826	165,322	174,903	172,285	162,867	151,903	146,417	156,010	153,723	157,594
Economic & Physical Development										
# of building permits	3,362	2,043	2,074	1,827	1,760	2,249	2,097	2,667	3,598	4,890
# of building inspections	21,548	24,949	29,416	30,980	28,221	22,767	20,852	20,923	26,951	31,147
Human Services										
Health Dept										
# of Food & Lodging inspections	693	1,198	1,528	1,514	1,335	1,486	1,812	1,974	2,061	2,437
# of patients contacts	25,850	27,150	13,077	24,612	13,653	13,578	16,709	18,589	11,889	13,834
Social Services										
# of clients served	66,388	60,548	66,076	49,269	52,810	35,769	39,370	44,598	27,691	30,483
Senior Services										
# of clients served	4199 ^p	4,526	4,916	2,796	5,089	5,160	6,551	7,530	7,187	6,263
Veterans Services										
# clients served	11,992	15,493	22,969	44,561	35,779	35,281	39,832	42,424	41,232	43,592
Environmental Protection										
feet on waterways cleared of debris	117,979	20,225	102,145	86,369	61,232	21,648	18,565	18,565	68,251	23,232
# of citizen mosquito complaints & responses	410	690	433	307	432	705	756	756	1,040	5,249
Cultural & recreational										
# of library visits	388,457	360,882	357,559	345,982	362,800	415,545	418,004	400,029	389,346	365,853
# of museum visits	9,708	4,000	3,708	5,216	4,557	4,680	3,809	5,902	5,757	
Enterprise Fund-Solid Waste										
Landfill & Convenience site transactions	144,395	157,253	256,457	286,791	154,969	159,816	174,956	171,676	198,109	288,357
Tonnage at sites	2,384	1,521	2,744	2,777	2,644	3,837	3,815	3,895	4,483	4,561
Recyclables tonnage from sites	727	922	621	744	1,402	646	925	1,009	625	683
White goods tonnage	361	261	199	264	349	471	581	750	942	1,173

Source: Onslow County departments

2019 Food & lodging inspections include 546 pre & post hurricane visits

Table 18
Onslow County, North Carolina
Capital Asset Statistics by Function/Program,
Last Ten Fiscal Years

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Public Safety										
Number of patrol vehicles	153	166	178	195	187	150	150	150	166	161
Volunteer Fire Depts	20	20	20	19	17	17	16	15	16	12
Volunteer Rescue Squads	9	9	8	7	7	7	6	5	5	1
Volunteer Fire & Rescue	-	-	-	-	-	1	2	2	2	3
County Fire and Rescue Stations	-	-	-	-	-	-	-	-	1	1
Number of EMS stations	7	7	7	7	7	7	7	7	7	6
Number of ambulances	31	32	32	24	23	23	23	28	29	30
Number of other Emergency Vehicles	-	-	-	-	-	-	-	12	14	14
Number of jail beds	118	118	528 *	528	528	528	528	528	528	528
Cultural & Recreational										
Number of Parks	13	13	13	13	13	13	13	13	13	13
Acreage	1050	1050	1050	1050	1050	1050	1050	1050	1050	1073
Number of libraries	5	5	5	5	5	5	5	5	4	4
Enterprise fund										
Solid Waste										
Number of convenience sites	10	10	10	10	10	10	10	10	10	10
Yrs of estimated life of Landfill	12.0	12	12	11	13	13	13	13	30	23
Education										
Number of Public Schools	35	35	35	35	35	35	38	38	38	38

Source: Onslow County departments
Onslow County Board of Education
Annual CDM Report

* new jail completed

COMPLIANCE SECTION

**Independent Auditor's 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***

To the Board of Commissioners of Onslow County
Jacksonville, 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 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 Onslow County, North Carolina (the "County"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated January 10, 2020. Our report includes a reference to other auditors who audited the financial statements of Onslow County ABC Board and Onslow County Hospital Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Onslow County ABC Board and Onslow County Hospital Authority were not audited in accordance with *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying *Schedule of Findings and Questioned Costs* as item 2019-001 that we consider to be a material weakness.

Compliance and Other Matters

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

County's Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
January 10, 2020

**Independent Auditor's Report on Compliance for Each Major Federal Program
and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of Commissioners of Onslow County
Jacksonville, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Onslow County, North Carolina's (the "County") 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 County's major federal programs for the year ended June 30, 2019. The County's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and the State Single Audit Implementation Act. Those standards, OMB Uniform Guidance, and the State Single Audit Implementation Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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 the County's compliance.

Opinion on Each Major Federal Program

In our opinion, the 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 the 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 County's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance 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 2019-002 and 2019-003 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying *Corrective Action Plan*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
January 10, 2020

**Independent Auditor's Report on Compliance for Each Major State Program
and on Internal Control Over Compliance in Accordance with OMB Uniform Guidance
and the State Single Audit Implementation Act**

To the Board of Commissioners of Onslow County
Jacksonville, North Carolina

Report on Compliance for Each Major State Program

We have audited Onslow County, North Carolina's (the "County") compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major state programs for the year ended June 30, 2019. The County's major state programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the 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 the 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 County's internal control over compliance with the types of requirements that could have a direct and 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance 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 2019-002 and 2019-003 that we consider to be significant deficiencies.

The County's responses to the internal control over compliance findings identified in our audit are described in the accompanying *Corrective Action Plan*. The County's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

A handwritten signature in black ink that reads "Elliott Davis, PLLC". The signature is written in a cursive, flowing style.

Raleigh, North Carolina
January 10, 2020

Onslow County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2019

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP:
Unmodified

Internal control over financial reporting:

- | | | | | |
|--|---------------|-----|---------------|---------------|
| • Material weakness(es) identified | <u> X </u> | yes | <u> </u> | no |
| • Significant deficiency(s) identified | <u> </u> | yes | <u> X </u> | none reported |

Noncompliance material to financial statements noted:	<u> </u>	yes	<u> X </u>	no
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Federal Awards

Internal control over major federal programs:

- | | | | | |
|--|---------------|-----|---------------|---------------|
| • Material weakness identified | <u> </u> | yes | <u> X </u> | no |
| • Significant deficiency(s) identified | <u> X </u> | yes | <u> </u> | none reported |

Type of auditors' report issued on compliance for major federal programs:	Unmodified
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Any audit findings disclosed that are required to be reported in accordance 2 CFR 200.516(a):	<u> </u>	yes	<u> X </u>	no
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Identification of major federal programs:

CFDA Numbers

Names of Federal Program or Cluster

10.557	Women, Infants, and Children (WIC)
10.561	Supplemental Nutrition Assistance Program (SNAP) Cluster
20.106	Airport Improvement Program
93.558	Temporary Assistance for Needy Families (TANF) Cluster
93.563	Child Support Enforcement
93.778	Medicaid Cluster
93.568	Low-Income Home Energy Assistance
93.658	Foster Care
97.036	Disaster Grants-Public Assistance

Dollar threshold used to distinguish between type A and type B Programs:	\$750,000
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Auditee qualified as low risk auditee?	<u> </u>	yes	<u> X </u>	no
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State Awards

Internal control over major state programs:

- | | | | | |
|--|---------------|-----|---------------|---------------|
| • Material weakness identified? | <u> </u> | yes | <u> X </u> | no |
| • Significant deficiency(s) identified | <u> X </u> | yes | <u> </u> | none reported |

Onslow County, North Carolina
Schedule of Findings and Questioned Costs
For the year ended June 30, 2019

Section I. Summary of Auditor's Results, continued

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 State Single
Audit Implementation Act

 X yes no

Identification of major State programs:

Program Name

Public School Building Capital Fund
Career & Technical Education Center- Special Appropriations
State Aid to Airports
Dorothea Dix Grant-Crisis Center Improvements

Other major state programs for the County are Medical Assistance Program (Medicaid), and Foster Care and Adoption Cluster as well as the Disaster Grants-Public Assistance, which are state matches of federal programs. Therefore, these programs have been included in the list of major federal programs above.

Section II. Financial Statement Findings

Finding 2019-001, Reporting of Construction in Progress

Criteria: Amounts reported in Construction in Progress (CIP) should be limited to items that will generate a depreciable capital asset upon project completion.

Condition: CIP included \$208,779 and \$743,397 of prior year expenditures in the governmental activities and the airport fund, respectively, that did not meet the criteria for expenditures to be capitalized.

Effect: This condition resulted in an overstatement of net position in the governmental activities by \$208,779 and an overstatement of \$743,397 in the airport fund as of June 30, 2018.

Cause: The County's process for recording CIP did not include identifying and removing project costs that do not meet the County's capitalization policy.

Recommendation: We recommend that the County update their procedures to include reviewing all project costs and recording as CIP only those that meet that County's capitalization policy. The County should also perform a review of all items currently reported as CIP in order to identify any additional items that do not meet the criteria to be capitalized.

Onslow County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2019

Section III. Federal Awards Findings and Questioned Costs

Finding 2019-002, Significant Deficiency over Eligibility

Information on the federal program: Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance (DSS).

Criteria or specific requirement: Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- verifications of United States citizenship
- verifications of North Carolina State Residency
- accurate record of household members and relationships
- verification of social security number
- accurate computation of countable income and resources
- verification of earned income
- verification of unearned income
- verification of date of birth

Conditions: We noted that in two instances, the case record did not contain two acceptable verifications of state residency or applicant's statement the applicant was unable to obtain two sources of state residency. In nine instances, the case record did not contain evidence that the household and relationship information to verify household composition. In three instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In three instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income. In one instance, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In three instances, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In nine instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case file did not contain evidence to verify the individual's date of birth. In one instance, the casefile did not contain evidence that SOLIQ was completed or manual documentation obtained to verify the individuals citizenship/ alien status.

Context: We sampled 93 payments from a total population of approximately 2.5 million payments made to the participants during the fiscal year. We noted the above condition in 18 of the 93 case files inspected for applicable payments.

Effect: Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.

Onslow County, North Carolina

Schedule of Findings and Questioned Costs

For the year ended June 30, 2019

Section III. Federal Awards Findings and Questioned Costs, Continued

Finding 2019-002, Significant Deficiency over Eligibility, continued

Cause: The County did not retain required documentation in case files at the time eligibility was determined.

Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Finding 2019-003, Significant Deficiency over Eligibility

Information on the federal program: Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

Criteria or specific requirement: Per the North Carolina Low-Income Energy Assistance Program Compliance Supplement, local agencies must accurately record the household's income.

Condition: We noted that in six instances, income verification was not completed during the review or application for the individuals. In four instances, the total countable income was not recorded accurately into the NC FAST system based upon documentation in the case record.

Context: We sampled 93 case files of a total of approximately 5,000 cases. We noted the above condition in 10 of the 93 inspected files.

Effect: Ineligible individuals could have received benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.

Cause: Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

Recommendation: We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

Section IV. State Awards Findings and Questioned Costs

Findings 2019-002 and 2019-003 as listed in Section III *Federal Award Findings and Questioned Costs* are also considered to be state award findings.



Corrective Action Plan

Finding 2019-001, Reporting of Construction in Progress

Auditor's Recommendation: We recommend that the County update their procedures to include reviewing all project costs and recording as CIP only those that meet that County's capitalization policy. The County should also perform a review of all items currently reported as CIP in order to identify any additional items that do not meet the criteria to be capitalized.

Corrective Action Plan: Finance will review each project more closely to attempt to identify items that should not be included in CIP. This will include reviewing items currently listed as CIP to ensure that all amounts are accurate.

Proposed Completion Date: 2-1-20

Name/Position Contact Person: Kim Rose/Accountant

Finding 2019-002, Significant Deficiency over Eligibility

Auditor's Recommendation: We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

Corrective Action Plan: Economic Services will implement continued training, internal controls and expert reviews so that accurate monitoring can take place. Additional training and internal controls will take place in January 2020 to ensure accurate monitoring can take place. Continue to work with intake and maintenance units to develop a plan to consistently place required documentation in the case record.

Proposed Completion Date: 2/1/20

Name/Position Contact Person: Cathy Batchelor/ Adult Medicaid

Finding 2019-003, Significant Deficiency over Eligibility

Auditor's Recommendation: We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

Corrective Action Plan: IMC Workers will be trained on identified errors to address documentation by February 2020. Continue to work with intake and maintenance units to develop a plan to consistently place required documentation in the case record to ensure accurate monitoring.

Proposed Completion Date: 2/1/20

Name/Position Contact Person: Cathy Batchelor/ Adult Medicaid



**Schedule of Prior Year Audit Findings
For the year ended June 30, 2019**

Finding 2018-001, Reporting of Construction in Progress

Condition: CIP included \$277,917 and \$2,315,403 of prior year expenditures in the governmental activities and the airport fund, respectively that did not meet the criteria for expenditures to be capitalized.

Current status: Finding repeated at 2019-001.

Finding 2018-002, Retainage Payable

Condition: In the trial balance received from the County, retainage was not included in CIP and the corresponding liability was not recorded.

Current status: Finance has implemented a year-end review process of open projects to assure proper recording of retainage payable.

Finding 2018-003, Grant Revenue Recognition

Condition: The County did not recognize grant revenue in the School Construction Fund when all performance conditions of the grant had been met.

Current status: Finance analyzes for grant revenue recognition to assure grant revenue is recorded when earned.

Finding 2018-004, Significant Deficiency over Eligibility

Condition: We noted that in four instances the Low Income Home Energy Assistance Eligibility Worksheet form DSS-8116-I was either not completed or reviewed by the County's DSS caseworker or was not retained in the casefile.

Current status: Continued with training and internal controls so that accurate monitoring can take place.

Finding 2018-005, Significant Deficiency over Eligibility

Condition: We noted that in one instance the Food and Nutrition Services application form DSS-8207 was not signed by the adult household member.

Current status: Continued with training and internal controls so that accurate monitoring can take place.

Finding 2018-006, Material Weakness over Allowable Costs/ Cost Principles

Condition: All reported costs on the DSS-1571 Part II, submitted for reimbursement in August 2017, were related to cost which occurred in July 2016. July 2016 cost were previously reimbursed on the DSS-1571 Part II, submitted in August 2016.

Current status: Correction to the 1571 has already been completed and submitted to the State for reimbursement of the additional funds. County Finance and Core Services have worked together to ensure proper review of all parts of the 1571.

Finding 2018-007, Material Weakness related The Schedule of Federal and State Awards

Condition: The original schedule of federal and state awards that was provided to the auditor did not include approximately \$3.5 million in Special State Appropriations. In addition, it included \$1.1 million of state funds that were expended in the previous fiscal year.

Current status: Finance has implemented controls to ensure all required reports are submitted to the granting agency in a timely manner in accordance with grant requirements.

Finding: 2018-008 – Timely Program Reporting

Condition: During 2018, the Status Report was not submitted in a timely manner in accordance with grant requirements.

Current status: Finance has implemented controls to ensure all required reports are submitted to the granting agency in a timely manner in accordance with grant requirements.

ONslow 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
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 Cluster	10.561		1,537,518	124,979	-	1,426,937
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for						
Women, Infants & Children General Admin	10.557		37,905	-	-	-
Women, Infants & Children Client Services	10.557		971,346	-	-	-
Women, Infants & Children Nutrition Education	10.557		280,571	-	-	-
Women, Infants & Children Breatfeeding Promo and Support	10.557		59,015	-	-	-
Women, Infants & Children Breatfeeding Peer Counselor	10.557		56,228	-	-	-
Total U.S. Department of Agriculture			2,942,583	124,979	-	1,426,937
<u>U. S. Department of Defense</u>						
Office of Economic Adjustment						
Joint Land Use Study	12.610		207,135	-	-	-
Total U.S. Department of Defense			207,135	-	-	-
<u>Institute of Museum and Library Services</u>						
National Foundation on Arts and Humanities						
Passed-through NC Department of Cultural Resources:						
State Library of NC						
Library Services and Technology Act LSTA-Grants to States						
Facility Plan	45.310		33,210	-	-	11,100
Training Grants	45.310		3,906	-	-	-
Total Institute of Museum and Library Services			37,116	-	-	11,100
<u>U.S. Dept. of Justice</u>						
Federal Drug Forfeiture Program	16.000		32,008	-	-	-
FBI Safe Streets Task Force	16.738		4,381			
Edward Byrne Memorial Justice Assistance Grant Program						
2017-DJ-BX-0172 AVL Upgrade	16.738		11,104	-	-	-
Equitable Sharing Program-Sheriffs Office	16.922		12,220	-	-	-
Total U.S. Dept. of Justice			59,713	-	-	-
<u>U.S. Dept. of Transportation</u>						
Passed-through the N.C. Department of Transportation:						
Governor's Highway Safety Program	20.600		379,450	-	-	-
Aircraft Apron Rehabilitation	20.106	.37-0033-037-201	431,762	-	-	-
Airport Layout Plan	20.106	.37-0033-038-201	63,136	-	-	-
Airport Improvement Program Air Traffic Control Tower	20.106		200,000	-	-	-
Total U.S. Dept. of Transportation			1,074,348	-	-	-
<u>U. S. Department of Homeland Security</u>						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management						
Emergency Management Performance Grant	97.042		26,450	26,450	-	-
Disaster Grants-Public Assistance	97.036	FEMA-4393DI	6,862,253	2,287,418	-	-
Total Division of Emergency Management			6,888,703	2,313,867	-	-
Passed Through Transportation Security Administrations						
Law Enforcement	97.090	TS02-16-H-SLR	115,390	-	-	-
Total TSA			115,390	-	-	-
Total U. S. Department of Homeland Security			7,004,093	2,313,867	-	-
<u>U.S. Dept. of Health & Human Services</u>						
Passed through NC Department of Health and Human Services						
Passed through Eastern Carolina Council of Governments						
Title III-D Preventive health	93.043		693	3,927	-	-
MIPPA Grant	93.071		-	6,896	-	-
NC Department of Insurance						
SHIIP	93.324		5,752	-	-	-
<u>Aging Cluster:</u>						
HCCBG-home delivered meals	93.045		58,371	3,434	-	6,867
HCCBG-home delivered meals	N/A		-	29,857	-	-
HCCBG-Congregate meals	93.045		97,197	5,717	-	11,435
HCCBG-Access	93.044		204,669	12,039	-	24,079
HCCBG-Access	N/A		-	58,374	-	-
HCCBG-In home/Supp Services	93.044		73,860	2,110	-	8,441
HCCBG-In home/Supp Services	N/A		-	167,689	-	-
Family Caregiver Support Title III-E	93.052		-	4,621	-	-
Nutrition Services Incentive Program	93.053		21,622	-	-	-
Operation Fan	N/A		-	800	-	-
Senior Center Development	N/A		-	10,290	-	-
Total Aging Cluster			455,719	294,931	-	50,822
Division of Social Services						
Temporary Assistance for Needy Families (TANF) Cluster						
TANF - Work First-Admin	93.558		157,682	-	-	213,114
TANF - Work First	93.558		1,207,843	-	-	1,348,533
Division of Public Health:						
TANF	93.558		20,735	-	-	-
Total TANF Cluster			1,386,260	-	-	1,561,647

ON SLOW 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
Foster Care and Adoption Cluster (Note 4)						
Title IV-E Foster Care (CPS)	93.658		292,680	124,145	-	168,535
Title IV-E Foster Care Admin	93.658		5,078	-	-	5,078
Title IV-E Foster Care Trn& Off Trn & family foster max, max level III	93.658		549,791	-	-	549,791
IV-E FOSTER CARE TRN	93.658		4,814	-	-	1,605
IV-E FC & EXTEND MAX	93.658		124,542	36,317	-	24,249
IV-E FC & EXTEND REG	93.658		428,569	123,740	-	84,633
IV-E MAX LEVEL III	93.658		8,488	-	-	4,128
Title IV-E Admin county paid to CCI - Direct Benefit Payments	93.658		256,126	128,063	-	128,062
Title IV-E optional Adopt Trn 50%	93.659		32,563	-	-	32,563
Foster Care	N/A		212,992	-	-	99,598
Total Foster Care and Adoption Cluster (Note 4)			1,915,643	412,265	-	1,098,243
Child Support Enforcement						
IV-D OFFSET FEES-ESC	93.563		63	-	-	32
IV-D OFFSET FEES-FEDERAL	93.563		10,264	-	-	5,287
IV-D Administration & offset fees	93.563		635,113	-	-	327,179
Total Child Support Enforcement			645,440	-	-	332,499
Refugee and Entrant Assistance - State Administered Program	93.566		695	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568		109,422	-	-	-
Energy Assistance Payments- Direct Benefit Payments	93.568		510,437	-	-	-
Crisis Intervention Program	93.568		666,263	-	-	-
Total Low-Income Home Energy Assistance			1,286,122	-	-	-
Family Preservation	93.556		47,065	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645		49,166	-	-	16,389
Links	93.674		45,777	11,444	-	-
Independent Living Transitional	93.674		4,145	-	-	-
Total Links			49,922	11,444	-	-
SSBG - Other Service and Training	93.667		548,085	-	-	182,695
Division of Aging and Adult Services:						
Division of Social Services:						
SSBG - State In Home Service Fund	93.667		2,752	-	-	393
SSBG - State Adult Day Care	93.667		45,795	-	-	15,265
Total Social Service Block Grant			596,632	-	-	198,353
Division of Child Development and Early Education:						
Subsidized Child Care (Note 4)						
Child Care Development Fund Cluster:						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596		531,188	-	-	-
Total Child Care Development Fund Cluster			531,188	-	-	-
Total Subsidized Child Care (Note 4)			531,188	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program/ Medicaid Cluster	93.778		3,161,104	5,550	-	1,156,014
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767		127,341	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health Emergency Preparedness (PHEP)	93.074		87,025	-	-	-
Tuberculosis Demonstration, Research, Public and Professional Education	93.116		40,394	38,276	-	53,655
Child Health						
Care Coordination for Children	93.994		21,222	97,964	-	-
Child Fatality Prevention	93.994		1,952	-	-	-
Child Health	93.994		78,437	8,548	-	-
Maternal and Child Health - Mini Grants	93.994		17,988	-	-	2,689
Emergency Opioid Overdose	93.354		45,876	-	-	6,024
Family Planning						
Family Planning HMHC	93.994		26,233	17,281	-	-
Family Planning Services	93.217		69,638	-	-	-
Maternal Health	93.994		20,000	11,566	-	88,524
Healthy Communities						
Preventative Health Services	93.758		(1,618)	7,578	-	-
Preventative Health and Health Services Block Grant	93.991		35,995	-	-	-
Immunization Action Plan	93.268		78,948	-	-	-
Sexually Transmitted Diseases (STD) Prevention and Control Grants	93.977		100	6,807	-	-
Total Division of Public Health			522,189	188,021	-	150,892
Total U.S. Dept. of Health and Human Services			10,780,931	923,035	-	4,564,858
US Army Corp of Engineers						
Mosquito Control Contract W912HN-09-P-0059	12.355		3,103	-	-	-
Total federal awards			22,109,022	3,361,881	-	6,002,896

ONslow 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
State Awards:						
<u>N.C. Dept. of Administration</u>						
Veterans Service			-	2,216	-	-
Total N.C. Dept. of Administration			-	2,216	-	-
<u>N.C. Administrative Office of the Courts</u>						
Civil License Revocation			-	14,996	-	-
<u>N.C. Dept. of Agriculture and Consumer Services</u>						
State Vehicle Usage Reimbursement			-	8,205	-	-
Soil Conservation Reimbursement Program			-	3,600	-	-
Soil Conservation Program Grant			-	21,817	-	-
2017 Stream Debris Removal Project		17-175-4066	-	28,588	-	-
Total N.C. Dept. of Agriculture and Consumer Services			-	62,209	-	-
<u>N.C. Dept. of Cultural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	217,829	-	2,084,626
Total N.C. Dept of Cultural Resources			-	217,829	-	2,084,626
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
White Goods Management Program Distribution			-	80,810	-	-
Scrap Tire Disposal Program Distribution			-	209,698	-	-
Community Waste Reduction and Recycling Grant			-	15,000	-	10,000
Electronics Recycling Program			-	12,271	-	-
Total N.C. Dept of Environmental Quality			-	317,779	-	10,000
<u>N.C. Dept. of Health and Human Services</u>						
Division of Social Services:						
Foster Care At Risk Maximization			-	19,721	-	7,532
Energy Assist Private Grants			-	7,312	-	-
TANF/AFDC Incent/Program Integrity			-	175	-	-
State Child Welfare/CPS/CS LD			-	164,471	-	-
State Foster Home - Direct Benefit Payments			-	238,343	-	238,342
Extended FC/Max NON IV-E			-	16,542	-	-
Total Division of Social Service			-	446,563	-	245,874
Division of Public Health						
General Aid to Counties			-	162,333	-	463,429
General Communicable Disease Control			-	16,410	-	277,233
Family Planning			-	127,138	-	43,386
Women's Health Service Fund			-	19,224	-	-
Food and Lodging			-	45,554	-	-
School Nurse Funding Initiative			-	98,404	-	-
Mosquito Tick Suppression			-	1,818	-	-
Mosquito Abatement: Hurricane Florence			-	329,592	-	-
CLAS			-	12,637	-	-
HIV/State SSBG Aid			-	12,146	-	-
Total Division of Public Health			-	825,256	-	784,048
Division of Mental Health, Developmental Disabilities and Substance Abuse Services						
Dorthea Dix Grant-Crisis Center Improvements			-	1,498,190	-	-
Total N. C. Department of Health and Human Services			-	2,770,009	-	1,029,921
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	1,547,239	-	-
<u>N.C. Dept. of Public Safety</u>						
N.C Dept. of Juvenile Justice and Delinquency Prevention						
Temporary Shelter Services			-	63,000	-	29,412
Juvenile Restitution Program			-	157,000	-	53,968
School Treatment program			-	125,000	-	22,952
Day Services Commitment Program			-	96,000	-	13,058
Onslow County Juvenile Crime Prevention Program			-	4,271	-	-
SHARP			-	39,895	-	-
Youth Court Diversion Program			-	30,945	-	-
Total N.C. Dept of Public Safety			-	516,112	-	119,390
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	99,827	-	-
ROAP Rural General Public Program		DOT-16CL	-	101,338	-	-
ROAP Work First Transitional - Employment		DOT-16CL	-	38,141	-	-
Total ROAP Cluster			-	239,306	-	-
Division of Aviation						
State Aid to Airports:						
ALBERT J. ELLIS Airfield lighting and electrical improvements		DOT-8	-	1,618,078	-	-
ALBERT J. ELLIS Air Traffic Control Tower		DOT-8	-	1,684,577	-	-
ALBERT J ELLIS South GA Development Phase I		DOT-8	-	225,470	-	-
Total Division of Aviation			-	3,528,124	-	-
NC DOT						
Div 3 Onslow - Haws Run VFD Expansion		DOT-18	-	17,323	-	-
Total NCDOT			-	17,323	-	-
Total N. C. Department of Transportation			-	3,784,753	-	-
<u>N.C. Office of State Budget and Management</u>						
Special Appropriations						
Career and Technical Education Center Funds			-	4,306,602	-	-
Total NC Office of State Budget and Management			-	4,306,602	-	-
Total State awards			-	13,539,744	-	3,243,938
Total federal and State awards			\$ 22,109,022	\$ 16,901,625	\$ -	\$ 9,246,834

ONslow 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
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 Onslow 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 Onslow County, it is not intended to and does not present the financial position, changes in net position or cash flows of Onslow 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

Onslow 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