

COUNTY OF JOHNSTON
Smithfield, North Carolina
Financial Statements
June 30, 2020

COUNTY OF JOHNSTON, NORTH CAROLINA
BOARD AND OFFICERS
June 30, 2020

BOARD OF COUNTY COMMISSIONERS

Ted G. Godwin, Chairman
Chad M. Stewart, Vice-Chairman
Jeffrey P. Carver
Larry Wood
Tony Braswell
Patrick E. Harris
R.S. "Butch" Lawter, Jr.

OFFICERS

County Manager
Finance Director
Register of Deeds
Tax Administrator
Sheriff

Rick J. Hester
J. Chad McLamb, CPA
Craig Olive
Jocelyn Andrews
Steve Bizzell

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
INDEPENDENT AUDITORS' REPORT		1-3
MANAGEMENT'S DISCUSSION AND ANALYSIS		4-15
BASIC FINANCIAL STATEMENTS:		
Government-wide Financial Statements:		
Statement of Net Position	1	16
Statement of Activities	2	17
Fund Financial Statements:		
Balance Sheet – Governmental Funds	3	18
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	3a	19
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	4	20
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	4a	21
Statement of Revenues, Expenditures and Changes in Fund Balances – Budget And Actual – General Fund	5	22
Statement of Net Position – Proprietary Funds	6	23
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	7	24
Statement of Cash Flows – Proprietary Funds	8-9	25-26
Statement of Fiduciary Net Position – Fiduciary Funds	10	27
NOTES TO THE FINANCIAL STATEMENTS		28-81
REQUIRED SUPPLEMENTAL FINANCIAL DATA		
Schedule of County's Proportionate Share of Net Pension Asset (LGERS)	A-1	82
Schedule of County Contributions (LGERS)	A-2	83
Schedule of County's Proportionate Share of Net Pension Asset (ROD)	A-3	84

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
REQUIRED SUPPLEMENTAL FINANCIAL DATA (continued)		
Schedule of County Contributions (ROD)	A-4	85
Schedule of Changes in Total Pension Liability	A-5	86
Schedule of Total Pension Liability as a Percentage of Covered-Employee Payroll	A-6	87
Schedules of Changes in the Net OPEB Liability and Related Ratios	A-7	88
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES		
<i>General Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	B-1	89-99
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual - Revaluation Fund	B-1a	100
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual - School Bond Fund	B-2	101
Combining Balance Sheet – Non-Major Governmental Funds	C-1	102
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Non-Major Governmental Funds	C-2	103
Combining Balance Sheets – Non-Major Special Revenue Funds	C-3	104
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Special Revenue Funds	C-4	105
Combining Balance Sheet – Non-Major Capital Projects Funds	C-5	106
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Capital Projects Funds	C-6	107
Schedules of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual:		
<i>Moccasin Creek Drainage District</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-7	108
<i>Special Tax District Fund</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-8	109
<i>Heritage Commission Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-9	110

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
<i>Communication Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-10	111
<i>Research Training Zone</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-11	112
<i>Voluntary Ag District</i> - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	C-12	113
<i>Industrial Development Infrastructure</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-13	114
<i>Public Safety Center Project Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual	C-14	115
Enterprise Funds:		
Combining Statement of Net Position - Non-major Enterprise Funds	D-1	116
Combining Statement of Revenues, Expenses, and Changes in Net Position - Non-major Enterprise Funds	D-2	117
Combining Statement of Cash Flows - Non-major Enterprise Funds	D-3	118-119
<i>Administrative Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP)	D-4	120
<i>Solid Waste Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP)	D-5	121-122
<i>Landfill Entrance & Attendant Facilities</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-5a	123
<i>Phase 4-A Landfill Site Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-5b	124
<i>Phase 6-A MSW Landfill Site Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-5c	125
<i>Water Fund</i> – Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP)	D-6	126-127
<i>WTP 2.5 MGD Exp / Future Planning</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6a	128
<i>NCDOT Waterline Projects</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6b	129

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
<i>WTP 2.0 MGD Upgrade</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6c	130
<i>Clayton No. 2 Booster Pump Station Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6d	131
<i>WTP Efficiency Project</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6e	132
<i>Post Clearwell Chemical Feed Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6f	133
<i>AWIA Risk & Resiliency Assessment</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6g	134
<i>NC 96 Economic Development Water Main Extension</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6h	135
<i>Buffalo Road BPS & Transmission Main</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6i	136
<i>385 West Transmission Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-6j	137
<i>Wastewater Treatment Fund</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7	138-139
<i>Wastewater SDF Capital Reserve Fund</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7a	140
<i>Biosolids Facilities Improvement</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7b	141
<i>Buffalo WWPS Upgrade and Force Main Replacement</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7c	142
<i>Pine Level Wastewater Pump Station Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7d	143
<i>McGee's Crossroads Sewer Consolidation/Middle Creek Interceptor</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7e	144
<i>Swift Creek Interceptor</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7f	145
<i>WWTP 4MGD Expansion</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7g	146

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
<i>Selma Equalization & WWPS Facilities</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7h	147
<i>20" 70 BUS / 70 Bypass Force Main</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7i	148
<i>East Clayton WWPS Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7j	149
<i>Landfill Equalization & WWPS Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7k	150
<i>Reedy Branch WWPS & FM</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7l	151
<i>NC DOT Sewer Line Projects</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7m	152
<i>WWTP Flood Mitigation (FEMA)</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7n	153
<i>NC 42 Sewer Line (School Band Project)</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7o	154
<i>Sewer Rehabilitation/Sewer</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7p	155
<i>Olive Branch WWPS & FM Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-7q	156
<i>Water District Funds</i> – Combining Statement of Net Position	D-8	157
<i>Water District SDF Capital Reserve Fund</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8a	158
<i>Elevation Water District FY 18 Hydraulic Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8b	159
<i>Buffalo Water District FY 18 Hydraulic Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8c	160
<i>Wilson's Mills Water District FY 18 Hydraulic Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8d	161
<i>Wilson's Mills Water District WTP Service Line</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8e	162

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
<i>Archer Lodge WD 500,000 Gallon Elevated Storage Tank</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8f	163
<i>Ingram's WD 2018 Hydraulic Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8g	164
<i>McGee's WD Ph 1 & 2 - NC 210 WM Improvements</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-8h	165
<i>Section 8 Housing Assistance Payments Fund – Project No. NC 19-V164-006</i> – Schedule of Revenues and Expenditures – Budget and Actual (Non-GAAP)	D-9	166
 Water Districts - Consolidating Information:		
Statement of Net Position - Combined Water District Operating Fund	E-1	167-168
Schedule of Revenues and Expenditures - Combined Water District Operating Fund	E-2	169-170
Combining Statement of Fiduciary Assets and Liabilities – Agency Funds	F-1	171
Combining Statement of Changes in Fiduciary Assets and Liabilities – Agency Funds	F-2	172
 OTHER SCHEDULES		
Schedule of Ad Valorem Taxes Receivable	G-1	173
Analysis of Current Tax	G-2,G-2a	174-175
Ten Largest Taxpayers	G-2b	176

COUNTY OF JOHNSTON, NORTH CAROLINA
TABLE OF CONTENTS
Year Ended June 30, 2020

	<u>Exhibit(s)</u>	<u>Page(s)</u>
COMPLIANCE SECTION		
Report On Internal Control Over Financial Reporting And On Compliance and Other Matters Based On An Audit Of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> .		177-178
Independent Auditors' Report on Compliance with Requirements Applicable to each Major Federal Program and Internal Control over Compliance in Accordance with Uniform Guidance and the State Single Audit Implementation Act		179-180
Independent Auditors' Report on Compliance with Requirements Applicable to each Major State Program and Internal Control over Compliance in Accordance with OMB Uniform Guidance and the State Single Audit Implementation Act		181-182
Schedule of Findings and Questioned Costs		183-188
Summary Schedule of Prior Audit Findings		189
Schedule of Expenditures of Federal and State Awards		190-194



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

**P.O Box 398
1626 S. Madison Street
Whiteville, NC 28472
Telephone (910) 642-2109
Fax (910) 642-5958**

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

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
County of Johnston
Smithfield, 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 the County of Johnston, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements which collectively comprise the County of Johnston's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Johnston County ABC Board. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Johnston County ABC Board, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of Johnston County ABC Board 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.

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Johnston, North Carolina as of June 30, 2020, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 15, the Local Government Employees' Retirement System Schedules of the County's Proportionate Share of the Net Pension Liability and County Contributions, the Register of Deeds' Supplemental Pension Fund Schedule of the County's Proportionate Share of the Net Pension Asset and Schedule of County Contributions, the Law Enforcement Officers' Special Separation Allowance schedules, and the Other Postemployment Benefits' Schedule of Changes in the Total OPEB Liability and Related Ratios on pages 82 through 88, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Johnston's basic financial statements. The combining and individual fund statements, budgetary schedules, other schedules as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements, budgetary schedules, other schedules and the Schedule of Expenditures of Federal and State Awards are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the combining and individual fund financial statements, budgetary schedules, other schedules, and the Schedule of Expenditures of Federal and State Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 4, 2021, on our consideration of the County of Johnston'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 the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Johnston's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 4, 2021

As management of Johnston County, we offer readers of Johnston County's financial statements this narrative overview and analysis of the financial activities of Johnston County for the fiscal year ended June 30, 2020. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

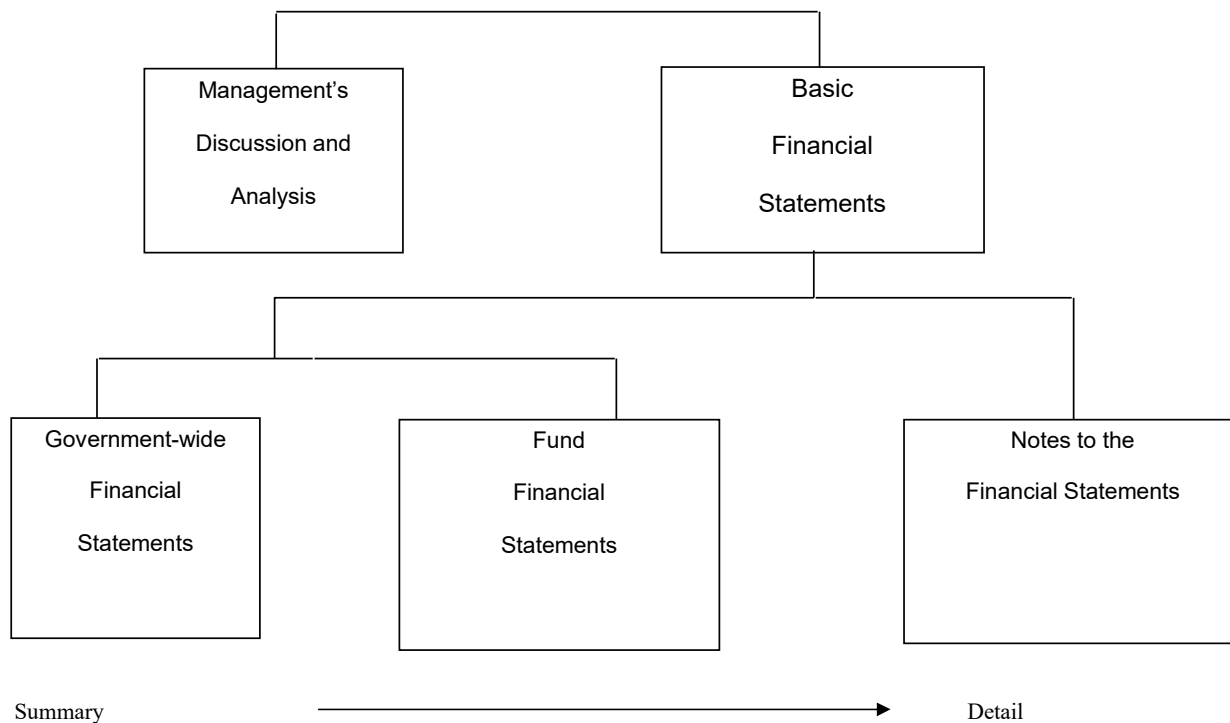
Financial Highlights

- The liabilities and deferred inflows of resources of Johnston County's primary government exceeded its assets and deferred outflows of resources at the close of the fiscal year by \$65,960,688 (net position).
- The primary government's total net position increased by \$48,892,647, primarily due to increase in property taxes and increase in charges for services.
- As of the close of the current fiscal year, Johnston County's governmental funds reported combined ending fund balances of \$151,305,703, an increase of \$33,320,400 in comparison with the prior year. Approximately 29.96 percent of this total amount, or \$45,323,960, is restricted or non-spendable.
- At the end of the current fiscal year, legally available fund balance for the General Fund was \$95,922,779, or 40.70 percent of total general fund expenditures for the fiscal year.
- Johnston County's total debt decreased by \$5,500,536 during the current fiscal year (includes premium on issuance as well). The key factors in this decrease was primarily due to the issuance of clean water revolving loans to finance the construction of water distribution systems and the issuance of School Bonds, offset by debt service payments made for the year. The County issued \$20,000,000 in School and Community College bonds.
- Johnston County maintained its Aa1 from Moody's Investors and maintained their AA+ rating from Standard and Poor's rating services.

Overview of the Financial Statements

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

Required Components of Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements (Exhibits 1 and 2) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the County's financial status.

The next statements (Exhibits 3 through 11) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the proprietary fund statements; and 4) the fiduciary fund statements.

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

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

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's basic services such as public safety, and general administration. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These include the water and sewer and landfill services offered by Johnston County. The final category is the component units. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The County then distributes the profits among the County and municipalities in the County. The County also reports the Tourism Development Authority and the Airport Authority as component units.

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. Johnston County, like all other governmental entities, 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 Johnston County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds – Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the County's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting*. This method also has a current financial resources focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the County's programs. The relationship between governmental 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.

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

Proprietary Funds – Johnston County has one kind of proprietary fund. *Enterprise Funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. Johnston County uses enterprise funds to account for its water and sewer activity and for its landfill operations. These funds are the same as those separate activities 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. Johnston County has five fiduciary funds, all of which are agency funds.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements start on page 28 of this report.

Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Johnston County's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found beginning on page 82 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 liabilities and deferred inflows of resources of Johnston County's primary government exceeded its assets and deferred outflows of resources by \$65,960,688 as of June 30, 2020. The County's net position increased by \$48,892,647 for the fiscal year ended June 30, 2020. Net position is reported in three categories: Net investment in capital assets of \$201,460,430, restricted net position of \$46,438,642, and unrestricted net position of \$(313,859,760).

Johnston County's Net Position

Figure 2

	Governmental		Business-type		Total	
	Activities		Activities			
	2020	2019	2020	2019	2020	2019
Current and Other assists	\$ 157,146,629	\$ 122,321,954	\$ 91,657,667	\$ 78,970,872	\$ 248,804,296	\$ 201,292,826
Capital Assets	60,466,895	59,502,912	248,198,005	210,361,206	308,664,900	269,864,118
Total Assets	217,613,524	181,824,866	339,855,672	289,332,078	557,469,196	471,156,944
Total deferred outflows of resources	45,370,615	43,262,112	4,586,738	4,119,811	49,957,353	47,381,923
Long-term liabilities	423,370,615	412,388,414	139,756,363	134,602,776	563,126,978	546,991,190
Other liabilities	65,785,737	60,699,631	14,059,534	12,197,839	79,845,271	72,897,470
Total Liabilities	489,156,352	473,088,045	153,815,897	146,800,615	642,972,249	619,888,660
Total deferred inflows of resources	12,104,335	16,250,042	18,310,653	19,424,973	30,414,988	35,675,015
Net Position						
Net investment in capital assets	60,466,895	59,202,912	140,993,535	106,197,054	201,460,430	165,399,966
Restricted	45,323,960	43,321,602	1,114,682	3,115,981	46,438,642	46,437,583
Unrestricted	(344,067,403)	(366,775,623)	30,207,643	17,913,266	(313,859,760)	(348,862,357)
Total Net Position	\$ (238,276,548)	\$ (264,251,109)	\$ 172,315,860	\$ 127,226,301	\$ (65,960,688)	\$ (137,024,808)

The net investment in capital assets category is defined as the County's investment in County owned capital assets (e.g. land, buildings, machinery, and equipment), less any related debt still outstanding that was issued to acquire those items. Johnston County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Johnston County's net investment in 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.

Another category of net position is restricted net position. This represents resources that are subject to external restrictions on how they may be used.

The final category of net position is unrestricted net position. This balance may be used to meet the government's ongoing obligations to citizens and creditors. Unrestricted net position (deficit) totaled \$(313,859,760) at June 30, 2020. This deficit is a result of the situation described in the following paragraph.

As with many counties in the State of North Carolina, the County's deficit in unrestricted net position is due primarily to the portion of the County's outstanding debt incurred for use by the Johnston County Board of Education to construct, renovate and equip schools. Under North Carolina law, the County is responsible for providing capital funding for the schools. The County has chosen to meet its obligation to provide the schools capital funding by using a mixture of County funds and general obligation debt. The assets funded by the County, however, are owned and utilized by the schools. Since the County, as the issuing government, acquires no capital assets, the County has incurred a liability without a corresponding increase in assets. At the end of the fiscal year, approximately \$279,981,249 of the outstanding debt on the County's financial statements was related to assets included in the public schools financial statements.

However, since the majority of this school related debt is general obligation debt, it is collateralized by the full faith, credit, and taxing power of the County. Accordingly, the County is authorized and required by State law to levy ad valorem taxes, without limit as to rate and amount, as may be necessary to pay the debt service on its general obligation bonds.

The impact on unrestricted governmental net position of the inclusion of the school system debt without the corresponding assets was offset by the following positive factors:

- Continued diligence in the collection of property taxes by maintaining a collection percentage of 99.49%, resulted in a slight decrease from last year's collection rate of 99.89%.
- Increased charges for services revenue due to growth in the use of County facilities.
- Increased property tax revenues due to a recent revaluation.
- Continued low cost of debt due to the County's high bond rating.

Johnston County's Changes in Net Position
Figure 3

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for services	\$ 24,766,369	\$ 24,095,660	\$ 58,563,642	\$ 52,053,953	\$ 83,330,011	\$ 76,149,613
Operating grants and contributions	27,240,248	23,692,010	5,400,987	5,270,603	32,641,235	28,962,613
Capital grants and contributions	2,062,651	2,550,366	11,366,020	5,250,423	13,428,671	7,800,789
General revenues:						
Property taxes	169,958,192	142,490,718	-	-	169,958,192	142,490,718
Other taxes	52,045,488	47,121,435	-	-	52,045,488	47,121,435
Grants and contributions not restricted to specific programs	1,939,597	1,798,928	-	-	1,939,597	1,798,928
Other	1,689,314	2,167,867	3,025,845	2,800,110	4,715,159	4,967,977
Total revenues	279,701,859	243,916,984	78,356,494	65,375,089	358,058,353	309,292,073
Expenses:						
Administrative	-	-	1,335,218	1,175,460	1,335,218	1,175,460
General government	22,368,822	21,383,550	-	-	22,368,822	21,383,550
Public safety	65,716,398	57,477,874	-	-	65,716,398	57,477,874
Economic and physical development	9,830,449	7,830,630	-	-	9,830,449	7,830,630
Human services	45,774,201	41,241,147	-	-	45,774,201	41,241,147
Cultural and recreation	551,000	480,500	-	-	551,000	480,500
Education	99,812,123	82,770,980	-	-	99,812,123	82,770,980
Interest on long-term debt	9,162,068	9,279,020	-	-	9,162,068	9,279,020
Solid Waste	-	-	7,360,532	4,675,247	7,360,532	4,675,247
Water Districts	-	-	14,329,070	12,715,355	14,329,070	12,715,355
Water	-	-	19,670,530	17,878,015	19,670,530	17,878,015
Wastewater	-	-	8,853,041	7,766,510	8,853,041	7,766,510
Housing Assistance	-	-	4,402,254	4,019,693	4,402,254	4,019,693
Total expenses	253,215,061	220,463,701	55,950,645	48,230,280	309,165,706	268,693,981
Increase (decrease) in net position before transfers and special items	26,486,798	23,453,283	22,405,849	17,144,809	48,892,647	40,598,092
Transfers	(512,237)	(400,000)	512,237	400,000	-	-
Increase (Decrease) in net position after transfers and special items	25,974,561	23,053,283	22,918,086	17,544,809	48,892,647	40,598,092
Net position, beginning, restated	(264,251,109)	(287,304,392)	149,397,774	109,681,492	(114,853,335)	(177,622,900)
Net position, ending	\$ (238,276,548)	\$ (264,251,109)	\$ 172,315,860	\$ 127,226,301	\$ (65,960,688)	\$ (137,024,808)

Governmental activities. Governmental activities increased the County's net position by \$25,974,561. Key elements of this increase are as follows:

Total revenues increased \$35,784,875, mainly as a result of property tax revaluations.

The County has been able to maintain a high tax collection rate of 99.49%.

Business-type activities: Business-type activities increased Johnston County's net position by \$22,918,086. Key elements of this increase are as follows:

Net position increased in the Solid Waste Fund \$1,888,644, in the Water Fund \$4,279,732, in the Wastewater Fund \$10,005,647, in the Water District Fund \$6,114,813, and the non-major proprietary funds of \$629,250. The County received \$7,360,120 in system development fees during the year which were set aside in capital reserve funds.

Financial Analysis of the County's Funds

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

Governmental Funds. The focus of Johnston County's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing Johnston County's financing requirements. Specifically, fund balance available for appropriation can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of Johnston County. At the end of the current fiscal year, Johnston County's fund balance available in the General Fund was \$95,922,779 while total fund balance reached \$117,061,203. The governing body of Johnston County has determined that the county should maintain an available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the County. The County currently has an available fund balance of 40.70% of general fund expenditures, while total fund balance represents 49.67% of that same amount.

The School Bond fund is used to account for bond proceeds and expenditures for school capital needs. Fund balance increased by \$363,268 as a result of new debt issued for school projects exceeding current year school construction.

At June 30, 2020, the governmental funds of Johnston County reported a combined fund balance of \$151,305,703, a 28.24 percent increase from last year. The General Fund balance increased by \$32,977,140, primarily because the County was able to realize increases in local option sales tax as a result of economic improvements in the area and increased ad valorem tax revenues.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$16,180,205. The main reasons for these increases were: appropriations needed for Sheriff department expenditures, appropriations needed for EMS ambulances, and an increase in state grants for Emergency Management, Public Health, and Department of Social Services.

Proprietary Funds. The County of Johnston's proprietary funds provide the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water Fund amounted to (\$6,570,334), the Wastewater Treatment Fund amounted to \$22,938,584, the Water District Funds amounted to \$17,149,458, the Solid Waste Fund amount to (\$4,312,756), and the non-major proprietary funds amounted to \$1,002,691. The total increase in unrestricted net position amounted to \$12,294,377 when compared to the prior year. Other factors concerning the finances of these funds have already been addressed in the discussion of the County of Johnston's business-type activities.

Capital Asset and Debt Administration

Capital assets. Johnston County's capital assets for its governmental and business – type activities as of June 30, 2020, totals \$308,664,900 (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, vehicles, and water lines.

Johnston County's Capital Assets

Figure 4

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 3,109,864	\$ 3,109,864	\$ 8,313,637	\$ 8,313,637	\$ 11,423,501	\$ 11,423,501
Land Improvements	-	-	-	-	-	-
Other Improvements	1,706,201	1,295,123	-	-	1,706,201	1,295,123
Buildings (Plant and distribution systems)	44,213,609	45,898,481	182,019,850	184,632,747	226,233,459	230,531,228
Equipment	3,814,846	4,095,082	5,721,834	4,575,446	9,536,680	8,670,528
Vehicles	4,297,607	3,314,212	1,087,367	1,240,560	5,384,974	4,554,772
Software	283,577	352,894	-	-	283,577	352,894
Intangibles	-	-	26,999,765	27,989,050	26,999,765	27,989,050
Construction in Progress	3,041,191	1,437,256	24,055,552	5,781,239	27,096,743	7,218,495
Total	\$ 60,466,895	\$ 59,502,912	\$ 248,198,005	\$ 232,532,679	\$ 308,664,900	\$ 292,035,591

Major capital asset transactions during the year include:

- Water and Wastewater Improvements
- Capital Contributions in the Water Department
- Public Safety Vehicles
- Emergency Services Equipment

Additional information on the County's capital assets can be found in notes to the Financial Statements (pages 40-44).

Long-term Debt. As of June 30, 2020, Johnston County had total bonded debt outstanding of \$257,280,000, all of which is debt backed by the full faith and credit of the County or the County's water districts.

Johnston County's Outstanding Debt

Figure 5

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
General obligation bonds	\$ 214,200,000	\$ 217,065,000	\$ 43,080,000	\$ 44,455,000	\$ 257,280,000	\$ 261,520,000
Limited obligation bonds	43,165,000	47,546,000	55,990,000	58,240,000	99,155,000	105,786,000
Unamortized bond premium	22,616,249	22,026,103	3,105,610	3,348,924	25,721,859	25,375,027
Clean water revolving loans	-	-	39,980,376	34,290,533	39,980,376	34,290,533
Installment purchase loans	-	300,000	10,030,053	10,281,858	10,030,053	10,581,858
Revenue Bonds	-	-	5,983,398	6,095,398	5,983,398	6,095,398
Other Notes Payables	-	-	30,035	32,441	30,035	32,441
Total	\$ 279,981,249	\$ 286,937,103	\$ 158,199,472	\$ 156,744,154	\$ 438,180,721	\$ 443,681,257

Johnston County's total debt decreased by \$5,500,536 during the past fiscal year, primarily due to the repayment of debt service, offset by the issuance of state revolving loans to finance the construction of the water and sewer distribution systems and the issuance of school bonds.

As mentioned in the financial highlights section of this document, Johnston County maintained its Aa1 from Moody's Investor Services, and maintained their rating of AA+ from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Johnston County. This achievement is a primary factor in keeping interest costs low on the County's outstanding debt.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Johnston County is \$1,370,688,362. The County has \$36,000,000 in General Obligation bonds authorized but un-issued at June 30, 2020.

Additional information regarding Johnston County's long-term debt can be found in the notes to the financial statements (pages 63-77).

Economic Factors and Next Year's Budgets and Rates

The County's overall economy is diversified with a balance of industrial, commercial, and agriculture enterprises. The production of pharmaceutical products, heavy equipment, and other products, along with durable goods assembly operations and distribution centers have provided relatively stable employment to County residents and have been the object of significant capital expenditures over the years. The County's estimated average labor force for the calendar year 2019 was 99,974. The County's estimated average unemployment rate for calendar year 2019 was 3.6%, as compared to the State's estimated average unemployment rate of 3.9% for the same period. Due to the national COVID-19 pandemic, the County's estimated unemployment rate rose to a high of 11.0% in May 2020, compared to the State's estimated unemployment rate of 12.7% for the same period. The County's estimated unemployment rate for September 2020 was 6.1%, as compared to the State's estimated unemployment rate for the same period of 6.9%

The western portion of the County has directly benefited from its proximity to (1) the Research Triangle Park, with over 6,900 acres of land set aside for research and research-oriented manufacturing activities, which includes more than 300 research and development facilities employing over 46,000 persons; (2) regional employers in and around the City of Raleigh, the State's capitol and a major urban center, which include private sector opportunities with Fortune 500 companies, federal and State government positions and expanding medical service careers; and (3) numerous institutions of higher education including North Carolina State University in the City of Raleigh, The University of North Carolina in the Town of Chapel Hill, Duke University and North Carolina Central University in the City of Durham and East Carolina University in the City of Greenville.

The County's employment base includes approximately 10% of all biopharmaceutical jobs in the State. The area southeast of the Town of Clayton is home to two large international pharmaceutical companies, as well as a special purpose Research and Training Zone ("RTZ"), which is an economic development and training district created through special legislation that supports the special needs of the local pharmaceutical industries. The RTZ includes a 30,000 square-foot workforce development center, an educational and technical skills training center that ensures the pharmaceutical employee base is updated with state-of-the-art techniques and procedures. In September 2018, a \$1.3 million renovation of the center was completed. The renovation allows more hands-on lab training and simulation opportunities and will improve how skilled employees are trained for regional bio-manufacturing.

The largest manufacturing employer in the County currently is Grifols Therapeutics Inc. ("Grifols"), an international manufacturer of blood plasma related products for a variety of applications, employing approximately 1,650. The blood plasma facility has been in operation since 1981 and is the primary Grifols manufacturing facility. In November 2017, Grifols received recognition as one of the 500 best companies to work for by Forbes Magazine.

Grifols' facilities and operations at its complex near Clayton include a 155,000 square-foot, \$370 million North Fractionation Facility ("NFF") that opened in 2014, created an additional 200 jobs, and is the world's largest, as well as one of the most technologically advanced plasma fractionation facilities. The NFF was named the 2014 Facility of the Year for Project Execution by the International Society for Pharmaceutical Engineering. Grifols also completed construction in recent years of a new approximately \$22.5 million, three-story, 100,000 square-foot office building that houses 400 employees, as well as a new approximately \$7.5 million, 59,000 square-foot warehouse. In addition, a \$210 million expansion announced in 2016 includes a \$90 million, 82,550 square-foot fractionation plant currently under construction adjacent to the NFF and a \$120 million, 150,000 square-foot purification and filling facility for the production of intravenous immunoglobulin and factor VIII products. The fractionation plant is scheduled to be operational in 2021 and the purification and filling facility is scheduled to be operational in 2022. Grifols anticipates the two facilities together will create approximately 250 new jobs. In December 2017, Grifols purchased an additional 467 acres adjacent to its site near Clayton for future site expansion.

As a leader in humanitarian efforts, Grifols has partnered with the Republic of Liberia and constructed a dedicated processing facility at its complex near Clayton to explore an innovative approach to combat the Ebola virus. In December 2018, Grifols began purifying plasma from healthy Ebola survivors from Liberia for use in producing anti-Ebola immunoglobulin, a potential treatment for patients affected by the Ebola virus disease.

On March 25, 2020, Grifols announced it had entered a formal collaboration with the U.S. Biomedical Advanced Research Development authority ("BARDA"), Food and Drug Administration ("FDA") and other Federal public health agencies to develop a plasma-derived COVID-19 vaccine. Grifols stated it will use its network of FDA-approved plasma donor centers to test and qualify donors and collect their plasma, then process the plasma into hyperimmune globulin at its facility near Clayton. The company will support preclinical and clinical studies to determine whether hyperimmune globulin made from the plasma of convalescent donors could be a viable treatment for COVID-19 disease and as a platform for the treatment of future emerging infectious diseases. According to collaborators, the FDA is working to reduce unnecessary regulatory hurdles and ensure the therapy is approved as quickly as possible, if it meets the product safety and integrity requirements. Grifols has also agreed to provide resources for utilizing convalescent plasma for direct transfusion, by providing their viral inactivation technology, methylene blue, to ensure any plasma units for use in transfusion do not carry active viral particles. The collaborators hope that the use of both directly transfused, virally inactivated plasma and hyperimmune globulin could be utilized against the current COVID-19 pandemic and other future outbreaks of emerging viruses. Other Grifols' efforts in the fight against COVID-19 include working on a clinical trial with inactivated plasma from recovered patients, as well as development of a diagnostic test for the virus.

Novo Nordisk Pharmaceutical Industries ("Novo Nordisk"), the world's largest supplier of insulin products, opened its facility in the Clayton area in 1993, and currently employs over 1,100 at its Diabetes Finished Products ("DFP") manufacturing facility. The DFP facility is responsible for the formulation, filling, inspection, assembly and packaging of diabetes and obesity medicines, which are marketed in North America, Europe, New Zealand and Australia. Novo Nordisk has expanded its operation in the Clayton area several times over the years. An approximately \$102 million expansion was completed in recent years which created approximately 110 new jobs.

In August 2015, Novo Nordisk announced plans to build a new \$1.2 to \$1.85 billion, 200,000 square-foot bio-processing facility for Diabetes Active Pharmaceutical Ingredients ("DAPI") adjacent to its current site in the Clayton area. The ground breaking for the project was held on March 28, 2016. Up to 2,500 workers have been employed during construction and the new facility is expected to be operational later in 2020. The new facility is anticipated to create approximately 690 jobs with an average annual salary of approximately \$68,420. The new positions will span manufacturing, administrative, technical services and support personnel. The DAPI facility will be one of only two in the world for Novo Nordisk (the first outside of Denmark) and will ensure production capacity for diabetes care products in the US for the decade ahead.

In February 2018, Novo Nordisk announced plans for a \$65 million expansion of the existing DFP facility in the County, which is expected to result in the creation of approximately 25 jobs. Another \$22 million expansion for the DFP facility was announced in December 2018 that is expected to create approximately 22 jobs. This was the fourth expansion announcement since 2010.

In response to the COVID-19 pandemic, Novo Nordisk's production facilities near Clayton have helped to sustain the supply chain of life-saving diabetes products. Novo Nordisk has expanded its Diabetes Patient Assistance Program ("PAP") to support eligible patients with diabetes who have lost health insurance coverage because of a change in job status due to the pandemic. Novo Nordisk will now provide a free 90-day supply of insulin to eligible patients affected by COVID-19. The company has also donated more than \$500,000 to national and local relief organizations, supported emergency assistance requests from patient/advocacy organizations to address basic needs of individuals and families, and temporarily suspended standard contractual payment terms and paying submitted invoices immediately for nearly 150 small and diverse companies working with Novo Nordisk.

Another large manufacturing employer in the County is the Building and Construction Products Division of Caterpillar Inc. ("CAT"), a Fortune 100 company, located near the Town of Clayton. The facility currently assembles and distributes all CAT rubber tire front-end loaders for North America and the export market. CAT completed construction of a Machine Development Center on 252 acres adjacent to its Clayton assembly facility in July, 2013. The approximately 55,000 square-foot facility is where prototype machines are designed, tested and subjected to customers' hands-on operation and critique. At a state-of-the-art heavy equipment test track located at the center, engineers can get hands-on experience testing out new equipment, with a focus on design elements that can be incorporated into new Caterpillar machines. CAT employs approximately 599 at its Clayton facilities.

Further east in the County along the Interstate Highway 95 ("I-95") corridor, several economic development expansions have been announced or have taken place in recent months as follows:

- Iowa 80 Group, which owns the Kenly 95 Truckstop in the Town of Kenly at I-95 Exit 106, announced it would invest approximately \$4 million to expand the truck stop by adding approximately 30,000 square feet for its diesel repair and customer service area. Current employees total approximately 200 and the expansion is expected to add approximately 15 new employees. In 2016, Kenly 95 expanded with a 23,000 square-foot Super Truck Showroom, making it the largest truck stop on the East Coast.
- An approximately \$9.2 million Hampton Inn opened in the Fall of 2017 near I-95 in the Town of Benson. The hotel includes 89 rooms and a lower-level conference space and employs approximately 25 people. The site also includes a 2.3 acre outparcel for a 4,000 square-foot quick-service restaurant and a 6,000 square-foot full-service restaurant. A Hampton Inn of similar size and investment is under construction in the Town of Smithfield and is estimated to open in the fall of 2020

JOHNSTON COUNTY, NORTH CAROLINA
MANAGEMENT'S DISCUSSION AND ANALYSIS

- OPW Fueling Containment Systems, a designer and manufacturer of retail fueling products such as below ground piping and containment systems, as well as underground storage tank equipment, invested approximately \$4 million in a 100,000 square-foot expansion of its Smithfield facility. Approximately 80 new jobs are expected at its Smithfield location as a result of the expansion which will also include \$7.78 million in capital equipment over two years. The expansion allows OPW to manufacture above ground retail fueling equipment, including fuel nozzles, swivels and breakaways.
- In January 2018, Penn Compression Molding, a national manufacturer of custom molding thermoset composites, began an expansion project investing approximately \$3 million in its Smithfield operation to include another 30,000 square feet of production space, resulting in the addition of approximately 40 new jobs.
- Sysco Corporation, a food service distributor with an operation in the Town of Selma, is adding a 147,000 square-foot addition to its facility for dry storage at an approximate cost of \$27 million.
- In January 2019, Blue Line Aviation LLC announced plans to build a state-of-the-art aviation facility and headquarters at Johnston Regional Airport, to include a hangar and flight school for both private and commercial aviation. The \$13 million project is expected to bring more than 50 new jobs during its first year. It is expected to include 22,000 square feet of training, office and restaurant space, 20,000 square feet of hangar space, an observation area, a playground, a roof-top restaurant and a full motion flight simulator.
- Plans were unveiled in February 2019 for Eastfield, an approximately \$287.5 million mixed-use 353-acre development, to be located on the east side of the intersection of I-95 and US Highway 70/future Interstate 42 in the Smithfield-Selma area. AdVenture Development, LLC, a full-service real estate company with offices in the Town of Selma as well as the City of Pittsburgh, plans to construct Eastfield in two phases. The first phase is one million square-feet of warehouse and flex-space for industrial and office tenants. The anticipated cost of phase one is approximately \$40 million and it is scheduled to be completed by 2023. This new industrial space is part of a much larger plan for the remainder of the development to include medical office facilities, single-family and multi-unit housing, retail shops, hotels and a senior living community. The Eastfield Project is anticipated to eventually include The Shops at Eastfield, Eastfield Estates, Eastfield Park and Eastfield Village. Upon completion, which is anticipated for 2031, it is expected that Eastfield will be home to as many as 3,100 jobs.
- In 2019, Dollar General assumed 320,000 square-feet of storage space at the Carolina Distribution Center in the Town of Clayton. The company invested approximately \$13 million at the site and plans to hire approximately 105 employees. (Note: Dollar General is leasing space previously leased by Smithfield Foods, Inc.)
- Linamar Corporation announced in February 2019 it will assume operations in an existing building in the Town of Selma. It will invest approximately \$3 million and create approximately 24 jobs. The company manufactures chassis and powertrain products for the automotive industry.
- In May 2019, Broad River Retail LLC broke ground on a 182,300-square foot facility that will include an Ashley HomeStore, as well as an Ashley HomeStore Outlet connected to a distribution center, a call center and a learning center just off I-95 near Four Oaks. The facility will represent an investment of approximately \$16 million and is anticipated to create approximately 160 jobs when complete.

The County is also becoming a center for the medical services industry and related employment. Johnston Health, formerly named Johnston Memorial Hospital, is located in the Town of Smithfield and the Town of Clayton, is also the site of Johnston Health – Clayton, both full service hospitals. The area surrounding Johnston Health - Clayton is attracting significant new retail, office (including medical offices), and high-density residential development. An additional medical facility with 38,000 square feet and affiliated with WakeMed, the largest regional hospital in the Raleigh-Durham-Chapel Hill area, is also located in the Town of Clayton.

The County's agricultural economy is diversified with field crops, livestock, poultry, horticultural crops, forestry, agritourism, and agribusiness. This diversification in the local agricultural economy complements the industrial and commercial sectors. The major sources of farm income are from the production of tobacco, sweet potatoes, nursery and greenhouse crops, forestry and forest products, cattle, swine, turkeys, vegetable crops, cotton, grain, peanuts, and a mixture of other crops and livestock. There is a strong demand for leasing farmland in the County for the production of crops. The County routinely ranks among the top two to three counties in the nation in the production of sweet potatoes and flue-cured tobacco, and among the top counties in North Carolina in the production of greenhouse and nursery crops. Flue-cured tobacco continues to be the primary cash crop for local farms. Farm businesses have made significant investments in equipment to both continue and modernize agricultural production, while also diversifying farm production with vegetable crops and livestock. At the present time, there is a continued demand for the products and commodities produced on farms located in the County in spite of negative pressure from global trade concerns. Increased commercial and residential development growth pressure is taking land out of production and competing with farms for available land resources.

The retail sector in the County has also experienced growth in recent years. Many shopping centers offering a variety of retailers, grocery chains and specialty shops are located in the County. Carolina Premium Outlets, the largest retail complex in the County, is located along I-95 in the Town of Smithfield, attracting regional shoppers as well as tourist traffic. The outlet center includes over 80 stores with over 443,000 square-feet and several outparcels.

The western and northern portions of the County in and around the Town of Clayton, the Cleveland community and the McGee's Crossroads area have experienced significant residential development over the past 20-30 years, with increases in demand for new housing in recent years. Many homes of varying sizes and price levels are in various stages of planning and are expected to be built in various communities, often within walking distance of various planned amenities and schools. The eastern portion of the County has also seen recent increases in residential development.

Significant economic indicators for the County are as follows:

<u>Indicator</u>	<u>Johnston County</u>	<u>North Carolina</u>
Population Increase 2001-2019	61.80%	27.70%
Projected Population Increase 2020-2039	50.30%	21.50%
Average Unemployment Rate 2019	3.60%	3.90%
Per Capita Income 2019	\$41,327	\$47,766
Median Household Income 2019	\$59,865	\$54,602

Impact of the COVID-19 Pandemic on the County

On March 10, 2020, North Carolina Governor Roy Cooper declared a state of emergency in the State of North Carolina in response to the global COVID-19 pandemic. The County followed soon after, declaring a State of Emergency and activating the Johnston County Emergency Operations Center on March 16, 2020. Subsequently, the State imposed a series of restrictions designed to address the COVID-19 pandemic. Many operational response efforts were undertaken by County departments including the Public Health Department, the Emergency Services Department, the Social Services Department, the Public Utilities Department and the Human Resources Department. The Public Health Department is the County's lead agency in the response to COVID-19.

General Fund

As a result of the COVID-19 pandemic, County leadership and staff adjusted General Fund budget projections for the fiscal year in March and April of 2020. Revenue projections were lowered for motor vehicle ad valorem taxes and the Register of Deeds Department. Ad valorem taxes collected during the fiscal year totaled \$156 million, approximately \$10 million more than budgeted and approximately \$24 million more than collected in FY19. Sales tax revenue for the fiscal year totaled \$49.5 million, approximately \$4 million more than budgeted and approximately \$2.5 million more than collected in FY 19.

The County received \$3,656,014 in Coronavirus Aid, Relief and Economic Security ("CARES") Act funds from the North Carolina Pandemic Recovery Office in May, 2020. In addition, the County was notified on June 30, 2020 by the North Carolina Pandemic Recovery Office that a second allocation of CARES Act funding of \$4,062,840 was forthcoming. The County has used those funds primarily for Emergency Services Department payroll expenses.

Despite the COVID-19 pandemic, the County added \$32,977,140 to fund balance in the General Fund for the fiscal year.

Water and Sewer

Early in the COVID-19 pandemic, the County closed its utility business office to customers. Beginning in April, 2020, the County has paid the online and phone transaction fees for customers to pay bills on-line and by phone, and will continue to do so until the business office is opened to the public. The County anticipated revenue losses in the water and sewer funds during the COVID-19 pandemic due to non-payment, disconnects and reconnects. However, a comparison of FY 19 and FY 20 revenues on a month to month basis shows no significant decline in revenues and the County's water and sewer customer base continues to grow. In addition, each water and sewer enterprise fund experienced positive year-end budgetary results.

Solid Waste

The County's solid waste operations to date have experienced no significant impact from the COVID-19 pandemic. If transfers to capital project funds are excluded, the solid waste fund experienced positive year-end budgetary results in excess of \$1.5 million.

Budget Highlights for the Fiscal Year Ending June 30, 2021

Governmental Activities: Ad Valorem tax revenue is anticipated to grow by 1.3 percent, and sales tax revenue is anticipated to grow by 1.2 percent over the next year. The County will use modest increases in revenues to finance programs currently in place and service additional debt service for school construction.

Budgeted expenditures in the General Fund increased 3 percent, mainly due to increases in public safety and school current expense. The largest budgeted expenditures are in school current expense and debt service.

Business – type Activities: The water and sewer and solid waste rates all had slight increases to cover the operations of these utility programs.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Johnston County, Post Office Box 1049, Smithfield, NC 27577. You can also call (919) 989-5112, visit our website at www.johnstonnc.com, or send an email to chad.mclamb@johnstonnc.com for more information.

BASIC FINANCIAL STATEMENTS

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

	Primary Government			Component Units			Total Reporting Unit
	Governmental Activities	Business Type Activities	Total Primary Government	Johnston ABC Board	Johnston Tourism Development	Johnston County Airport	
ASSETS							
Cash and cash equivalents	\$ 108,519,706	\$ 71,656,879	\$ 180,176,585	\$ 4,196,162	\$ 744,911	\$ 685,615	\$ 185,803,273
Receivables (net):							
Property Taxes	616,163	-	616,163	-	-	-	616,163
Accounts	2,191,518	5,563,347	7,754,865	-	104,308	43,895	7,903,068
Notes	120,000	-	120,000	-	-	-	120,000
Interest	2,036	187,972	190,008	-	-	-	190,008
Inventories	-	-	-	1,818,258	-	38,556	1,856,814
Internal Balances	70,448	(70,448)	-	-	-	-	-
Due from other governments	16,901,861	898,798	17,800,659	-	-	495,699	18,296,358
Prepaid items	54,900	1,611	56,511	6,825	-	22,571	85,907
Restricted assets:							
Cash and cash equivalents	28,261,981	13,419,508	41,681,489	-	-	-	41,681,489
Net Pension Asset	408,016	-	408,016	-	-	-	408,016
Capital assets:							
Land, improvements, and construction in process	6,151,055	32,369,189	38,520,244	200,709	-	5,492,068	44,213,021
Other capital assets, net of depreciation	54,315,840	215,828,816	270,144,656	893,208	-	16,906,186	287,944,050
Total Capital assets	60,466,895	248,198,005	308,664,900	1,093,917	-	22,398,254	332,157,071
Total assets	\$ 217,613,524	\$ 339,855,672	\$ 557,469,196	\$ 7,115,162	\$ 849,219	\$ 23,684,590	\$ 589,118,167
DEFERRED OUTFLOWS OF RESOURCES							
Deferred charge - refunding	\$ 7,804,593	\$ -	\$ 7,804,593	\$ -	\$ -	\$ -	\$ 7,804,593
Pension related deferrals	13,234,110	1,473,626	14,707,736	255,022	79,136	74,275	15,116,169
OPEB related deferrals	24,331,912	3,113,112	27,445,024	374,653	-	185,834	28,005,511
Total deferred outflows of resources	\$ 45,370,615	\$ 4,586,738	\$ 49,957,353	\$ 629,675	\$ 79,136	\$ 260,109	\$ 50,926,273
LIABILITIES							
Accounts payable and accrued liabilities	\$ 4,074,171	\$ 1,015,957	\$ 5,090,128	\$ 2,001,539	\$ 11,302	\$ 504,424	\$ 7,607,393
Payroll withholdings	158,167	-	158,167	-	-	-	158,167
Solid waste fines	-	88,178	88,178	-	-	-	88,178
Customer Deposits	388,209	3,283,437	3,671,646	-	-	-	3,671,646
Accrued interest	3,670,033	562,468	4,232,501	-	-	-	4,232,501
Unspent COVID Funds	-	41,275	41,275	-	-	-	41,275
Current portion of long-term liabilities	31,979,386	6,555,185	38,534,571	-	-	-	38,534,571
Long-term liabilities:							
Accrued landfill closure and postclosure	-	16,064,892	16,064,892	-	-	-	16,064,892
Net Pension Liability	21,398,111	2,513,034	23,911,145	313,783	134,953	126,665	24,486,546
Total Pension Liability - LEOSSA	4,117,660	-	4,117,660	-	-	-	4,117,660
Total OPEB Liability	171,006,314	22,468,414	193,474,728	3,802,725	-	1,361,610	198,639,063
Due in more than one year	252,364,301	101,223,057	353,587,358	-	-	21,467	353,608,825
Total liabilities	\$ 489,156,352	\$ 153,815,897	\$ 642,972,249	\$ 6,118,047	\$ 146,255	\$ 2,014,166	\$ 651,250,717
DEFERRED INFLOWS OF RESOURCES							
Prepayments	\$ 196,200	\$ -	\$ 196,200	\$ -	\$ -	\$ 40,485	\$ 236,685
Pension related deferrals	234,461	10,276	244,737	-	552	518	245,807
OPEB related deferrals	11,673,674	1,533,796	13,207,470	172,204	-	92,950	13,472,624
Advanced Payments - Water Capacity	-	16,766,581	16,766,581	-	-	-	16,766,581
Total deferred inflows of resources	\$ 12,104,335	\$ 18,310,653	\$ 30,414,988	\$ 172,204	\$ 552	\$ 133,953	\$ 30,721,697
NET POSITION							
Net investment in capital assets	\$ 60,466,895	\$ 140,993,535	\$ 201,460,430	\$ 1,093,917	\$ -	\$ 22,398,254	\$ 224,952,601
Restricted for:							
Stabilization by State Statute	21,138,424	-	21,138,424	-	104,308	-	21,242,732
Public Safety	-	-	-	87,551	-	-	87,551
Education	24,185,536	-	24,185,536	-	-	-	24,185,536
Utilities - Capital Needs	-	719,808	719,808	-	-	-	719,808
Utilities - Reclamation	-	187,346	187,346	-	-	-	187,346
Housing Assistance Program	-	207,528	207,528	-	-	-	207,528
Working Capital	-	-	-	652,820	-	-	652,820
Unrestricted	(344,067,403)	30,207,643	(313,859,760)	(379,702)	677,240	(601,674)	(314,163,896)
Total net position	\$ (238,276,548)	\$ 172,315,860	\$ (65,960,688)	\$ 1,454,586	\$ 781,548	\$ 21,796,580	\$ (41,927,974)

Johnston County, North Carolina
Statement of Activities
For the Fiscal Year Ended June 30, 2020

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Johnston ABC Board	Johnston Tourism Development	Johnston Airport Authority	Total Reporting Unit
					Governmental Activities	Business-type Activities	Total				
Primary government:											
Government activities:											
General government	\$ 22,368,822	\$ 7,819,607	\$ -	\$ -	\$ (14,549,215)	\$ -	\$ (14,549,215)	\$ -	\$ -	\$ -	\$ (14,549,215)
Public safety	65,716,398	4,871,493	8,073,253	13,651	(52,758,001)	-	(52,758,001)	-	-	-	(52,758,001)
Economic and physical development	9,830,449	1,163,769	354,095	-	(8,312,585)	-	(8,312,585)	-	-	-	(8,312,585)
Human services	45,774,201	10,911,500	18,812,900	-	(16,049,801)	-	(16,049,801)	-	-	-	(16,049,801)
Cultural and recreational	551,000	-	-	-	(551,000)	-	(551,000)	-	-	-	(551,000)
Education	99,812,123	-	-	2,049,000	(97,763,123)	-	(97,763,123)	-	-	-	(97,763,123)
Interest Expense	9,162,068	-	-	-	(9,162,068)	-	(9,162,068)	-	-	-	(9,162,068)
Total governmental activities	<u>253,215,061</u>	<u>24,766,369</u>	<u>27,240,248</u>	<u>2,062,651</u>	<u>(199,145,793)</u>	<u>-</u>	<u>(199,145,793)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(199,145,793)</u>
Business-type activities:											
Administrative	1,335,218	1,993,767	-	-	-	658,549	658,549	-	-	-	658,549
Solid Waste	7,360,532	7,731,622	938,626	-	-	1,309,716	1,309,716	-	-	-	1,309,716
Water Districts	14,329,070	17,729,702	-	5,192,181	-	8,592,813	8,592,813	-	-	-	8,592,813
Water	19,670,530	18,529,508	91,723	125,044	-	(924,255)	(924,255)	-	-	-	(924,255)
Wastewater	8,853,041	12,579,043	31,840	6,048,795	-	9,806,637	9,806,637	-	-	-	9,806,637
Housing assistance	4,402,254	-	4,338,798	-	-	(63,456)	(63,456)	-	-	-	(63,456)
Total business-type activities	<u>55,950,645</u>	<u>58,563,642</u>	<u>5,400,987</u>	<u>11,366,020</u>	<u>-</u>	<u>19,380,004</u>	<u>19,380,004</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,380,004</u>
Total primary government	<u>\$ 309,165,706</u>	<u>\$ 83,330,011</u>	<u>\$ 32,641,235</u>	<u>\$ 13,428,671</u>	<u>\$ (199,145,793)</u>	<u>\$ 19,380,004</u>	<u>\$ (179,765,789)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (179,765,789)</u>
Component units:											
Johnston ABC Board	\$ 16,504,508	\$ 16,973,317	\$ -	\$ -	\$ -	\$ -	\$ 468,809	\$ -	\$ -	\$ -	\$ 468,809
Johnston Tourism Development	1,368,995	-	-	-	-	-	-	(1,368,995)	-	-	(1,368,995)
Johnston County Airport Authority	2,091,070	1,366,233	65,487	3,773,696	-	-	-	-	3,114,346	-	3,114,346
Total component units	<u>\$ 19,964,573</u>	<u>\$ 18,339,550</u>	<u>\$ 65,487</u>	<u>\$ 3,773,696</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 468,809</u>	<u>\$ (1,368,995)</u>	<u>\$ 3,114,346</u>	<u>\$ -</u>	<u>\$ 2,214,160</u>
General Revenues:											
Ad valorem taxes					169,958,192	-	169,958,192	-	-	-	169,958,192
Local option sales tax					50,615,596	-	50,615,596	-	-	-	50,615,596
Other taxes					1,429,892	-	1,429,892	-	1,206,280	-	2,636,172
Unrestricted intergovernmental					1,939,597	-	1,939,597	-	-	-	1,939,597
Investment income					1,056,253	2,863,009	3,919,262	-	822	365	3,920,449
Gain/Loss of sale/disposal of assets					-	25,139	25,139	-	-	-	25,139
Miscellaneous					633,061	137,697	770,758	81,605	7,374	182,523	1,042,260
Transfers					(512,237)	512,237	-	-	-	-	-
Total general revenues and transfers					<u>\$ 225,120,354</u>	<u>\$ 3,538,082</u>	<u>\$ 228,658,436</u>	<u>\$ 81,605</u>	<u>\$ 1,214,476</u>	<u>\$ 182,888</u>	<u>\$ 230,137,405</u>
Change in net position					25,974,561	22,918,086	48,892,647	550,414	(154,519)	3,297,234	52,585,776
Net position - beginning					(264,251,109)	127,226,301	(137,024,808)	904,172	936,067	18,499,346	(116,685,223)
Prior Period Adjustment					-	22,171,473	22,171,473	-	-	-	22,171,473
Net position - beginning (as restated)					(264,251,109)	149,397,774	(114,853,335)	904,172	936,067	18,499,346	(94,513,750)
Net position - ending					<u>\$ (238,276,548)</u>	<u>\$ 172,315,860</u>	<u>\$ (65,960,688)</u>	<u>\$ 1,454,586</u>	<u>\$ 781,548</u>	<u>\$ 21,796,580</u>	<u>\$ (41,927,974)</u>

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

	Major		Non-Major	Total Governmental Funds
	General	School Bond Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	\$ 98,580,850	\$ -	\$ 9,938,856	\$ 108,519,706
Restricted cash	2,524,862	25,737,119	-	28,261,981
Receivables (net):				
Taxes	543,256	-	41,670	584,926
Accounts	2,076,345	-	115,173	2,191,518
Interest	2,036	-	-	2,036
Notes	120,000	-	-	120,000
Due from other funds	192,278	-	70,688	262,966
Due from other governments	16,879,951	-	21,910	16,901,861
Total assets	<u>\$ 120,919,578</u>	<u>\$ 25,737,119</u>	<u>\$ 10,243,197</u>	<u>\$ 156,899,894</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued liabilities	\$ 2,410,562	\$ 1,551,583	\$ 112,026	\$ 4,074,171
Payroll withholdings	157,792	-	375	158,167
Customer Deposits	388,209	-	-	388,209
Due to other funds	162,356	-	30,162	192,518
Total liabilities	<u>3,118,919</u>	<u>1,551,583</u>	<u>142,563</u>	<u>4,813,065</u>
DEFERRED INFLOWS OF RESOURCES				
Prepaid Taxes	196,200	-	-	196,200
Taxes receivable	543,256	-	41,670	584,926
Total deferred inflows of resources	<u>739,456</u>	<u>-</u>	<u>41,670</u>	<u>781,126</u>
Fund balances:				
Nonspendable				
Prepaid items	\$ -	\$ -	\$ -	\$ -
Restricted				
Stabilization by State Statute	21,138,424	-	-	21,138,424
Capital Projects - Schools	-	24,185,536	-	24,185,536
Committed				
Economic Development	-	-	484,941	484,941
Public Safety	999,095	-	4,016,992	5,016,087
Mental Health	350,000	-	-	350,000
Automation Enhancement	730,626	-	-	730,626
Capital Purchases (fee in lieu)	1,045,489	-	-	1,045,489
Industrial Infrastructure	-	-	5,557,031	5,557,031
Tax Revaluation	1,046,879	-	-	1,046,879
LEO Special Separation Allowance	1,416,233	-	-	1,416,233
Assigned				
Subsequent year's expenditures	4,101,301	-	-	4,101,301
Unassigned	86,233,156	-	-	86,233,156
Total fund balances	<u>\$ 117,061,203</u>	<u>\$ 24,185,536</u>	<u>\$ 10,058,964</u>	<u>\$ 151,305,703</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 120,919,578</u>	<u>\$ 25,737,119</u>	<u>\$ 10,243,197</u>	<u>\$ 156,899,894</u>

The Notes to the Financial Statements are an Integral Part of this Statement

JOHNSTON COUNTY, NORTH CAROLINA
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
SHEET TO THE STATEMENT OF NET POSITION
June 30, 2020

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

Total fund balance - governmental funds	\$ 151,305,703
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	124,011,132
Less accumulated depreciation	(63,544,237)
Net capital assets	<u>60,466,895</u>
Net Pension Asset - ROD	408,016
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	4,836,519
ROD	23,059
Pension related deferrals	
LGERS	7,711,184
ROD	21,895
LEOSSA	526,010
OPEB related deferrals	21,992,261
Benefit payments for the OPEB plan paid subsequent to the measurement date	2,339,651
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	115,443
Deferred charges related to advance refunding bond issued - included on government-wide statement of net position but are not current financial resources.	7,804,593
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	31,237
Liabilities for deferred inflows of resources reported in the fund statements but not the government-wide.	584,926
Pension related deferrals	
LGERS	(87,498)
ROD	(22,005)
LEOSSA	(124,958)
OPEB related deferrals	(11,673,674)
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(257,365,000)
Compensated absences	(4,362,438)
Total OPEB Liability	(171,006,314)
Total pension liability (LEOSSA)	(4,117,660)
Net Pension Liability (LGERS)	(21,398,111)
Unamortized bond premium	(22,616,249)
Accrued interest payable	<u>(3,670,033)</u>
Total adjustment	<u>(389,582,251)</u>
Net position of governmental activities	<u>\$ (238,276,548)</u>

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

	Governmental Fund Types			
	Major		Non-Major	Total
	General	School Bond Fund	Other Governmental Funds	
Revenues				
Ad valorem taxes	\$ 157,426,775	\$ -	\$ 12,066,914	\$ 169,493,689
Local option sales taxes	50,615,596	-	-	50,615,596
Other taxes and licenses	52,615	-	1,377,277	1,429,892
Unrestricted intergovernmental	1,939,597	-	-	1,939,597
Restricted intergovernmental	29,779,308	-	-	29,779,308
Permits and fees	14,096,867	-	-	14,096,867
Sales and services	10,193,093	-	-	10,193,093
Investment earnings	818,558	237,695	-	1,056,253
Miscellaneous	163,429	88,710	380,922	633,061
Total revenues	<u>\$ 265,085,838</u>	<u>\$ 326,405</u>	<u>\$ 13,825,113</u>	<u>\$ 279,237,356</u>
Expenditures				
Current:				
General government	\$ 19,278,089	\$ -	\$ -	\$ 19,278,089
Public safety	46,132,982	-	14,234,413	60,367,395
Economic and physical development	4,181,666	-	5,281,168	9,462,834
Human services	41,458,784	-	-	41,458,784
Cultural and recreational	551,000	-	-	551,000
Education	78,271,773	20,371,744	978,755	99,622,272
Debt service:				
Principal retirement	27,546,000	-	-	27,546,000
Interest and fees	10,085,285	-	-	10,085,285
Total expenditures	<u>\$ 227,505,579</u>	<u>\$ 20,371,744</u>	<u>\$ 20,494,336</u>	<u>\$ 268,371,659</u>
Revenues over (under) expenditures	<u>\$ 37,580,259</u>	<u>\$ (20,045,339)</u>	<u>\$ (6,669,223)</u>	<u>\$ 10,865,697</u>
Other financing sources (uses):				
Issuance of bonds	\$ -	\$ 20,000,000	\$ -	\$ 20,000,000
Premium on Bonds	-	2,966,940	-	2,966,940
Transfers from other funds	3,555,485	1,029,980	6,649,215	11,234,680
Transfers to other funds	(8,158,604)	(3,588,313)	-	(11,746,917)
Total other financing sources (uses)	<u>\$ (4,603,119)</u>	<u>\$ 20,408,607</u>	<u>\$ 6,649,215</u>	<u>\$ 22,454,703</u>
Net Change in Fund Balance	\$ 32,977,140	\$ 363,268	\$ (20,008)	\$ 33,320,400
Fund balances, beginning of year	<u>84,084,063</u>	<u>23,822,268</u>	<u>10,078,972</u>	<u>117,985,303</u>
Fund balances, end of year	<u>\$ 117,061,203</u>	<u>\$ 24,185,536</u>	<u>\$ 10,058,964</u>	<u>\$ 151,305,703</u>

JOHNSTON COUNTY, NORTH CAROLINA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2020

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

Net change in fund balance - total governmental funds	\$ 33,320,400
Capital Outlay Expenditures recorded in the fund statements but capitalized as assets in the statement of activities.	5,618,037
Depreciation Expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements.	(4,611,517)
Gain on Disposal of assets during the year.	(42,537)
New debt issued during the year is recorded as a source of funds on the fund statements; it has not effect on the statement of activities -- it affects only the government-wide statement of net position.	(22,966,940)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements.	27,546,000
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities.	4,859,578
Benefit payments and administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	115,443
Contributions to the OPEB plan are deferred outflows of resources on the Statement of Net Position	2,339,651
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements.	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	89,677
Amortization of Bond refunding costs	(1,543,255)
Amortization of premium on bond refunding	2,376,795
Compensated absences are accrued in the government-wide statements but not in the fund statements because they do not use current resources.	(505,722)
Pension expense	(9,878,665)
OPEB expense	(11,206,887)
Revenues reported in the statement of activities that do not provide current resources are not recorded as revenues in the fund statements.	
Increase (Decrease) in taxes receivable	439,768
Increase (Decrease) in accrued interest on taxes	24,735
Change in net position of governmental activities	\$ <u>25,974,561</u>

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

	Original Budget	Final Budget	Actual	Variance With Final Positive (Negative)
Revenues				
Ad valorem taxes	\$ 146,440,000	\$ 146,440,000	\$ 157,426,775	\$ 10,986,775
Local option sales tax	45,493,974	45,493,974	50,615,596	5,121,622
Other taxes and licenses	50,000	50,000	52,615	2,615
Unrestricted intergovernmental	1,287,000	1,287,000	1,939,597	652,597
Restricted intergovernmental	24,560,868	29,207,620	29,779,308	571,688
Permits and fees	10,884,050	11,681,998	14,096,867	2,414,869
Sales and services	8,915,228	10,082,852	10,193,093	110,241
Investment earnings	700,000	719,997	804,799	84,802
Miscellaneous	664,700	772,488	163,429	(609,059)
Total revenues	<u>\$ 238,995,820</u>	<u>\$ 245,735,929</u>	<u>\$ 265,072,079</u>	<u>\$ 19,336,150</u>
Expenditures				
Current:				
General government	\$ 26,578,315	\$ 28,803,725	\$ 19,220,705	\$ 9,583,020
Public safety	47,994,014	50,237,510	46,132,982	4,104,528
Economic and physical development	3,892,701	5,641,793	4,181,666	1,460,127
Human services	45,957,777	48,532,748	41,458,784	7,073,964
Cultural and recreational	476,000	551,000	551,000	-
Intergovernmental:				
Education	74,471,773	78,271,773	78,271,773	-
Debt service:				
Principal retirement	27,553,650	27,546,000	27,546,000	-
Interest and other charges	10,252,947	10,260,597	10,085,285	175,312
Total expenditures	<u>\$ 237,177,177</u>	<u>\$ 249,845,146</u>	<u>\$ 227,448,195</u>	<u>\$ 22,396,951</u>
Revenues over (under) expenditures	<u>\$ 1,818,643</u>	<u>\$ (4,109,217)</u>	<u>\$ 37,623,884</u>	<u>\$ 41,733,101</u>
Other financing sources (uses):				
Transfers to other funds	\$ (5,926,388)	\$ (9,438,624)	\$ (8,468,604)	\$ 970,020
Transfers from other funds	-	4,525,505	3,555,485	(970,020)
Appropriated fund balance	4,107,745	9,022,336	-	(9,022,336)
Installment purchase proceeds	-	-	-	-
Total other financing sources (uses)	<u>\$ (1,818,643)</u>	<u>\$ 4,109,217</u>	<u>\$ (4,913,119)</u>	<u>\$ (9,022,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,710,765</u>	<u>\$ 32,710,765</u>
Fund balance, beginning			83,303,559	
Fund balance, ending			<u>\$ 116,014,324</u>	
A legally budgeted Tax Reassessment Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			13,759	
Transfer from General Fund			310,000	
Expenditures			(57,384)	
Fund Balance, beginning			<u>780,504</u>	
Fund Balance, ending (Exhibit 4)			<u>\$ 117,061,203</u>	

The Notes to the Financial Statements are an Integral Part of this Statement

Johnston County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2020

	Major				Non-Major	Total
	Water Fund	Wastewater Treatment Fund	Water District Operating Fund	Solid Waste Fund	Other Proprietary Funds	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 18,384,028	\$ 22,509,799	\$ 11,613,339	\$ 15,715,311	\$ 3,434,402	\$ 71,656,879
Restricted cash	687,436	4,954,182	6,718,129	-	1,059,761	13,419,508
Receivables (net):						
Accounts	557,248	1,539,897	3,005,883	460,319	-	5,563,347
Interest	187,933	-	39	-	-	187,972
Due from other funds	1,348,805	-	-	1,615,006	-	2,963,811
Due from other governments	178,265	93,274	62,507	272,324	292,428	898,798
Due from Water Districts - Current Portion of LOBs	1,665,000	-	-	-	-	1,665,000
Prepaid items	-	-	-	-	1,611	1,611
Total current assets	<u>23,008,715</u>	<u>29,097,152</u>	<u>21,399,897</u>	<u>18,062,960</u>	<u>4,788,202</u>	<u>96,356,926</u>
Noncurrent assets:						
Due from Water Districts - Noncurrent portion of LOBs	49,330,000	-	-	-	-	49,330,000
Capital assets, net	70,980,718	68,228,351	95,029,879	13,624,741	334,316	248,198,005
Total noncurrent assets	<u>120,310,718</u>	<u>68,228,351</u>	<u>95,029,879</u>	<u>13,624,741</u>	<u>334,316</u>	<u>297,528,005</u>
Total assets	<u>\$ 143,319,433</u>	<u>\$ 97,325,503</u>	<u>\$ 116,429,776</u>	<u>\$ 31,687,701</u>	<u>\$ 5,122,518</u>	<u>\$ 393,884,931</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension related deferrals	\$ 607,428	\$ 265,834	\$ -	\$ 382,338	\$ 218,026	\$ 1,473,626
OPEB related deferrals	1,349,694	596,608	-	786,510	380,300	3,113,112
Total deferred outflows of resources	<u>\$ 1,957,122</u>	<u>\$ 862,442</u>	<u>\$ -</u>	<u>\$ 1,168,848</u>	<u>\$ 598,326</u>	<u>\$ 4,586,738</u>
LIABILITIES						
Current liabilities:						
Accounts payable and accrued liabilities	\$ 598,842	\$ 141,453	\$ -	\$ 274,100	\$ 1,562	\$ 1,015,957
Due to other funds	-	537,438	2,494,246	-	2,575	3,034,259
Solid Waste fines	-	-	-	88,178	-	88,178
Unspent COVID Funds	-	-	-	-	41,275	41,275
Current maturities of long-term debt	3,052,907	2,422,415	848,346	-	-	6,323,668
Utility deposits	-	550	1,493,710	-	-	1,494,260
Accrued interest	233,645	66,340	262,483	-	-	562,468
Other deposits	404,804	319,612	-	5,000	1,059,761	1,789,177
Due to the County (LOBs)	-	-	1,665,000	-	-	1,665,000
Compensated Absences Payable	106,070	44,730	-	46,081	34,637	231,517
Total current liabilities	<u>4,396,268</u>	<u>3,532,538</u>	<u>6,763,785</u>	<u>413,359</u>	<u>1,139,810</u>	<u>16,245,759</u>
Long-term liabilities:						
Accrued landfill closure and postclosure	-	-	-	16,064,892	-	16,064,892
Total OPEB Liability	9,889,233	4,371,355	-	5,762,771	2,445,055	22,468,414
Net Pension Liability	1,035,872	453,337	-	652,016	371,809	2,513,034
Long-term debt	71,559,015	19,125,342	10,196,445	-	-	100,880,802
Due to the County (LOBs)	-	-	49,330,000	-	-	49,330,000
Compensated absences payable	156,804	66,124	-	68,121	51,205	342,255
Total long-term liabilities	<u>82,640,924</u>	<u>24,016,158</u>	<u>59,526,445</u>	<u>22,547,800</u>	<u>2,868,069</u>	<u>191,599,397</u>
Total liabilities	<u>\$ 87,037,192</u>	<u>\$ 27,548,696</u>	<u>\$ 66,290,230</u>	<u>\$ 22,961,159</u>	<u>\$ 4,007,879</u>	<u>\$ 207,845,156</u>
DEFERRED INFLOWS OF RESOURCES						
Pension deferrals	\$ 4,236	\$ 1,854	\$ -	\$ 2,666	\$ 1,520	\$ 10,276
OPEB related deferrals	675,084	298,409	-	393,393	166,910	1,533,796
Advanced Payments - Water Capacity	16,766,581	-	-	-	-	16,766,581
Total Deferred Inflows of Resources	<u>\$ 17,445,901</u>	<u>\$ 300,263</u>	<u>\$ -</u>	<u>\$ 396,059</u>	<u>\$ 168,430</u>	<u>\$ 18,310,653</u>
NET POSITION						
Net investment in capital assets	\$ 47,363,796	\$ 46,680,594	\$ 32,990,088	\$ 13,624,741	\$ 334,316	\$ 140,993,535
Restricted						
Utilities - Capital Needs	-	719,808	-	-	-	719,808
Utilities - Reclamation	-	-	-	187,346	-	187,346
Housing Assistance Program	-	-	-	-	207,528	207,528
Unrestricted	(6,570,334)	22,938,584	17,149,458	(4,312,756)	1,002,691	30,207,643
Total net position	<u>\$ 40,793,462</u>	<u>\$ 70,338,986</u>	<u>\$ 50,139,546</u>	<u>\$ 9,499,331</u>	<u>\$ 1,544,535</u>	<u>\$ 172,315,860</u>

Johnston County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2020

	Major				Non-Major	Total
	Water Fund	Wastewater Treatment Fund	Water District Operating Fund	Solid Waste Fund	Other Proprietary Funds	
Operating revenues:						
Charges for services	\$ 18,043,709	\$ 12,574,543	\$ 17,729,702	\$ 7,731,622	\$ 1,493,767	\$ 57,573,343
NCDOT Stormwater Fees	-	-	-	-	500,000	500,000
Water and sewer taps	485,799	4,500	-	-	-	490,299
Total operating revenues	<u>18,529,508</u>	<u>12,579,043</u>	<u>17,729,702</u>	<u>7,731,622</u>	<u>1,993,767</u>	<u>58,563,642</u>
Operating expenses:						
General operating	13,756,774	6,174,941	8,862,147	6,089,264	5,731,240	40,614,366
Depreciation and amortization	3,143,011	2,246,910	3,157,530	826,869	6,232	9,380,552
Total operating expenses	<u>16,899,785</u>	<u>8,421,851</u>	<u>12,019,677</u>	<u>6,916,133</u>	<u>5,737,472</u>	<u>49,994,918</u>
Operating income (loss)	<u>\$ 1,629,723</u>	<u>\$ 4,157,192</u>	<u>\$ 5,710,025</u>	<u>\$ 815,489</u>	<u>\$ (3,743,705)</u>	<u>\$ 8,568,724</u>
Nonoperating revenues (expenses):						
Disposal and state 1% tax	-	-	-	497,263	-	497,263
Solid Waste Fees	-	-	-	349,536	-	349,536
Landfill Gas to Energy Proceeds	-	-	-	91,827	-	91,827
Investment earnings	2,434,386	157,194	90,233	166,783	14,413	2,863,009
Late fees collected	-	-	-	7,575	-	7,575
Miscellaneous	-	4,572	84,454	1,442	11,271	101,739
Gain (loss) on sale of assets	17,595	4,416	-	3,128	-	25,139
Reimbursement - NCDOT	91,723	31,840	-	-	-	123,563
Landfill closure costs	-	-	-	(444,399)	-	(444,399)
Operating subsidy - HUD	-	-	-	-	4,287,935	4,287,935
Fraud recovery	-	-	-	-	8,473	8,473
Insurance recovery	19,910	-	-	-	-	19,910
Interest and bond issuance costs	(2,770,745)	(431,190)	(2,309,393)	-	-	(5,511,328)
Total nonoperating revenues (expenses)	<u>(207,131)</u>	<u>(233,168)</u>	<u>(2,134,706)</u>	<u>673,155</u>	<u>4,322,092</u>	<u>2,420,242</u>
Income (loss) before transfers and contributions	<u>\$ 1,422,592</u>	<u>\$ 3,924,024</u>	<u>\$ 3,575,319</u>	<u>\$ 1,488,644</u>	<u>\$ 578,387</u>	<u>\$ 10,988,966</u>
Capital contributions	125,044	109,790	-	-	50,863	285,697
System development fees	-	3,248,460	4,111,660	-	-	7,360,120
Developer contributions	-	2,690,545	1,080,521	-	-	3,771,066
Transfers in	2,732,096	32,828	-	400,000	-	3,164,924
Transfers out	-	-	(2,652,687)	-	-	(2,652,687)
Change in net position	4,279,732	10,005,647	6,114,813	1,888,644	629,250	22,918,086
Total net position, beginning	<u>36,513,730</u>	<u>46,460,329</u>	<u>35,726,270</u>	<u>7,610,687</u>	<u>915,285</u>	<u>127,226,301</u>
Prior Period Adjustment (see Note 9)	-	13,873,010	8,298,463	-	-	22,171,473
Total net position - beginning (as restated)	<u>36,513,730</u>	<u>60,333,339</u>	<u>44,024,733</u>	<u>7,610,687</u>	<u>915,285</u>	<u>149,397,774</u>
Total net position, ending	<u>\$ 40,793,462</u>	<u>\$ 70,338,986</u>	<u>\$ 50,139,546</u>	<u>\$ 9,499,331</u>	<u>\$ 1,544,535</u>	<u>\$ 172,315,860</u>

Johnston County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2020

	Major Fund				Non-Major	Total
	Water Fund	Wastewater Treatment Fund	Water District Operating Fund	Solid Waste Fund	Other Proprietary Funds	
Cash Flows From Operating Activities						
Cash received from customers	\$ 18,005,475	\$ 12,439,623	\$ 17,510,743	\$ 7,652,594	\$ 1,922,368	\$ 57,530,803
Cash paid for goods and services	(8,787,958)	(3,813,467)	(8,919,734)	(3,700,575)	(229,559)	(25,451,293)
Cash paid to employees	(3,766,375)	(1,959,611)	-	(2,356,037)	(1,353,888)	(9,435,911)
Cash paid for housing assistance	-	-	-	-	(3,919,565)	(3,919,565)
Miscellaneous	-	4,572	84,454	9,017	61,019	159,062
Net cash provided by (used in) operating activities	<u>5,451,142</u>	<u>6,671,117</u>	<u>8,675,463</u>	<u>1,604,999</u>	<u>(3,519,625)</u>	<u>18,883,096</u>
Cash Flows From Noncapital Financing Activities						
Transfer from (to) other funds	2,732,096	32,828	(2,652,687)	400,000	-	512,237
Due to / from other funds	53,162	(53,163)	-	-	-	(1)
Operating subsidy - HUD	-	-	-	-	4,287,935	4,287,935
Net cash provided by (used in) financing activities	<u>2,785,258</u>	<u>(20,335)</u>	<u>(2,652,687)</u>	<u>400,000</u>	<u>4,287,935</u>	<u>4,800,171</u>
Cash Flows From Capital and Related Financing Activities						
Disposal and State 1% tax	-	-	-	497,263	-	497,263
Solid Waste fees	-	-	-	349,536	-	349,536
Landfill Gas to Energy Proceeds	-	-	-	91,827	-	91,827
Sale of capital assets	17,595	4,416	-	3,128	-	25,139
Issuance of debt related to capital	1,975,393	932,270	5,770,248	-	-	8,677,911
Due from Water Districts (LOBs)	1,585,000	-	(1,585,000)	-	-	-
System Development Fees	-	3,248,460	4,111,660	-	-	7,360,120
Capital contributions	125,044	109,790	-	-	50,863	285,697
Insurance recovery	19,910	-	-	-	-	19,910
Reimbursement - NCDOT	91,723	31,840	-	-	-	123,563
Developer contributions	-	2,690,545	1,080,521	-	-	3,771,066
Interest and bond issuance costs	(2,832,965)	(477,656)	(2,437,933)	-	-	(5,748,554)
Acquisition of capital assets	(3,979,965)	(8,949,359)	(8,404,390)	(3,712,166)	-	(25,045,880)
Repayment of debt obligations	(2,911,594)	(2,361,536)	(121,146)	-	-	(5,394,276)
Net cash provided by (used in) capital and related financing activities	<u>(5,909,859)</u>	<u>(4,771,230)</u>	<u>(1,586,040)</u>	<u>(2,770,412)</u>	<u>50,863</u>	<u>(14,986,678)</u>
Cash Flows From Investing Activities						
Investment Income	2,440,883	157,194	90,287	166,783	14,413	2,869,560
Net cash provided by (used in) investing activities	<u>2,440,883</u>	<u>157,194</u>	<u>90,287</u>	<u>166,783</u>	<u>14,413</u>	<u>2,869,560</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>4,767,424</u>	<u>2,036,746</u>	<u>4,527,023</u>	<u>(598,630)</u>	<u>833,586</u>	<u>11,566,149</u>
Cash and cash equivalents/investments						
Beginning of year	14,304,040	25,427,235	13,804,445	16,313,941	3,660,577	73,510,238
End of year	<u>\$ 19,071,464</u>	<u>\$ 27,463,981</u>	<u>\$ 18,331,468</u>	<u>\$ 15,715,311</u>	<u>\$ 4,494,163</u>	<u>\$ 85,076,387</u>

Johnston County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2020

	Major				Non-Major	Total
	Water Fund	Wastewater Treatment Fund	Water District Operating Fund	Solid Waste Fund	Other Proprietary Funds	
Reconciliation of operating income (loss) to get cash provided by (used in) operating activities						
Operating income (loss)	\$ 1,629,723	\$ 4,157,192	\$ 5,710,025	\$ 815,489	\$ (3,743,705)	\$ 8,568,724
Nonoperating (miscellaneous)	-	4,572	84,454	9,017	19,744	117,787
Depreciation	3,143,011	2,246,910	3,157,530	826,869	6,232	9,380,552
(Increase) decrease in:						
Accounts receivable	(67,923)	(345,979)	(387,474)	(79,028)	(246,655)	(1,127,059)
Prepaid expenses	-	-	-	-	(138)	(138)
Deferred outflows of resources for pensions	63,070	27,601	-	39,698	22,638	153,007
Deferred outflows of resources for OPEB	(272,857)	(120,612)	-	(159,003)	(67,462)	(619,934)
Increase (decrease) in:						
Compensated absences payable	25,149	24,002	-	6,527	24,277	79,955
Utility deposits	-	-	168,515	-	-	168,515
Other deposits	119,466	206,559	-	-	175,372	501,397
Accounts payable and accrued expenses	437,597	51,889	(57,587)	(415,515)	(4,255)	12,129
Deferred Inflows of Resources for pensions	(6,794)	(2,973)	-	(4,277)	(2,439)	(16,483)
Deferred Inflows of Resources for OPEB	(229,868)	(101,608)	-	(133,951)	(56,834)	(522,261)
Net Pension Liability	170,630	74,674	-	107,400	61,245	413,949
Deferred - Water Plant Capacity	(575,576)	-	-	-	41,275	(534,301)
Total OPEB Liability	1,015,514	448,890	-	591,773	251,080	2,307,257
Prepaid Decals-Landfill	-	-	-	-	-	-
Total adjustments	<u>3,821,419</u>	<u>2,513,925</u>	<u>2,965,438</u>	<u>789,510</u>	<u>224,080</u>	<u>10,314,372</u>
Net cash provided by (used in) operating activities	<u>\$ 5,451,142</u>	<u>\$ 6,671,117</u>	<u>\$ 8,675,463</u>	<u>\$ 1,604,999</u>	<u>\$ (3,519,625)</u>	<u>\$ 18,883,096</u>

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

	Agency Funds
Assets	
Cash and investments	\$ 465,747
Due from other governments	394,643
Total assets	860,390
Liabilities and Net Position	
Accounts payable	336,961
Due to other funds	-
Due to other governments	523,429
Total liabilities	860,390
Net Position	
Held in trust (Fiduciary net assets)	\$ -

COUNTY OF JOHNSTON, NORTH CAROLINA
NOTES TO BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2020

Note 1: Summary of Significant Accounting Policies

The accounting policies of the County of Johnston, North Carolina and its component units conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally separate entities for which the County is financially accountable. The blended component unit, although it is a legally separate entity, is, in substance, part of the County's operations. The discretely presented component units presented below are reported in separate columns in the County's combined financial statements in order to emphasize that they are legally separate from the County.

Blended Component Unit

- *Hopewell/Pisgah Water District; Clayton Water District; Cleveland Water District; Wilson's Mills Water District; McGee's Crossroads Water District; Princeton-Kenly Water District; Archer's Lodge Water District; Little Creek Water District; Brogden Water District; Elevations Water District; Meadow Water District; Buffalo Water District, Southeast Lowgrounds; Ingram's Township Water District; Little River Water District; and O'Neal's Water District.* The Districts exist to provide and maintain water systems for the county residents within the districts. Under State law (G.S. 162A-89), the County's Board of Commissioners also serves as the governing board for the districts. Therefore, the Districts are reported as enterprise funds in the County's financial statements. The County has operational responsibility for the Water Districts. The Districts do not issue separate financial statements.

- *Johnston County Section 8 Housing Assistance Payments Program* - The Housing Assistance Payment Program exists to assist eligible families within the County in securing housing in safe, low poverty neighborhoods at affordable costs. Under State law (G.S. 162A-89), the County's Board of Commissioners also serves as the governing board for the Program, and the County has operational responsibility for the Program. Therefore, the Program is reported as an enterprise fund in the County's financial statements. The Program does not issue separate financial statements.

Discretely Presented Component Units

- *Johnston County Board of Alcoholic Control* - 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. The ABC Board, which has a June 30 year-end, is presented as if it were a proprietary fund.

- *Johnston County Airport Authority* - The Johnston County Airport Authority (the "Airport") is a corporate body which operates the airport in Johnston County. The County's governing body appoints the Airport's board members. The County is responsible for the debt of the Airport and maintains budgetary control over the Airport. The County also provides assistance for capital improvements. The Airport, which has a June 30 year-end, is represented as if it were a proprietary fund.

- *Johnston County Tourism Development Authority* - The Johnston County Tourism Development Authority is a corporate body which operates the Tourism functions for Johnston County. The County's governing body appoints the Tourism Authority's board members. The County maintains budgetary control over the Tourism Authority. The County also provides assistance for capital improvements. The Tourism Authority, which has a June 30 year-end, is represented as if it were a special revenue fund.

- *Johnston County Industrial Facility and Pollution Control Financing Authority* - Johnston 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. A seven-member Board of Commissioners, all of who are appointed by the County commissioners, governs the Authority. The County can remove any commissioner of the Authority with or without cause. The Authority has no financial transactions or account balances; therefore, it is not presented in the financial statements. The Authority does not issue separate financial statements.

Note 1- Summary of significant accounting policies (continued)

Complete financial statements for component units may be obtained at the administrative offices of each at:

Johnston County Airport Authority
3149-A Swift Creek Road
Smithfield, NC 27577

Johnston County Tourism Development Authority
PO Box 1049
Smithfield, NC 27577

Johnston County Board of Alcoholic Control
Highway 301 South
Smithfield, NC 27577

B. Basis of Presentation, Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements : The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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 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. Nonoperating revenues, such as subsidies, result from non-exchange transactions. Other non-operating items such as investment earnings are ancillary activities.

The County reports the following major governmental funds:

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

School Bond Fund – This fund is used to track revenue and expenditures for school projects financed with GO Bonds, COPS, or any other form of borrowing for school construction.

The County reports the following major enterprise funds:

Water Fund. This fund accounts for the operation of the County’s water treatment and transmission.

Wastewater Treatment Fund. This fund accounts for the treatment and transmission of wastewater for the County.

Water District Operations Fund. This fund accounts for the activities of the water districts for the County.

Solid Waste Fund. This fund accounts for the operation of the landfill, compaction sites and tire disposal, white goods and yard debits.

Note 1- Summary of significant accounting policies (continued)

B. Basis of Presentation – Basis of Accounting (continued)

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 the following agency funds: the Social Services Fund, which accounts for monies deposited with the Department of Social Services for the benefit of certain individuals for whom the County acts as the agent; the Motor Vehicle Tax Fund, which accounts for registered motor vehicle taxes that the County is required to remit to the North Carolina Department of Motor Vehicles; the Cooperative Extension Advisory Fund which supports program expenses for Agricultural and Horticultural Programs, Family Consumer Science Programs, and Advisory Council Functions; the 4H Development Fund which supports program expenses for 4-H and Youth Extension Programs; and the Youth Livestock Fund which specifically supports livestock educational programs for youth ages 5 – 19.

Non-Major Funds. The County maintains 10 legally budgeted funds. The Moccasin Creek Service District Fund, Tax Districts Fund, Heritage Commission Fund, Communication Fund, Research Training Zone, and Voluntary Ag District are reported as non-major special revenue funds. The Industrial Infrastructure and Public Safety Center Project are reported as capital project funds. The Administration Fund and Section 8 Housing are reported as non-major enterprise funds.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements – The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus, except for the agency funds which have no measurement focus. The government-wide, proprietary fund and fiduciary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, in which the County gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Amounts recorded 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. The County also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the water and sewer system. 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.

Note 1- Summary of significant accounting policies (continued)

B. Basis of Presentation – Basis of Accounting (continued)

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 beer and wine 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been satisfied.

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

C. Budgetary Data

The County's budgets are adopted as required by the North Carolina General Statutes. An annual budget is adopted for the General, Special Revenue, and Proprietary Funds (excluding the Construction Funds). All annual appropriations lapse at the fiscal year-end. Project ordinances are adopted for the School Bond Fund, Industrial Development Infrastructure, Public Safety Center Project Fund, the Water Districts Construction Funds, and the Construction Projects, which are consolidated with the enterprise operating funds for reporting purposes.

All budgets are prepared using the modified accrual basis of accounting. Expenditures may not legally exceed appropriations at the functional level for the General Fund, at the departmental level for the Special Revenue and Proprietary Funds, and at the object level for the Capital Project Funds. The County Manager is authorized by budget ordinance to transfer appropriations between functional areas within a fund up to \$5,000; however, any revisions that alter total expenditures of any fund or that change functional appropriations by more than \$5,000 must be approved by the governing board. During the year, several amendments to the original budget were necessary, the effects of which were not material. 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.

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

Deposits and Investments

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

Note 1- Summary of significant accounting policies (continued)

Deposits and Investments (continued)

State law (G.S. 159-30 (c)) authorizes the County, the ABC Board, the Tourism Development Authority, and the Airport to invest in obligations of the United States or obligations fully guaranteed both as to principle 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 ABC Board, the Tourism Development Authority, and the Airport's investments are carried at fair value. Non-participating interest earning investment contracts are accounted for at cost.

The NC Capital Management Trust (NCCMT), which consists of two SEC-registered funds, is authorized by G.S. 159-30(c)(8). One of these funds, the Government Portfolio, is a 2a7 fund which invests in treasuries and government agencies and is rated AAAm by S&P. The second fund, the Term Portfolio, is a short-term bond fund investing in treasuries, government agencies, and money market instruments allowed under G.S. 159-30. The Term Portfolio has no rating. Both the Government Portfolio and the Term Portfolio are reported at fair value.

Cash and cash equivalents

The County pools money from several funds to facilitate disbursement and investment and to maximize investment income. Therefore, all cash and investments are essentially demand deposits and are considered cash and cash equivalents. The Johnston County Board of Alcoholic Control, the Johnston County Tourism Development Authority, and the Johnston County Airport Authority consider demand deposits and investments purchased with an original maturity of three months or less, which are not limited as to use, to be cash and cash equivalents.

Restricted assets

The unexpended bond proceeds of the County's Serial Bonds are classified as restricted assets within the Capital Projects fund because their use is completely restricted to the purpose for which the bonds were originally issued. Customer deposits held by the County before any services are supplied are restricted to the service for which the deposit was collected. Money in the Tax Revaluation is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. Money in the School Capital Projects Fund is classified as restricted assets because its use is restricted per North Carolina General Statute 159-18 through 22. The following table illustrates the breakdown of the County's restricted cash.

Restricted Cash		
Governmental Activities		
General Fund	Tax revaluation	\$ 1,058,516
General Fund	LEO Separation	1,466,346
School Capital Projects Fund	Unexpended Public School Building funds	<u>25,737,119</u>
Total Governmental Activities		<u>\$ 28,261,981</u>
Business-Type Activities		
Water Fund	USDA Restrictions	\$ 282,632
	Customer deposits	404,804
Waste Water Fund	Capital Reserve Funds	4,634,020
	Customer deposits	320,162
Water District Fund	Capital Reserve Funds	5,098,360
	Customer deposits	1,493,710
	USDA Restrictions	126,059
Administrative Fund	Customer deposits	<u>1,059,761</u>
Total Business-type Activities		<u>\$ 13,419,508</u>
Total Restricted Cash		<u><u>\$ 41,681,489</u></u>

Note 1- Summary of significant accounting policies (continued)

Ad valorem taxes receivable

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

Allowance for doubtful accounts

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

Inventories and Prepaid Items

Inventories for the Johnston County Airport Authority are maintained for all sales merchandise and are stated at the lower of cost or market on a first-in, first-out basis.

The inventory of the ABC Board are valued at cost (first-in, first-out). The inventories consist of materials and supplies held for consumption. The cost of the inventory is recorded as an expense as it is consumed.

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

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 defines capital assets as assets with an individual cost of \$5,000 or more. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Johnston 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 Johnston County Board of Education.

Capital assets in the proprietary funds of the County and those of the ABC Board and the Airport are recorded at original cost at the time of acquisition. Capital assets donated to these proprietary fund type operations are recorded at the estimated fair market value at the date of donation.

Any interest incurred during the construction phase of proprietary fund type capital assets is reflected in the capitalized value of the asset constructed. Capital assets of the County are depreciated on a straight-line basis over the following estimated useful lives:

<u>Description</u>	<u>Estimated Useful Lives</u>
Buildings	40 Years
Other Improvements	10 Years
Equipment	5 Years
Furniture and Fixtures	5 Years
Computers	3 Years
Easements	3 Years
Vehicles (including Police and EMS)	5 Years

Note 1- Summary of significant accounting policies (continued)

Capital assets (continued)

For the ABC Board, capital assets are depreciated over their useful lives on a straight-line basis as follows:

Description	Estimated Useful Lives
Buildings	20 Years
Furniture, fixtures and equipment	10 Years
Leasehold Improvements	0 - 20 Years

For the Airport, capital assets are depreciated over their useful lives on a straight-line basis as follows:

Description	Estimated Useful Lives
Terminal Building	50 Years
Clearing and excavation	75 Years
Runways and ramps	60 Years
Aircraft parking ramp	60 Years
Fuel tanks and pumps	25 Years
Lighting	25 Years
Equipment	10 Years

Deferred outflows / inflows of resources

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

Long-Term Obligations

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

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

Compensated absences

The vacation policies of the County and Airport provide for the accumulation of up to 30 days earned vacation leave with such leave being fully vested when earned. 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 and proprietary fund statements.

The vacation policy of the ABC Board is that vacations must be taken in the year they are earned; therefore, there is not accumulation of earned vacation leave. For the County's government-wide and proprietary funds, and the Airport, an expense and a liability for compensated absences and the salary-related payments are recorded as the leave is earned.

The sick leave policies of the County, ABC Board, and the Airport 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 the accumulated sick leave until it is actually taken, no accrual for sick leave has been made.

Note 1- Summary of significant accounting policies (continued)

Net Position/Fund Balances

Net Position

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

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.

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

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

Restricted for School Capital Projects - portion of fund balance that is restricted for School Capital Projects.

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

General Government - portion of fund balance that is committed by revenue source for courthouse improvements.

Economic Development - portion of fund balance that is committed by revenue source for economic development purposes.

Public Safety - portion of fund balance that is committed by revenue source for fire protection, emergency services, law enforcement, and emergency telephone purposes.

Mental Health - Mental Health, which is consolidated with the General Fund, is required to pay any excess fund balance to the County. This is the amount that the General Fund has acquired from Mental Health over the years as excess fund balance payments.

Automation Enhancement and Preservation - portion of fund balance that is committed for automation enhancement projects.

Capital Purchases (fee in lieu) - portion of fund balance that is committed for the purchase of open space land or the purchase of land for recreation purposes.

Industrial Infrastructure - portion of fund balance that is committed for industrial infrastructure projects.

Tax Revaluation - portion of fund balance that is committed for tax revaluation.

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

Note 1- Summary of significant accounting policies (continued)

Net Position/Fund Balances (continued)

Assigned Fund Balance - portion of fund balance that the Johnston County governing board has budgeted. The governing board is the only body authorized to assign amounts to a specific purpose.

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.

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

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

Johnston County has also adopted a minimum fund balance policy for the General Fund which instructs management to conduct the business of the County in such a manner that legally available fund balance is at least equal to or greater than 15% of the total annual operating budget of the County. Any portion of the General Fund balance in excess of 15% of the total annual operating budget may be appropriated for one-time expenditures and may not be used for any purpose that would obligate the County in a future budget.

Defined Benefit Cost-Sharing Plans

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

Note 2 – Stewardship, Compliance, and Accountability

Noncompliance with North Carolina General Statutes

None to report.

Excess of Expenditures over Appropriations

None to report.

Note 3 – Detail Notes on All Funds

A. ASSETS

1. Deposits

All of the County's, the ABC Board's, the Tourism Development Authority, and the Airport's deposits are either insured or collateralized by using one of two methods. Under the Dedicated Method, all deposits exceeding the federal depository insurance coverage level are collateralized with securities held by the County's, the ABC Board's, the Tourism Authority, or the Airport's agents in these units' names. Under the Pooling Method, which is a collateral pool, all uninsured deposits are collateralized with securities held by the State Treasurer's agent in the name of the State Treasurer. Since the State Treasurer is acting in a fiduciary capacity for the County, the ABC Board, the Tourism Development Authority, and the Airport, these deposits are considered to be held by their agents in the entities' names. The amount of the pledged collateral is based on an approved averaging method for non-interest bearing deposits and the actual current balance for interest-bearing deposits. Depositories using the Pooling Method report to the State Treasurer the adequacy of their pooled collateral covering uninsured deposits. The State Treasurer does not confirm this information with the County, the ABC Board, the Tourism Development Authority, the Airport, or with the escrow agent. Because of the inability to measure the exact amount of collateral pledged for the County, the ABC Board, the Tourism Development Authority, or the Airport under the Pooling Method, the potential exists for the under-collateralization, and this risk may increase in periods of high cash flows. However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method.

The State Treasurer enforces standards of minimum capitalization for all pooling method financial institutions. The County relies on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County and the ABC Board do not have policies regarding custodial credit risk for deposits.

At June 30, 2020 the County's deposits had a carrying amount of \$73,813,975 and a bank balance of \$75,383,942. Of the bank balance, \$1,055,910 was covered by federal depository insurance; the remaining \$74,328,0325 was covered by collateral and held under the Pooling Method. The County had cash on hand in the amount of \$5,929.

At June 30, 2020, the carrying amount of deposits for the Johnston County ABC Board was \$4,187,587 and the bank balance was \$4,315,699. All of the bank balances were covered by federal depository insurance except for \$3,813,173. The ABC Board had cash on hand in the amount of \$8,575.

At June 30, 2020, the carrying amount of deposits for the Johnston County Tourism Development Authority was \$744,911 and the bank balance was \$745,681. Of the bank balance, \$500,000 was covered by federal depository insurance. The Authority had \$250 petty cash on hand.

At June 30, 2020, the carrying amount of deposits for the Johnston County Airport Authority was \$685,370 and the bank balance was \$1,213,427. Of the bank balance, \$500,000 was covered by federal depository insurance; the remaining \$713,427 was covered by collateral and held under the Pooling Method. The Airport had cash on hand in the amount of \$245.

2. Investments

At June 30, 2020, the County had the following investments and maturities:

Investment Type	Valuation Measurement Method	Fair Value	Less than 6 Months	6 - 12 Months	1 - 3 Years
NC Capital Management Trust - Government Portfolio	Fair Value - Level 1	\$ 119,172,931	\$ 119,172,931	\$ -	\$ -
NC Capital Management Trust - Term Portfolio*	Fair Value - Level 1	\$ 29,330,986	\$ 29,330,986	\$ -	\$ -
TOTAL		\$ 148,503,917	\$ 148,503,917	\$ -	\$ -

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

Note 3 – Detail Notes on All Funds (continued)

2. Investments (continued)

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

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

Interest Rate Risk. As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy limits at least half of the County's investment portfolio to maturities of less than 12 months. Also, the County's investment policy requires purchases of securities to be tiered with staggered maturity dates and limits all securities to a final maturity of no more than three years.

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 (NRSROs). The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAA by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Custodial Credit Risk. Custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The County does not have any of these investments.

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 re-computed at market value for the current year and the three preceding fiscal years along with 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>
2016	\$ 6,158,551	\$ 908,386	\$ 7,066,937
2017	6,122,264	352,030	6,474,294
2018	6,018,369	-	6,018,369
2019	7,626,071	-	7,626,071
	<u>\$ 25,925,255</u>	<u>\$ 1,260,416</u>	<u>\$ 27,185,671</u>

Note 3 – Detail Notes on All Funds (continued)

4. Receivables

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

	<u>Accounts</u>	<u>Taxes and Related Accrued Interest</u>	<u>Due from Other Governments</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:					
General	\$ 3,063,378	\$ 1,262,493	\$ 16,879,951	\$ 120,000	\$ 21,325,822
Other Governmental	115,173	41,670	21,910	-	178,753
Total Receivables	3,178,551	1,304,163	16,901,861	120,000	21,504,575
Allowance for Doubtful Accounts	(987,033)	(688,000)	-	-	(1,675,033)
Total Governmental Activities	\$ 2,191,518	\$ 616,163	\$ 16,901,861	\$ 120,000	\$ 19,829,542
Business Type Activities:					
Administrative	\$ -	\$ -	\$ 292,083	\$ -	\$ 292,083
Solid Waste	534,849	-	272,324	-	807,173
Water Fund	544,076	-	178,265	13,172	735,513
Wastewater	1,517,027	-	93,274	125,000	1,735,301
Section 8 Housing	-	-	345	-	345
Water District Operating Fund	4,695,484	-	62,507	17,995	4,775,986
Total Receivables	7,291,436	-	898,798	156,167	8,346,401
Allowance for doubtful accounts	(1,884,256)	-	-	-	(1,884,256)
Total Business-Type Activities	\$ 5,407,180	\$ -	\$ 898,798	\$ 156,167	\$ 6,462,145

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

Local option sales tax	\$ 13,025,783
Department of Health & Human Services	1,643,626
NC Department of Revenue	416,698
Other Governments (NCVTS, Etc)	1,815,754
Total Governmental Activities	\$ 16,901,861
Sales tax refund	\$ 782,618
Scrap Tire, White Goods	116,180
Total Business-type Activities	\$ 898,798

Notes receivable

The County's note receivables are as follows:

A note in the amount of \$120,000 due from the Town of Clayton without interest, repayable from annual acreage fees collected by the Town for the connection of water and sewer lines installed	\$ 120,000
	<u>120,000</u>

Note 3 – Detail Notes on All Funds (continued)

5. Capital assets

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

	Beginning Balance	Additions	Deletion	Transfers & Adjustments	Ending Balance
Governmental Activities					
Capital assets not being depreciated:					
Land	\$ 3,109,864	\$ -	\$ -	\$ -	\$ 3,109,864
Construction in Progress	1,437,256	2,230,281	(626,346)	-	3,041,191
Total capital assets not being depreciated	<u>4,547,120</u>	<u>2,230,281</u>	<u>(626,346)</u>	<u>-</u>	<u>6,151,055</u>
Other capital assets:					
Buildings	82,729,432	-	-	-	82,729,432
Other improvements	4,149,223	578,267	-	-	4,727,490
Equipment	15,737,289	1,224,166	(324,916)	-	16,636,539
Vehicles	11,484,535	2,211,669	(788,343)	-	12,907,861
Software	858,755	-	-	-	858,755
Total other capital assets at historical cost	<u>114,959,234</u>	<u>4,014,102</u>	<u>(1,113,259)</u>	<u>-</u>	<u>117,860,077</u>
Less accumulated depreciation for:					
Buildings	36,830,951	1,684,872	-	-	38,515,823
Other improvements	2,854,100	167,189	-	-	3,021,289
Equipment	11,642,207	1,501,989	(322,503)	-	12,821,693
Vehicles	8,170,323	1,188,150	(748,219)	-	8,610,254
Software	505,861	69,317	-	-	575,178
Total other capital assets at historical cost	<u>60,003,442</u>	<u>4,611,517</u>	<u>(1,070,722)</u>	<u>-</u>	<u>63,544,237</u>
Other capital assets, net	<u>54,955,792</u>	<u>(597,415)</u>	<u>(42,537)</u>	<u>-</u>	<u>54,315,840</u>
Governmental activities capital assets, net	<u>\$ 59,502,912</u>	<u>\$ 1,632,866</u>	<u>\$ (668,883)</u>	<u>\$ -</u>	<u>\$ 60,466,895</u>

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

Governmental Activities	
General Government	\$ 1,625,428
Public Safety	2,455,117
Human Services	198,679
Economic and physical development	142,442
Education	189,851
Total depreciation expenses	<u>\$ 4,611,517</u>

Note 3 – Detail Notes on All Funds (continued)

5. Capital assets (continued)

The summary for the *Proprietary Funds* of the County at June 30, 2020 are composed as follows:

Business-type activities:

	Beginning Balances	Increases	Decreases	Ending Balances
ADMINISTRATION				
Capital assets not being depreciated:				
Land	\$ 210,000	\$ -	\$ -	\$ 210,000
Construction in progress	-	-	-	-
Total capital assets not being depreciated	<u>210,000</u>	<u>-</u>	<u>-</u>	<u>210,000</u>
Capital assets being depreciated				
Land improvements	-	-	-	-
Plant & Distribution	9,995	-	-	9,995
Equipment	72,674	-	-	72,674
Vehicles	50,725	-	(24,604)	26,121
Total capital assets being depreciated	<u>133,394</u>	<u>-</u>	<u>(24,604)</u>	<u>108,790</u>
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Plant & Distribution	9,995	-	-	9,995
Equipment	72,674	-	-	72,674
Vehicles	50,725	-	(24,604)	26,121
Total accumulated depreciation	<u>133,394</u>	<u>-</u>	<u>(24,604)</u>	<u>108,790</u>
Administration capital assets, net	<u>\$ 210,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,000</u>

	Beginning Balances	Increases	Decreases	Ending Balances
SOLID WASTE				
Capital assets not being depreciated:				
Land	\$ 5,716,595	\$ -	\$ -	\$ 5,716,595
Construction in progress	62,181	2,049,282	-	2,111,463
Total capital assets not being depreciated	<u>5,778,776</u>	<u>2,049,282</u>	<u>-</u>	<u>7,828,058</u>
Capital assets being depreciated				
Land improvements	-	-	-	-
Plant & Distribution	18,422,634	-	-	18,422,634
Equipment	6,597,152	1,581,123	-	8,178,275
Vehicles	1,753,553	81,761	-	1,835,314
Total capital assets being depreciated	<u>26,773,339</u>	<u>1,662,884</u>	<u>-</u>	<u>28,436,223</u>
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Plant & Distribution	14,851,864	320,919	-	15,172,783
Equipment	5,617,902	381,798	-	5,999,700
Vehicles	1,342,905	124,152	-	1,467,057
Total accumulated depreciation	<u>21,812,671</u>	<u>826,869</u>	<u>-</u>	<u>22,639,540</u>
Solid Waste capital assets, net	<u>\$ 10,739,444</u>	<u>\$ 2,885,297</u>	<u>\$ -</u>	<u>\$ 13,624,741</u>

Note 3 – Detail Notes on All Funds (continued)

5. Capital assets (continued)

	Beginning Balances	Increases	Decreases	Ending Balances
WATER				
Capital assets not being depreciated:				
Land	\$ 1,062,411	\$ -	\$ -	\$ 1,062,411
Construction in progress	990,374	3,731,258	(482,180)	4,239,452
Total capital assets not being depreciated	<u>2,052,785</u>	<u>3,731,258</u>	<u>(482,180)</u>	<u>5,301,863</u>
Capital assets being depreciated				
Land improvements	-	-	-	-
Plant & Distribution	101,603,801	565,946	-	102,169,747
Equipment	3,498,375	164,941	-	3,663,316
Vehicles	1,193,402	-	(147,031)	1,046,371
Intangible	11,348,375	-	-	11,348,375
Total capital assets being depreciated	<u>117,643,953</u>	<u>730,887</u>	<u>(147,031)</u>	<u>118,227,809</u>
Less accumulated depreciation for:				
Land improvements	-	-	-	-
Plant & Distribution	43,463,664	2,681,449	-	46,145,113
Equipment	3,261,254	54,338	-	3,315,592
Vehicles	1,025,012	52,266	(147,031)	930,247
Intangible	1,803,043	354,959	-	2,158,002
Total accumulated depreciation	<u>49,552,973</u>	<u>3,143,012</u>	<u>(147,031)</u>	<u>52,548,954</u>
Water capital assets, net	<u>\$ 70,143,765</u>	<u>\$ 1,319,133</u>	<u>\$ (482,180)</u>	<u>\$ 70,980,718</u>

	Beginning Balances	Increases	Decreases	Ending Balances
WASTEWATER				
Capital assets not being depreciated:				
Land	\$ 1,324,631	\$ -	\$ -	\$ 1,324,631
Construction in progress	3,702,431	6,037,549	(385,465)	9,354,515
Total capital assets not being depreciated	<u>5,027,062</u>	<u>6,037,549</u>	<u>(385,465)</u>	<u>10,679,146</u>
Capital assets being depreciated:				
Land Improvements	-	-	-	-
Plant & Distribution	94,114,198	3,076,010	-	97,190,208
Equipment	11,530,670	92,173	-	11,622,843
Vehicles	1,337,222	129,092	(91,866)	1,374,448
Total capital assets being depreciated	<u>106,982,090</u>	<u>3,297,275</u>	<u>(91,866)</u>	<u>110,187,499</u>
Less accumulated depreciation for:				
Land Improvements	-	-	-	-
Plant & Distribution	41,634,782	1,804,742	-	43,439,524
Equipment	8,171,595	255,713	-	8,427,308
Vehicles	676,873	186,455	(91,866)	771,462
Total accumulated depreciation	<u>50,483,250</u>	<u>2,246,910</u>	<u>(91,866)</u>	<u>52,638,294</u>
Wastewater Fund capital assets, net	<u>\$ 61,525,902</u>	<u>\$ 7,087,914</u>	<u>\$ (385,465)</u>	<u>\$ 68,228,351</u>

Note 3 – Detail Notes on All Funds (continued)

5. Capital assets (continued)

WATER DISTRICTS	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ -	\$ -	\$ -	\$ -
Construction in progress	1,026,253	7,323,869	-	8,350,122
Total capital assets not being depreciated	<u>1,026,253</u>	<u>7,323,869</u>	<u>-</u>	<u>8,350,122</u>
Capital assets being depreciated:				
Land Improvements	-	-	-	-
Plant & Distribution	102,122,522	1,080,521	-	103,203,043
Equipment	-	-	-	-
Vehicles	-	-	-	-
Intangibles	24,198,034	-	-	24,198,034
Total capital assets being depreciated	<u>126,320,556</u>	<u>1,080,521</u>	<u>-</u>	<u>127,401,077</u>
Less accumulated depreciation for:				
Land Improvements	-	-	-	-
Plant & Distribution	31,809,474	2,523,204	-	34,332,678
Equipment	-	-	-	-
Intangibles	5,754,316	634,326	-	6,388,642
Total accumulated depreciation	<u>37,563,790</u>	<u>3,157,530</u>	<u>-</u>	<u>40,721,320</u>
Water Districts - capital assets, net	<u>\$ 89,783,019</u>	<u>\$ 5,246,860</u>	<u>\$ -</u>	<u>\$ 95,029,879</u>

Public Utilities Funds	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land	\$ 8,313,637	\$ -	\$ -	\$ 8,313,637
Construction in progress	5,781,239	19,141,958	(867,645)	24,055,552
Total capital assets not being depreciated	<u>14,094,876</u>	<u>19,141,958</u>	<u>(867,645)</u>	<u>32,369,189</u>
Capital assets being depreciated:				
Land Improvements	-	-	-	-
Plant & Distribution	316,273,150	4,722,477	-	320,995,627
Equipment	21,698,871	1,838,237	-	23,537,108
Vehicles	4,334,902	210,853	(263,501)	4,282,254
Intangibles	35,546,409	-	-	35,546,409
Total capital assets being depreciated	<u>377,853,332</u>	<u>6,771,567</u>	<u>(263,501)</u>	<u>384,361,398</u>
Less accumulated depreciation for:				
Land Improvements	-	-	-	-
Plant & Distribution	131,769,779	7,330,314	-	139,100,093
Equipment	17,123,425	691,849	-	17,815,274
Vehicles	3,095,515	362,873	(263,501)	3,194,887
Intangibles	7,557,359	989,285	-	8,546,644
Total accumulated depreciation	<u>159,546,078</u>	<u>9,374,321</u>	<u>(263,501)</u>	<u>168,656,898</u>
Total capital assets, net	<u>\$ 232,402,130</u>	<u>\$ 16,539,204</u>	<u>\$ (867,645)</u>	<u>\$ 248,073,689</u>

Note 3 – Detail Notes on All Funds (continued)

5. Capital assets (continued)

Housing Assistance Payments Fund	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets being depreciated:				
Buildings	\$ 243,624	\$ -	\$ -	\$ 243,624
Equipment	17,863	-	-	17,863
Automobiles	17,577	-	-	17,577
Total capital assets being depreciated	279,064	-	-	279,064
Less accumulated depreciation for:				
Buildings	114,248	5,060	-	119,308
Equipment	17,863	-	-	17,863
Automobiles	16,404	1,173	-	17,577
Total accumulated depreciation	148,515	6,233	-	154,748
Total capital assets, net	130,549	(6,233)	-	124,316
Business-type activities capital assets, net	\$ 232,532,679	\$ 16,532,971	\$ (867,645)	\$ 248,198,005

Discretely presented component units

Activity for the *Johnston County Board of Alcoholic Control* for the year ended June 30, 2020 was as follows:

	Useful Life	Cost	Accumulated Depreciation	Net Amount
Building and land	20 yrs	\$ 1,694,114	\$ 1,338,965	\$ 355,149
Furniture, fixtures, and equipment, vehicles	10 yrs	1,176,041	638,272	537,769
Leasehold improvements	0 - 20 yrs	34,510	34,220	290
Land		171,966	-	171,966
Construction in process		28,743	-	28,743
Total		\$ 3,105,374	\$ 2,011,457	\$ 1,093,917

Activity for the *Johnston County Airport Authority* for the year ended June 30, 2020 was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets not being depreciated:				
Land and easement	\$ 900,216	\$ -	\$ -	\$ 900,216
Construction in progress	1,761,224	3,748,687	(918,059)	4,591,852
Total Capital Assets not being depreciated	2,661,440	3,748,687	(918,059)	5,492,068
Capital assets being depreciated:				
Terminal building	4,330,999	918,059	-	5,249,058
Runway, ramps and hangars	17,749,971	-	-	17,749,971
Aircraft parking ramp	546,911	-	-	546,911
Vehicles	74,025	-	-	74,025
Clearing and Excavation	2,928,907	-	-	2,928,907
Lighting and Equipment	1,974,778	-	-	1,974,778
Total capital assets being depreciated	27,605,591	918,059	-	28,523,650
Less accumulated depreciation for:				
Terminal building	1,050,564	92,699	-	1,143,263
Runway, ramps and hangars	7,876,794	415,508	-	8,292,302
Aircraft parking ramp	39,659	8,835	-	48,494
Vehicles	97,799	-	-	97,799
Clearing and Excavation	51,787	39,052	-	90,839
Lighting and Equipment	1,921,674	23,093	-	1,944,767
Total accumulated depreciation	11,038,277	579,187	-	11,617,464
Total capital assets, net	\$ 19,228,754	\$ 4,087,559	\$ (918,059)	\$ 22,398,254

Note 3 – Detail Notes on All Funds (continued)

6. Construction Commitments

The County has active construction projects as of June 30, 2020. The projects include water district projects and the following:

Landfill Entrance & Attendance Facilities

This project consists of improvements to the entrance and attendance facilities at the County's Landfill. The project is currently in the construction phase.

Landfill Phase 4-A Site Improvements

This project consists of miscellaneous improvements at the County's Landfill. The project is currently in the construction phase.

Landfill Phase 6-A MSW Landfill Construction

This project consists of expansion of the County's MSW landfill and other miscellaneous improvements. This project is currently in the construction phase.

WTP 2.5 MGD Exp. / Future Planning

This project will allow for additional intake and treatment capacity at the Timothy G. Broome Water Treatment Plant. The project is currently in the study/preliminary design phase.

NCDOT Waterline Projects

The NCDOT Waterline project includes various areas through-out the County requiring water mains to be re-located for NCDOT projects. The project includes design and construction for each re-location site.

WTP 2 MGD Expansion / Upgrade

This project includes improvements at the Timothy G. Broome Water Treatment Plant to allow for an additional 2.0 MGD of treatment capacity. This will increase the plant rating from 12.0 to 14.0 MGD.

WTP Efficiency Project

The proposed project consists of multiple operational and efficiency projects at the Timothy G. Broome Water Treatment. The project is currently in the design phase.

Post-Clearwell Chemical Feed Improvements

The proposed project includes capital expenditures for post-clearwell chemical feed improvements at the Timothy G. Broome Water Treatment Plant. The project is currently in the construction phase.

AWIA Risk & Resiliency Assessment

This project includes the completion of a Risk & Resiliency Assessment and Emergency Response Plan for the County's water treatment and distribution system as required in order to comply with America's Water Infrastructure Act of 2018 that was signed into law on October 23, 2018.

NC 96 Economic Development Water Main Ext

This project is for the design and construction of approximately 6,800 LF of 16" water main along NC 96 (from US 701 to Spring Lake Road) in order to provide adequate service and fire protection for planned economic development in the area. This project is currently in the design phase.

Buffalo Road BPS & Transmission Main

This project includes upgrades to the County's existing Buffalo Road booster pump station (6.5 MGD of firm capacity) and approximately 29,000 LF of 24" water main along Buffalo Road from the Water Treatment Plant discharge pipe to NC 42. This will provide the necessary future water supply to the County's 385 and 492 hydraulic gradients in the Johnston West water distribution system. The project is currently in the design phase.

Note 3 – Detail Notes on All Funds (continued)

6. Construction Commitments (continued)

385 West Transmission Improvements

This project includes 27,500 LF of 8” – 20” water main improvements in the 385’ hydraulic gradient zone of the Johnston West distribution system, including water mains along Main Street Wilsons Mills, Harrison Road, Powhatan Road, Gordon Road, Wise Road and US 70 BUS. The project is currently in the design phase.

Biosolids Facilities Improvements

This project includes a new septic receiving station screen and a shelter to park filled trucks. The project is currently in the design phase.

Buffalo WWPS Upgrade / Force Main

This project includes pump station modifications and over 13,000 linear feet of 20-inch force main, as well as design costs for transmission facilities to move wastewater from US 70 Business to the site of a future wastewater treatment plant near the County landfill. The project is currently in the design phase.

Pine Level WWPS Improvements

This project includes improvements to expand capacity of the County’s Pine Level WWPS by design and construction of a new 12” discharge force main. The project is currently in the design phase.

McGee’s Crossroads Sewer Consolidation and Middle Creek Interceptor

The proposed project includes improvement to allow for additional wastewater capacity at McGee’s Crossroads and include a new regional wastewater pump station to provide additional capacity in existing infrastructure in portions of the Cleveland area. The project is currently in the construction phase.

Swift Creek Interceptor Project

This project includes construction and installation of approximately 8,800 linear feet of 12-inch and 16-inch gravity sewer along Swift Creek Road from NC Highway 42 to Cornwallis Road and a new 1,25 GPM wastewater pump station at Cornwallis Road.

WWTP 4 MGD Expansion

The proposed project includes a 4.0 MGD wastewater treatment plant to be located on a separate site from the Central Johnston County Regional Wastewater Treatment Facility near the County landfill but included in the same NPDES permit. This project is in the design phase.

Selma Equalization & WWPS Facilities Flood Resiliency Improvements

The proposed project includes approximately 4,000 linear feet of 16-inch force main, relocation of the electrical building and installation of a flood wall consisting of earthen embankment, reinforced concrete and a flood gates. The project is in the construction phase.

HWY 70 Bypass / Hwy 70 Business 20” Force Main

The proposed project includes a 20” force main crossing under the US 70 By-Pass/US 70 BUS interchange.

East Clayton WWPS Improvements

The proposed project includes upgrading the East Clayton Wastewater Pump Station for additional capacity. The project is currently in the design phase.

Landfill Equalization and WWPS Improvements

The proposed project includes operational improvements and capacity upgrades to the Landfill Equalization and Wastewater Pumping Facility. The project is currently in the design phase.

Reedy Branch WWPS & FM

This project includes a regional wastewater pump station to be located near the intersection of US 70 BUS and Swift Creek Road, a gravity sewer main from US 70 BUS to the pump station and a 24” force main from the station to the Johnston County Landfill. This project is in the design phase.

Note 3 – Detail Notes on All Funds (continued)

6. Construction Commitments (continued)

WWTP Flood Mitigation (FEMA)

This project includes design and construction to raise the flood protection elevation at the County's existing wastewater treatment plant with concrete parapet walls, a floodgate and the necessary storm drain and electrical improvements. This project is in the construction phase.

NC 42 Sewer Line (School Bond Project)

This project includes design and construction of a 6" force main to be located in the existing NCDOT Hwy 42 Widening project area, which will serve the proposed school on Lynch Road. This project is in the construction phase.

Sewer Rehabilitation / Replacement

This project includes removal and replacement of failing ductile iron force mains throughout the County's wastewater collection system.

Olive Branch WWPS & FM Imp

This project includes capital funds from the County to upsize the wastewater pump station and force main installed by the developer of Olive Branch Subdivision, in order to allow for additional capacity for future wastewater flows from the area. The project is under construction.

Elevation WD FY18 Hydraulic Improvements

This project includes approximately 10,300 LF of 12" water main in the vicinity of Raleigh, Woodall-Dairy and Tarheel Roads and a 0.75 MGD booster pump station.

Buffalo WD FY 18 Hydraulic Improvements

This project includes approximately 8,800 LF of 20" water main from the Timothy G. Broome Water Treatment Plant to Buffalo Road. This project is in the construction phase.

Wilson's Mills WD FY 18 Hydraulic Improvements

This project includes approximately 11,300 LF of 12" and 16" water main along Gordon and Wilson's Mills Roads and a 1.5 MGD booster pump station (expandable to 3.7 MGD). This project is in the construction phase.

Wilson's Mills WD WTP Service Line

This project includes a 24" water main from the Timothy G. Broome Water Treatment Plant to the Wilsons Mills elevated water tank and booster pump station at the water treatment plant. This project is in the construction phase.

Archer Lodge WD 500,000 Gallon Elevated Storage Tank

This project includes a 500,000 gallon elevated storage tank in the Archer Lodge Water District to provide additional storage and supply to the County's 492' hydraulic gradient zone. This project is in the design phase.

Ingram's Township Water District 2018 Hydraulic Improvements

The proposed project includes approximately 13,500 linear feet of 16-inch water main along US 301 and piping connection modifications in the vicinity of the Jones Brothers Tank. The project is currently in the design phase.

McGee's Crossroads Water District Water Main Improvements (Phases 1 and 2)

The proposed project includes improvements to facilitate water supply from Harnett County and to replace a section of 12-inch PVC water main that has experienced multiple failures. The project is currently in the construction phase.

Note 3 – Detail Notes on All Funds (continued)

6. Construction Commitments (continued)

At year-end, the County's commitments with contractors are as follows:

Project	Spent-to-date	Remaining Commitment
Landfill Entrance & Attendance Facilities	\$ 73,973	\$ 1,677,688
Landfill Phase 4-A Site Imp	152,953	7,112
Landfill Phase 6-A MSW Landfill Construction	1,884,541	4,993,817
WTP 2.5 MGD Exp / Future Planning	54,986	130,014
NCDOT Waterline Projects	160,476	320,025
WTP 2 MGD Expansion / Upgrade	2,640,778	2,053,672
WTP Efficiency Project	379,975	4,220,225
Post-Clearwell Chemical Feed Imp	130,778	220,222
AWIA Risk & Resiliency Assessment	171,600	78,400
NC 96 Economic Development Water Main Ext	47,209	1,532,200
Buffalo Road BPS & Transmission Main	159,670	240,330
385 West Transmission Improvements	323,505	176,495
Biosolids Facilities Improvement	-	260,000
Buffalo WWPS Upgrade / Force Main	475,110	4,722,690
Pine Level WWPS Improvements	194,446	255,554
McGee's Crossroads Sewer Cons / Middle Creek Int	167,448	8,529,472
Swift Creek Interceptor Project	3,003,399	1,770,161
WWTP 4 MGD Expansion	3,180,076	37,252,924
Selma Equalization / WWPS Facilities Flood Resiliency Imp	156,566	1,475,934
HWY 70 Bypass / Hwy 70 Bus 20" Force Main	1,236,051	114,669
East Clayton WWPS Imp	148,830	51,170
Landfill Equalization & WWPS Imp	297,150	207,850
Reedy Branch WWPS & FM	142,951	357,049
WWTP Flood Mitigation	-	2,143,500
NC 42 Sewer Line (School Bond Project)	32,828	9,486
Sewer Rehabilitation / Replacement	62,024	187,976
Olive Branch WWPS & FM Imp	-	610,597
Elevation WD FY 18 Hydraulic Imp	1,247,663	282,337
Buffalo WD FY 18 Hydraulic Imp	2,035,858	557,222
Wilson's Mills WD FY 18 Hydraulic Imp	2,189,417	455,341
Wilson's Mills WD WTP Service Line	2,201,008	2,819,142
Archer Lodge WD 500,000 Gallon Elevated Storage Tank	2,481	1,732,539
Ingram's Township WD FY 18 Hydraulic Imp	196,714	2,812,286
McGee's Xroads WD WM Imp (Phases 1 & 2)	476,981	5,220,739
Total	<u>\$ 23,627,445</u>	<u>\$ 87,478,838</u>

B. LIABILITIES

1. Payables

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

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
Governmental Activities:					
General	\$ 2,410,562	\$ 157,792	\$ 3,670,033	\$ -	\$ 6,238,387
Other Governmental	1,663,609	375	-	-	1,663,984
Total Governmental Activities	<u>\$ 4,074,171</u>	<u>\$ 158,167</u>	<u>\$ 3,670,033</u>	<u>\$ -</u>	<u>\$ 7,902,371</u>

Note 3 – Detail Notes on All Funds (continued)

1. Pavables (continued)

	Vendors	Salaries and Benefits	Accrued Interest	Other	Total
Business-type Activities					
Administrative	\$ 265	\$ -	\$ -	\$ -	\$ 265
Solid Waste	274,100	-	-	-	274,100
Water Fund	598,842	-	233,645	-	832,487
Wastewater	141,453	-	66,340	-	207,793
Section 8 Housing	1,297	-	-	-	1,297
Water Districts	-	-	262,483	-	262,483
Total Business-Type Activities	\$ 1,015,957	\$ -	\$ 562,468	\$ -	\$ 1,578,425

2. Pension Plan and Other Postemployment Obligations

a. Local Governmental Employees' Retirement System

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

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2020, was 9.70% of compensation for law enforcement officers and 9.0% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$5,463,660 for the year ended June 30, 2020.

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

At June 30, 2020, the County reported a liability of \$23,911,139 for its proportionate share of the net pension liability. The Tourism Authority reported a liability of \$134,953, and the Airport reported a liability of \$126,665, for a total of \$24,172,756. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was 0.8756% (measured as of June 30, 2019), which was an increase of 0.0337% from its proportion as of June 30, 2019 (measured as of June 30, 2018).

For the year ended June 30, 2020, the County recognized pension expense of \$10,642,191. The Tourism Authority and Airport reported pension expense of \$60,064 and \$56,375, respectively. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	County		Tourism		Airport	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,094,193	\$ -	\$ 23,107	\$ -	\$ 21,688	\$ -
Changes of assumptions	3,897,119	-	21,995	-	20,644	-
Net difference between projected and actual	583,227	-	3,292	-	3,090	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	42,260	97,774	239	552	224	518
County contributions subsequent to the measurement date	5,404,528	-	30,503	-	28,629	-
Total	\$ 14,021,327	\$ 97,774	\$ 79,136	\$ 552	\$ 74,275	\$ 518

\$5,463,660 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	County	Tourism	Airport
2021	\$ 4,233,362	\$ 23,893	\$ 22,425
2022	1,302,378	7,351	6,899
2023	2,310,219	13,039	12,238
2024	673,066	3,799	3,565
2025	-	-	-
Thereafter	-	-	-

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

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

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

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.

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

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

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2018 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERs. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.05%. All rates of return and inflation are annualized.

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

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

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

a. Local Governmental Employees' Retirement System (continued)

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)			
County	\$ 54,689,147	\$ 23,911,139	\$ (1,671,621)
Tourism	308,662	134,953	(9,435)
Airport	289,705	126,665	(8,855)

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.

Johnston County Airport Authority, Johnston County Tourism Development Authority, and the Johnston County ABC Board reported their respective shares of the required disclosure for the contributions to LGERS for the years ended June 30, 2020.

b. Law Enforcement Officers' Special Separation Allowance

1. Plan Description

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

All full-time law enforcement officers of the County are covered by the Separation Allowance. At December 31, 2018, the Separation Allowance's membership consisted of:

Inactive Members Currently Receiving Benefits	14
Active plan members	120
Total	<u>134</u>

2. Summary of Significant Accounting Policies

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

The Separation Allowance has no assets accumulated in a trust fund that meets the criteria which are outlined in GASB Statement 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	2.50 percent
Salary increases	3.50 to 7.35 percent including inflation and productivity factor
Discount rate	3.26 percent

The discount rate is based on the yield of the S&P Municipal Bond 20 Year High Grade Rate Index as of June 30, 2019.

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

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (continued)

Mortality Rate

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

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

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

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

4. Contributions

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned by making contributions based on actuarial valuations through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. For the current year, the County contributed \$203,787 or 3.05% of annual covered payroll. There were no contributions made by employees.

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

At June 30, 2020, the County reported a total pension liability of \$4,117,660. The total pension liability was measured as of December 31, 2019 based on a December 31, 2018 actuarial valuation. The total pension liability was rolled forward to December 31, 2019 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2020, the County recognized pension expense of \$352,043.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 310,382	\$ -
Changes of assumptions	215,628	124,958
County benefit payments and plan administrative expense made subsequent to the measurement date	115,443	-
Total	\$ 641,453	\$ 124,958

\$115,443 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, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2021	\$ 89,855
2022	89,855
2023	95,864
2024	63,032
2025	62,446
Thereafter	-

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

b. Law Enforcement Officers' Special Separation Allowance (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 3.26%, as well as what the County's total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.26%) or 1-percentage-point higher (4.26%) than the current rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 4,478,259	\$ 4,117,660	\$ 3,789,157

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

	<u>2020</u>
Beginning balance	\$ 3,566,568
Service Cost	180,834
Interest on the total pension liability	126,114
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	319,428
Changes in assumptions or other inputs	128,503
Benefit payments	(203,787)
Other changes	-
Ending balance of the total pension liability	<u>\$ 4,117,660</u>

Changes of assumptions. Changes of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at June 30, 2018 (measurement date) to 3.26 percent at June 30, 2019 (measurement date).

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

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

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

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

Funding Policy - Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to 5% 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, 2020 were \$501,689, which consisted of \$354,790 from the County and \$146,899 from the law enforcement officers.

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

d. Supplemental Retirement Income Plan for Nonlaw Enforcement Employees

Plan Description - The County and the Airport also participates in a supplemental retirement plan which is a defined contribution pension plan. All employees, except law enforcement officers, who are eligible to participate in the Local Governmental Employees' Retirement System, are eligible to participate in this pension plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The County's and Airport's plan requires that it contribute each month an amount equal the employee's contribution amount, not to exceed 5% of each eligible participant's salary and all amounts contributed are vested immediately. The Plan is administered by Prudential Retirement. The County has the authority for establishing and amending provisions for contributions to the plan.

Funding Policy - The County's contributions were calculated using a covered payroll amount of \$53,059,693. Total contributions for the year ended June 30, 2020 were \$3,168,256 which consisted of \$1,685,740 from the County and \$1,482,516 from the employees. The County's required contributions and the employees' voluntary contributions represented 3.18% and 2.79% of the covered payroll amount, respectively.

The Johnston County Airport Authority's contributions were calculated using a covered payroll amount of \$241,443. Total contributions for the year ended June 30, 2020 were \$19,999, which consisted of \$9,155 from the Authority and \$10,844 from the employees. The Authority's required contributions and the employee's voluntary contributions represented 3.79% and 4.49% of the covered payroll amount, respectively.

e. Register of Deeds' Supplemental Pension Fund

Plan Description. also contributes to the Registers of Deeds' Supplemental Pension Fund (RODSPF), a noncontributory, cost-sharing multiple-employer defined benefit plan administered by the North Carolina Department of State Treasurer. 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 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members – nine appointed by the Governor, one appointed by the state Senate, one appointed by the state House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center, Raleigh, North Carolina 27699-1410, by calling (919) 981-5454, or at www.osc.nc.gov.

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$23,059 for the year ended June 30, 2020.

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

At June 30, 2020, the County reported an asset of \$408,016 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on 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 RODSPF employers, actuarially determined. At June 30, 2019, the County's proportion was 2.06674%, which was a decrease of 0.12196% from its proportion measured as of June 30, 2018.

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

e. Register of Deeds' Supplemental Pension Fund (continued)

For the year ended June 30, 2020, the County recognized pension expense of \$2,911. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 19,675
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,175	-
Changes in proportion and differences between County Contributions and proportionate share of contributions	17,720	2,330
County contributions subsequent to the measurement date	23,059	-
Total	<u>\$ 44,954</u>	<u>\$ 22,005</u>

\$23,059 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as an increase of the net pension asset in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:

2021	\$ (4,359)
2022	9,937
2023	2,372
2024	(8,060)
2025	-
Thereafter	-

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

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

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

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

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

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

Note 3 – Detail Notes on All Funds (continued)

2. Pension Plan and Other Postemployment Obligations (continued)

e. Register of Deeds' Supplemental Pension Fund (continued)

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 3.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 3.75 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.75 percent) or 1-percentage-point higher (4.75 percent) than the current rate:

	1% Decrease (2.75%)	Discount Rate (3.75%)	1% Increase (4.75%)
County's proportionate share of the net pension liability (asset)	\$ (27,488)	\$ 408,016	\$ 12,149

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.

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 23,911,139	\$ (408,016)	\$ -	\$ 23,503,123
Proportion of the Net Pension Liability (Asset)	0.88%	2.07%	n/a	
Total Pension Liability	-	-	4,117,660	4,117,660
Pension Expense	\$ 10,642,191	\$ 2,911	\$ 352,043	\$ 10,997,145

At June 30, 2020, 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	\$ 4,094,193	\$ -	\$ 310,382	\$ 4,404,575
Changes of assumptions	3,897,119	-	215,628	4,112,747
Net difference between projected and actual earnings on pension plan investments	583,227	4,175	-	587,402
Changes in proportion and differences between County contributions and proportionate share of contributions	42,260	17,720	-	59,980
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	5,404,528	23,059	115,443	5,543,030

Note 3 – Detail Notes on All Funds (continued)

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>Total</u>
<u>Deferred Inflows of Resources</u>				
Differences between expected and actual experience	\$ -	\$ 19,675	\$ -	\$ 19,675
Changes of assumptions	-	-	124,958	124,958
Changes in proportion and differences between County contributions and proportionate share of contributions	97,774	2,330	-	100,104

g. Other Post Employment Benefit

Plan Description. Under the terms of a County resolution, the County administers a single-employer defined benefit Healthcare Benefits Plan (the HCB Plan). Any participant hired prior to January 1, 2011 who commences retirement and meets the following conditions shall receive an annual retirement medical allowance. A participant must: (1) have ten years of service with the County if hired or elected prior to January 1, 2007; (2) have twenty years of service with the County if hired or elected on or after January 1, 2007 but prior to January 1, 2011; and (3) Be eligible and approved to receive retirement benefits in accordance with the regulations of the Local Governmental Employees' Retirement System. The County Commissioners may amend the benefit provisions. A separate report was not issued for the plan.

Benefits provided. The HCB Plan provides healthcare benefits for retirees. The County contributes all or most of the funding rate set by the County, depending on the medical plan elected. Insurance coverage will only be extended to retirees until they reach age 65 or until they are eligible to receive Medicare benefits, whichever occurs first. Once the retiree is eligible for Medicare, the retiree must pay the premiums for Medicare Part A and Medicare Part B to continue coverage through the County's health plan. Once the retiree is eligible for Medicare, the County's health plan becomes secondary to Medicare. Also, the County's retirees can purchase coverage for their dependents at the County's group rates if enrolled in dependent coverage at the time of retirement.

<u>Tier</u>	<u>Core Plan</u>	<u>Plus Plan</u>
Employee Only	\$ 700.81	\$ 757.57
Employee and Spouse	1,471.72	1,584.36

The retiree pays the following amounts:

<u>Tier</u>	<u>Core Plan</u>	<u>Plus Plan</u>
Employee Only	\$ -	\$ 70.00
Employee and Spouse	510.00	640.00

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

	<u>Number</u>
Inactive plan members or beneficiaries currently receiving	307
Inactive plan members entitled to but not yet receiving benefit payments	0
Active plan members	435
	<u>742</u>

The County's total OPEB liability of \$193,474,667 was measured as of June 30, 2019, and was determined by an actuarial valuation as of that date.

Note 3 – Detail Notes on All Funds (continued)

g. Other Post Employment Benefit (continued)

Total OPEB Liability

Actuarial assumptions and other inputs. The total OPEB liability was determined by actuarial valuations as of June 30, 2018 using the following actuarial assumptions, 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 wage inflation	
General Employees	3.50% - 7.75%
Firefighters	3.50% - 7.75%
Law Enforcement Officers	3.50% - 7.35%
Municipal Bond Index Rate	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare	7.25% for 2018 decreasing to an ultimate rate of 4.75% by 2028
Medicare	5.38% for 2018 decreasing to an ultimate rate of 4.75% by 2022

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.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at June 30, 2018	\$ 173,606,994
Changes for the Year:	
Service Cost	3,602,494
Interest	6,686,160
Differences between Expected and Actual experience	(175,372)
Changes of assumptions	13,238,760
Benefit Payments	(3,484,308)
Net Changes	<u>19,867,734</u>
Balances at June 30, 2019	<u>\$ 193,474,728</u>

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

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

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

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

The following presents the total OPEB liability of the County, as well as what the County's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50%) than the current discount rate:

	1% Decrease (2.50%)	Discount Rate (3.50%)	1% Increase (4.50%)
Total OPEB Liability			
County	\$ 234,389,160	\$ 193,474,728	\$ 162,006,296
Airport	\$ 1,649,553	\$ 1,361,671	\$ 1,140,146

Note 3 – Detail Notes on All Funds (continued)

g. Other Post Employment Benefit (continued)

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

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

	1% Decrease	Discount Rate	1% Increase
Total OPEB Liability			
County	\$ 158,735,067	\$ 193,474,728	\$ 39,290,236
Airport	\$ 1,117,125	\$ 1,361,671	\$ 1,684,045

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

For the year ended June 30, 2020, the County recognized OPEB expense of \$12,588,247. The Airport reported OPEB expense of \$88,592. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	COUNTY		AIRPORT	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 14,401,173	\$ 138,837	\$ 101,351	\$ 977
Changes of assumptions	10,480,637	13,068,633	73,759	91,973
Net Difference between projected and actual earnings on plan investments	-	-	-	-
County contributions subsequent to the measurement date	2,563,214	-	10,724	-
Total	\$ 27,445,024	\$ 13,207,470	\$ 185,834	\$ 92,950

\$2,573,938 reported as deferred outflows of resources related to OPEB resulting from County and Airport contributions subsequent to the measurement date will be recognized as a decrease in the net OPEB liability in the year ended June 30, 2021. Other amounts reported as deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	COUNTY	AIRPORT
Year Ended June 30:		
2021	\$ 3,227,921	\$ 22,717
2022	3,227,921	22,717
2023	3,041,278	21,404
2024	2,177,220	15,322
2025	-	-
Thereafter		

Note 3 – Detail Notes on All Funds (continued)

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.

3. Closure and post closure care costs - Johnston County Landfill Facility

State and federal laws and regulations require the County to place a final cover on its Subtitle D landfill unit (Phase 5) when it stops accepting waste and to perform certain maintenance and monitoring functions at each site for thirty years after closure is complete on each unit. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$16,064,892 reported as landfill closure and post-closure care liability at June 30, 2020 represents a cumulative amount reported to date based on the 100% use and care of the Phase 1-5 landfill units. This amount is based on what it would cost to perform all closure and post-closure care activities in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The engineers that prepare the County's annual report on closure and postclosure landfill costs do not provide separate numbers for those costs due within one year, so the liability is all shown as long-term.

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

4. Deferred Outflows and Inflows of Resources

	Deferred Outflows of Resources	Deferred Inflows of Resources
Charge on refunding of debt	\$ 7,804,593	\$ -
Difference between expected and actual experience (Pensions, OPEB)		-
LGERS	4,094,193	-
Register of Deeds	-	19,675
LEOSSA	310,382	-
OPEB	14,401,173	138,837
Changes of Assumptions (Pensions, OPEB)		
LGERS	3,897,119	-
Register of Deeds	-	-
LEOSSA	215,628	124,958
OPEB	10,480,637	13,068,633
Difference between projected and actual investment earnings (Pensions, OPEB)		
LGERS	583,227	-
Register of Deeds	4,175	-
OPEB	-	-
Change in proportion and difference between employer contributions and proportionate share of contributions (Pensions, OPEB)		
LGERS	42,258	97,774
Register of Deeds	17,720	2,330
OPEB	-	-

Note 3 – Detail Notes on All Funds (continued)

4. Deferred Outflows and Inflows of Resources (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions to pension plan in the current fiscal year		
LGERS	5,404,527	-
Register of Deeds	23,059	-
Benefit payments for the OPEB plan paid subsequent to measurement date	2,563,214	-
Benefit payments / administration costs paid subsequent to the measurement date (LEOSSA)	115,443	-
Prepaid taxes not year earned (General)	-	196,200
Taxes receivable, net, less penalties (General)	-	543,256
Taxes receivable, net, less penalties (Special Revenue)	-	41,670
Capacity Fees (Water Fund)	-	16,766,581
	<u>\$ 49,957,353</u>	<u>\$ 30,999,914</u>

5. Risk Management

The County 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 County participates in one self-funded risk financing pool administered by the North Carolina Association of County Commissioners. Through this pool the County obtains coverage for workers' compensation up to statutory limits. The County has coverage for property replacement with St. Paul Property and Liability Insurance Company. This plan covers building and contents. Motor vehicles and equipment are also covered by this policy. For vehicles, bodily injury limits are \$1,000,000 per person and \$2,000,000 per accident. The County claims governmental immunity from all liability except to the limited coverage provided by the above policy. The County is self insured through Coventry, who also functions as the Third Party Administrator. County employees have the option of a Core Plan, the Advantage Plan, or a Premier plan at an additional premium cost which offers lower copayments, deductibles, and coinsurance amounts. All plans offer in and out of network benefits. Services provided under all plans within the network have a lifetime maximum of \$5,000,000 per member, while services provided out of network under all plans have a lifetime maximum of \$1,000,000 per member. The County purchases reinsurance protection through Coventry for claims that exceed \$125,000 per fiscal year. The Johnston County Board of Alcoholic Control is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Board has property, general liability, workers' compensation, and employee health coverage. The Board also has liquor legal liability coverage. Claims have not exceeded coverage in any of the past three fiscal years.

The County has flood insurance thru Bankers Insurance Group on certain public utilities property. The coverage varies as to the values of the property.

The Finance Director, County Manager, Clerk to the Board, and Assistant Finance Director are bonded for \$500,000. The Economic Development Director is bonded for \$100,000, the Social Services Director is bonded for \$55,000, the Register of Deeds and Sheriff is bonded for \$60,000, and the Tax Director is bonded for \$50,000. All other employees are blanket bonded for \$50,000.

The Johnston County Airport Authority 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 Airport carries commercial insurance for all risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

6. Claims and Judgments

At June 30, 2020, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position.

Note 3 – Detail Notes on All Funds (continued)

7. Lease revenues

The Johnston County Airport Authority leases land and buildings under leases for varying terms. At June 30, 2020, the minimum rental payments under non cancelable leases with a term in excess of one year were as follows:

Year Ending June 30	Amount
2021	\$ 496,704
2022	183,304
2023	135,904
2024	104,904
2025	-
	\$ 920,816

8. Long-term obligations

General obligation bonds - General obligation bonds payable at June 30, 2020 are comprised of the following issues:

Serviced by the General Fund

The County's general obligation bonds are serviced by the governmental funds and are collateralized by the full faith, credit, and taxing power of the County. Principal and interest requirements are appropriated when due. In the event of default, the County agrees to pay to the Purchaser, on demand, interest on any and all amounts due and owing by the County under the agreement.

\$14,340,000 General Obligation Refunding Bonds, Series 2009B (School) due on February 1 in principal installments of \$1,280,000 to \$1,510,000 through February 2021, at a true interest cost of 2.93%.	\$ 1,415,000
\$54,735,000 General Obligation Refunding Bonds, Series 2010A (School, Community College, and Parks and Recreation) due on February 1 in principal installments of \$210,000 to \$3,380,000 through February 2024, at a true interest cost of 3.12%.	24,605,000
\$30,400,000 General Obligation Refunding Bonds, Series 2010B (School and Community College) due on February 1 in principal installments of \$205,000 to \$4,075,000 through February 2025, at a true interest cost of 2.36%.	10,440,000
\$34,345,000 General Obligation Refunding Bonds, Series 2012 (School, Community College and Parks & Recreation) due on February 1 in principal installments of \$45,000 to \$6,995,000 through February 2025, at a true interest cost of 1.91%.	23,820,000
\$19,000,000 General Obligation Public Improvement Bonds, Series 2014 (School and Community College) due on February 1 in principal installments of \$40,000 to \$1,400,000 through February 2034, at a true interest cost of 3.24%.	16,900,000
\$18,000,000 General Obligation School Bonds, Series 2015 due on February 1 in principal installments of \$350,000 to \$1,400,00, through February 2035, at a true interest cost of 2.844%.	16,600,000
\$50,060,000 General Obligation Refunding Bonds, Series 2015 (School, Community College and Parks & Recreation) due on February 1 in principal installments of \$590,000 to \$11,120,000 through February 2028, at a true interest cost of 2.288%.	48,785,000
\$27,000,000 General Obligation Public Improvement Bonds, Series 2016 (School and Community College) due on February 1 in principal installments of \$500,000 to \$1,750,000 through February 2036, at a true interest cost of 2.3771%.	25,500,000
\$11,925,000 General Obligation Refunding Bonds, Series 2016 (School, Community College and Parks & Recreation) due on February 1 in principal installments of \$50,000 to \$4,270,000 through February 2022, at a true interest cost of 1.0721%..	6,135,000
\$20,000,000 General Obligation School Bonds, Series 2019 Bond due on February 1 in principal installments of \$490,000 to \$1,185,000 through February 2039, at a true interest cost of 2.3823%.	20,000,000

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

General Obligation Bonds (continued)

\$20,000,000 Public Improvement Series 2020 due on February 1 in principal installments of \$490,000 to \$1,185,000 through February 2040, and semi-annual interest payments on February 1 and August 1 at a true interest cost of 1.619%.	<u>20,000,000</u>
Total - General Obligation Bonds - Governmental Activities	<u>\$ 214,200,000</u>

Serviced by the Water Districts

The County water districts have issued general obligation bonds to provide funds for the acquisition and construction of major water system capital improvements. These bonds are recorded in the Water District Operating Fund.

Each water district's general obligation bond is a direct placement with the County as the registered owner, as part of Limited Obligation Refunding Bonds issued by the County on July 15, 2013 and June 27, 2014 (see "Limited Obligation Bonds" below). Each water district's general obligation bond is collateralized by the full faith, credit, and taxing power of the respective water district. In the event of a default, the water district agrees to pay to the County, on demand, interest on any and all amounts due and owing by the water district under the agreement.

\$3,160,000 Refunding, Series 2013 bonds (Archer's Lodge) due in principal installments of \$85,000 to \$180,000 through 2037, interest varies from 2% to 4.75%.	\$ 2,490,000
\$2,930,000 Refunding, Series 2013 bonds (Brogden) due in principal installments of \$65,000 to \$160,000 through 2039, interest varies from 2% to 4.75%.	2,410,000
\$2,915,000 Refunding, Series 2013 bonds (Clayton) due in principal installments of \$80,000 to \$165,000 through 2039, interest varies from 2% to 4.75%.	2,265,000
\$3,025,000 Refunding, Series 2013 bonds (Cleveland) due in principal installments of \$85,000 to \$185,000 through 2036, interest varies from 2% to 4.75%.	2,325,000
\$1,330,000 Refunding, Series 2013 bonds (Hopewell/Pisgah) due in principal installments of \$45,000 to \$80,000 through 2033, interest varies from 2% to 4.75%.	965,000
\$3,295,000 Refunding, Series 2013 bonds (Little Creek) due in principal installments of \$80,000 to \$185,000 through 2038, interest varies from 2% to 4.75%.	2,645,000
\$4,955,000 Refunding, Series 2013 bonds (McGee's Crossroads) due in principal installments of \$135,000 to \$300,000 through 2037, interest varies from 2% to 4.75%.	3,905,000
\$2,290,000 Refunding, Series 2013 bonds (Princeton-Kenly) due in principal installments of \$50,000 to \$125,000 through 2039, interest varies from 2% to 4.75%.	1,875,000
\$900,000 Refunding, Series 2013 bonds (Wilson's Mills) due in principal installments of \$20,000 to \$45,000 through 2039, interest varies from 2% to 4.75%.	730,000
\$2,470,000 Refunding, Series 2014 bonds (Buffalo) due in principal installments of \$35,000 to \$175,000 through 2039, interest varies from 2% to 5%.	2,235,000
\$3,505,000 Refunding, Series 2014 bonds (Elevation) due in principal installments of \$60,000 to \$235,000 through 2039, interest varies from 2% to 5%.	3,125,000
\$2,365,000 Refunding, Series 2014 bonds (Ingram's Township) due in principal installments of \$60,000 to \$235,000 through 2039, interest varies from 2% to 5%.	2,110,000
\$8,270,000 Refunding, Series 2014 bonds (Little River) due in principal installments of \$130,000 to \$560,000 through 2039, interest varies from 2% to 5%.	7,380,000

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

General Obligation Bonds (continued)

\$2,735,000 Refunding, Series 2014 bonds (Meadow) due in principal installments of \$45,000 to \$185,000 through 2039, interest varies from 2% to 5%.	2,430,000
\$7,165,000 Refunding, Series 2014 bonds (O'Neal's) due in principal installments of \$150,000 to \$470,000 through 2039, interest varies from 2% to 5%.	<u>6,190,000</u>
Total - General Obligation Bonds - Business-Type	<u>\$ 43,080,000</u>

At June 30, 2020, the County had general obligation bonds authorized but unissued of \$36,000,000. The legal debt margin is \$1,370,688,362.

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

Year Ending June 30	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 23,100,000	\$ 8,267,235	\$ 1,455,000	\$ 1,930,337	\$ 34,752,572
2022	23,810,000	7,497,125	1,575,000	1,866,238	34,748,363
2023	23,780,000	6,478,775	1,695,000	1,796,487	33,750,262
2024	23,970,000	5,428,075	1,885,000	1,718,788	33,001,863
2025	21,940,000	4,346,275	1,985,000	1,624,538	29,895,813
2026-2030	53,685,000	11,754,825	11,350,000	6,616,763	83,406,588
2031-2035	31,500,000	4,295,850	13,680,000	3,765,688	53,241,538
2036-2040	12,415,000	763,500	9,455,000	921,294	23,554,794
	<u>\$ 214,200,000</u>	<u>\$ 48,831,660</u>	<u>\$ 43,080,000</u>	<u>\$ 20,240,133</u>	<u>\$ 326,351,793</u>

State Revolving Loans

Serviced by the Enterprise Funds

The County has outstanding State Revolving Fund loan promissory notes from direct borrowings related to enterprise activities, each secured solely from the revenues of the benefited enterprise system. Each revolving loan note contains provisions that in the event the County fails to pay any payment of principal or interest on the note when due, any other monies due to the County from the State may be withheld by the State and applied to the payment of the revolving loan obligation. Each revolving loan note also contains a provision that if certain conditions of the revolving loan program are not met, the State could require the County to prepay the note in whole and have further commitment of funds withdrawn.

A revolving loan note from a direct borrowing was executed December 11, 1998 in the amount of \$537,000 due in principal installments of \$26,850 on May 1 through 2021, at an interest rate of 2.6%.	\$ 26,850
A revolving loan note from a direct borrowing was executed December 11, 1998 in the amount of \$539,200 due in principal installments of \$26,960 on May 1 through 2021, at an interest rate of 2.6%.	26,960
A revolving loan note from a direct borrowing was executed August 18, 2005 in the amount of \$14,508,144 due in principal installments of \$725,407 on May 1 through 2026, at an interest rate of 2.66%.	4,352,443
A revolving loan note from a direct borrowing was executed November 14, 2011 in the amount of \$5,188,678 due in principal installments ranging from \$196,669 to \$307,682 on May 1 through 2029, at an interest rate of 2.1%.	2,588,965
A revolving loan note from a direct borrowing was executed November 14, 2011 in the amount of \$11,710,145 due in principal installments ranging from \$480,226 to \$699,397 on May 1 through 2030, at an interest rate of 2.1%.	6,453,998

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

State revolving loans (continued)

A revolving loan note from a direct borrowing was executed February 22, 2012, 2010 in the amount of \$1,500,000 due in principal installments of \$75,000 on May 1 through 2031 , at an interest rate of 0%.	825,000
A revolving loan note from a direct borrowing was executed February 22, 2012 in the amount of \$5,097,577 due in principal installments of \$254,879 on May 1 through 2032, at an interest rate of 2.22%.	3,058,546
A revolving loan note from a direct borrowing was executed August 23, 2012 in the amount of \$200,000 due in principal installments of \$10,000 on May 1 through 2033, at an interest rate of 0%.	130,000
A revolving loan note from a direct borrowing was executed October 3, 2012 in the amount of \$300,000 due in principal installments of \$15,000 on May 1 through 2033, at an interest rate of 0%.	195,000
A revolving loan note from a direct borrowing was executed May 22, 2012 in the amount of \$3,000,000 due in principal installments of \$150,000 on May 1 through 2033, at an interest rate of 0%.	1,950,000
A revolving loan note from a direct borrowing was executed August 13, 2014 in the amount of \$117,702 due in principal installments of \$8,906 on May 1 through 2023, at an interest rate of 2.220%.	26,719
A revolving loan note from a direct borrowing was executed August 18, 2014 in the amount of \$2,553,650 due in principal installments of \$127,621.68 on May 1 through 2033, at an interest rate of 0%.	1,659,082
A revolving loan note from a direct borrowing was executed September 26, 2014 in the amount of \$311,091 due in principal installments of \$15,555 on May 1 through 2035, at an interest rate of 0%.	233,318
A revolving loan note from a direct borrowing was executed December 10, 2015 in the amount of \$990,209 due in principal installments of \$49,510 on May 1 through 2036, at an interest rate of 0%.	792,167
A revolving loan note from a direct borrowing was executed August 10, 2018 in the amount of \$6,765,678 due in principal installments of \$338,283.90 on May 1 through 2037, at an interest rate of 0%.	5,750,826
A revolving loan note from a direct borrowing was executed July 9, 2018 in the amount of \$897,585 due in principal installments of \$44,879 on May 1 through 2037, at an interest rate of 1.69%.	762,947
A revolving loan note from a direct borrowing was executed May 2, 2017 in the amount of \$937,200 due in principal installments of \$46,860 on May 1 through 2037, at an interest rate of 1.66%.	796,620
A revolving loan note from a direct borrowing was executed October 5, 2018 in the amount of \$3,188,007 due in principal installments of \$159,400 on May 1 through 2039, at an interest rate of 1.4%. The first principal payment was May 1, 2020; however, due to project delays, this revolving loan is still being drawn down on a project cost reimbursement basis.	2,220,614
A revolving loan note from a direct borrowing was executed August 26, 2019 in the amount of \$3,300,000 due in principal installments of \$165,000 on May 1 through 2041, at an interest rate of 1.86%. This revolving loan is being drawn down on a project cost reimbursement basis, and the first principal payment is due May 1, 2022.	1,975,393

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

State revolving loans (continued)

Serviced by the Water Districts:

A revolving loan note from a direct borrowing was executed on August 31, 2004 in the amount of \$1,538,717 (Brogden Water District) due in principal installments of \$76,936 on May 1 through 2025, at an interest rate of 2.66%.	384,680
A revolving loan note from a direct borrowing was executed on July 18, 2019 in the amount of \$1,500,000 (Elevation Water District) due in principal installments of \$75,000 on May 1 through 2040, at an interest rate of 1.53%. This revolving loan is being drawn down on a project cost reimbursement basis, and the first principal payment is due on May 1, 2021.	1,125,194
A revolving loan note from a direct borrowing was executed on June 7, 2019 in the amount of \$2,530,000 (Buffalo Water District) due in principal installments of \$126,500 on May 1 through 2040, at an interest rate of 1.53%. This revolving loan is being drawn down on a project cost reimbursement basis, and the first principal payment is due on May 1, 2021.	1,817,137
A revolving loan note from a direct borrowing was executed on June 7, 2019 in the amount of \$2,497,000 (Wilson's Mills Water District) due in principal installments of \$124,850 on May 1 through 2040, at an interest rate of 1.53%. This revolving loan is being drawn down on a project cost reimbursement basis, and the first principal payment is due on May 1, 2021.	2,050,245
A revolving loan note from a direct borrowing was executed on October 22, 2019 in the amount of \$4,953,273 (Wilson's Mills Water District) due in principal installments of \$247,664 on May 1 through 2040, at an interest rate of 1.91%. This revolving loan is being drawn down on a project cost reimbursement basis, and the first principal payment is due on May 1, 2021.	777,672
Total - State Revolving Loans - Business-Type	<u>\$ 39,980,376</u>

Annual debt service requirements to maturity for the County's Revolving Federal Loans, including interest of \$4,447,215 and \$39,980,376 of additional principal once drawn down for the Enterprise Fund are as follows:

Year Ending June 30	Amount	Principal	Interest
2021	\$ 4,215,358	\$ 3,579,636	\$ 635,722
2022	4,387,243	3,708,751	678,492
2023	4,315,149	3,727,053	588,096
2024	4,049,501	3,523,850	525,651
2025	3,895,573	3,508,247	387,326
2026-2030	15,399,399	14,209,137	1,190,262
2031-2035	7,050,580	6,636,452	414,128
2036-2040	1,114,788	1,087,250	27,538
	<u>\$ 44,427,591</u>	<u>\$ 39,980,376</u>	<u>\$ 4,447,215</u>

Installment purchase loans – Installment purchase loans payable at June 30, 2020 are comprised of the following:

Serviced by the Enterprise Funds

Several of the County's water districts have issued direct placement installment financing contracts with the County as the registered owner, as part of Limited Obligation Refunding Bonds issued by the County on July 15, 2013 and June 27, 2014 (see "Limited Obligation Bonds" below). In the event of default with each of these direct placement installment financing contracts with the County, the Trustee may (a) declare the unpaid portion of the principal and interest components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance by the district of the applicable covenants of the contract or to recover for the breach thereof, or (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State of North Carolina with respect to the enforcement of the security interest under the contract.

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Installment Purchase loans (continued)

\$240,000 Refunding (direct placement with the County) of 2007A USDA installment financing contract issued to finance construction of improvements to Ingram's Township W/D, due in annual principal installments ranging from \$5,000 to \$15,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by sewer system improvements in the Devils Race Track area of the Ingram's Township W/D.	\$	210,000
\$110,000 Refunding (direct placement with the County) of 2007B USDA installment financing contract issued to finance construction of improvements to Ingram's Township W/D, due in annual principal installments ranging from \$5,000 to \$10,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by sewer system improvements in the Devils Race Track area of the Ingram's Township W/D.		95,000
\$655,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Archer's Lodge W/D, due in annual principal installments ranging from \$10,000 to \$45,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Archer's Lodge W/D's 300,000 GPD water capacity in the County's water treatment plant.		585,000
\$215,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Clayton W/D, due in annual principal installments ranging from \$5,000 to \$15,000 , plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Clayton W/D's 100,000 GPD water capacity in the County's water treatment plant.		185,000
\$3,275,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Cleveland W/D, due in annual principal installments ranging from \$55,000 to \$225,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Cleveland W/D's 1.5 MGD water capacity in the County's water treatment plant.		2,915,000
\$545,000 Refunding (direct placement with the County) of 2007 USDA installment contract issued to purchase additional capacity in the County water treatment plant for Hopewell-Pisgah W/D, due in annual principal installments ranging from \$10,000 to \$35,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Hopewell-Pisgah W/D's 250,000 GPD water capacity in the County's water treatment plant.		485,000
\$545,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Little Creek W/D, due in annual installments ranging from \$10,000 to \$35,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Little Creek W/D's 250,000 GPD water capacity in the County's water treatment plant.		485,000
\$1,530,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for McGee's Crossroads W/D, due in annual principal installments ranging from \$25,000 to \$105,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by McGee's Crossroads W/D's 700,000 GPD water capacity in the County's water treatment plant.		1,365,000

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Installment purchase loans (continued)

\$435,000 Refunding (direct placement with the County) of 2007 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Wilson's Mills W/D, due in annual principal installments ranging from \$5,000 to \$35,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Wilson's Mills W/D's 200,000 GPD water capacity in the County's water treatment plant.	385,000
\$1,105,000 Refunding (direct placement with the County) of 2009 USDA installment financing contract issued to purchase additional capacity in the County water treatment plant for Archer's Lodge W/D, due in annual principal installments ranging from \$20,000 to \$75,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Archer's Lodge W/D's 452,727 GPD water capacity in the County's water treatment plant.	985,000
\$215,000 Refunding (direct placement with the County) of 2011 USDA installment financing contract issued to finance construction of improvements to Hopewell-Pisgah W/D, due in annual principal installments ranging from \$5,000 to \$15,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by Hopewell-Pisgah W/D's 250 GPD water capacity in the County's water treatment plant.	185,000
\$225,000 Refunding (direct placement with the County) of a 1999 Drinking Water Revolving loan issued to finance construction of improvements to Southeast Lowgrounds W/D, due in annual principal installments ranging from \$5,000 to \$15,000, plus semi-annual interest ranging from 2% to 5% through 2039. The direct placement installment financing contract is secured by the improvements constructed in Southeast Lowgrounds W/D.	35,000
Several of the County's water districts have issued direct placement installment financing contracts with USDA as the registered owner. In the event of default with each of these direct placement installment financing contracts with USDA, the lender may (a) declare the entire outstanding balance immediately due and payable without notice, (b) proceed by appropriate court action to enforce performance by the district of any or all of the covenants of the contract or to recover for the breach thereof, (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State of North Carolina with respect to the enforcement of the security interest under the contract, or (d) terminate the contract and use, operate, lease or hold all or any part of the facility as the lender in its sole discretion may decide.	
\$505,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (Brogden W/D), due in annual installments of \$23,195, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by Brogden W/D's proportional investment in certain improvements to the County's water treatment plant.	428,101
\$380,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (Buffalo W/D), due in annual installments of \$17,454, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by Buffalo W/D's proportional investment in certain improvements to the County's water treatment plant.	322,132
\$404,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (Ingram's Township W/D), due in annual installments of \$18,556, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by Ingram's Township W/D's proportional investment in certain improvements to the County's water treatment plant.	342,481

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Installment purchase loans (continued)

\$511,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (Meadow W/D), due in annual installments of \$23,471, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by Meadow W/D's proportional investment in certain improvements to the County's water treatment plant.

433,183

\$313,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (O'Neal's W/D), due in annual installments of \$14,377, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by O'Neal's W/D's proportional investment in certain improvements to the County's water treatment plant.

265,330

\$382,000 direct placement USDA installment financing contract issued to finance a proportional share of improvements to the County water treatment plant (Princeton-Kenly W/D), due in annual installments of \$14,377, including interest at 3.375% through 2049. The direct placement installment financing contract is secured by Princeton-Kenly W/D's proportional investment in certain improvements to the County's water treatment plant.

323,826

\$ 10,030,053

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

Year Ending June 30	Governmental Activities		Business-type Activities		Total
	Principle	Interest	Principal	Interest	
2021	\$ -	\$ -	\$ 253,216	\$ 421,608	\$ 674,824
2022	-	-	234,675	409,649	644,324
2023	-	-	306,182	398,642	704,824
2024	-	-	362,741	384,083	746,824
2025	-	-	379,352	366,722	746,074
2026-2030	-	-	2,212,899	1,539,471	3,752,370
2031-2035	-	-	2,692,165	1,007,355	3,699,520
2036-2040	-	-	2,680,326	425,507	3,105,833
2041-2045	-	-	448,987	124,008	572,995
2046-2050	-	-	459,510	42,951	502,461
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,030,053</u>	<u>\$ 5,119,996</u>	<u>\$ 15,150,049</u>

Other notes payable – Notes issued for the construction and improvements of the wastewater treatment facilities, water lines and landfill are being retired by the resources in the Public Utilities Fund and are reported as a long-term debt in the Public Utilities Fund.

Notes payable at June 30, 2020 are comprised of the following:

Serviced by the Water Districts Enterprise Fund

\$57,850 direct borrowing note payable issued February 2006 to purchase a 6" water main and certain other water mains from Harnett County, due in annual installments of \$3,709, including interest at 4.00% through 2030. The note is secured by the purchased improvements.

\$ 30,035

\$ 30,035

Annual debts service requirements to maturity for the County's other notes payable, including interest of \$6,994 are as follows:

Year Ending June 30	Business Type Activities		
	Amount	Principal	Interest
2020	\$ 3,703	\$ 2,502	\$ 1,201
2021	3,703	2,602	1,101
2022	3,703	2,706	997
2023	3,703	2,814	889
2024	3,703	2,927	776
2025-2029	18,516	16,486	2,030
	<u>\$ 37,031</u>	<u>\$ 30,037</u>	<u>\$ 6,994</u>

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Revenue Bonds

Revenue bonds payable at June 30, 2020 are comprised of the following issues:

The County Water Fund has issued direct placement USDA Water System Revenue Bonds to finance various water improvement projects. The County has pledged Net Revenues of the water system to secure the payment of the principal of and interest on the Water System Revenue Bonds. Net revenues of the system are defined as revenues (all monies received as a result of ownership or operation of the system, excluding the proceeds of any borrowing) less operating expenses (reasonable and necessary current expenses of maintaining, repairing and operating the system, excluding reserves or any allowance for depreciation, amortization or interest). Net revenues are immediately subject to the lien of the pledge. The County also covenants to fix, charge and collect rates and charges for the use of and for services furnished or to be furnished by the system (see below). In the event of default, holders of the water system revenue bonds may, by a notice in writing to the County, declare the principal amount of the bonds then outstanding to be due and payable immediately.

\$ 3,877,000 Water System, Series 2013 Revenue Bond (direct placement) issued on March 25, 2013; Principal installments of \$50,000 to \$165,000 are due annually on June 1, plus interest at 3.125%.	\$ 3,097,023
\$3,309,000 Water Revenue Bonds, Series 2011 (direct placement) issued for water system improvements. Principal installments of \$38,000 to \$155,000 are due annually on June 1, plus interest at 3.75%.	2,886,375
Total Revenue Bonds	<u><u>\$ 5,983,398</u></u>

Year Ending June 30	Business Type Activities		
	Amount	Principal	Interest
2020	\$ 320,021	\$ 115,000	\$ 205,021
2021	320,109	119,000	201,109
2022	320,059	123,000	197,059
2023	319,871	127,000	192,871
2024	320,546	132,000	188,546
2025-2029	1,603,024	731,000	872,024
2030-2034	1,601,605	863,000	738,605
2035-2039	1,602,780	1,022,000	580,780
2040-2044	1,601,618	1,208,000	393,618
2045-2049	1,594,972	1,423,023	171,949
2050-2054	124,889	120,375	4,514
	<u><u>\$ 9,729,494</u></u>	<u><u>\$ 5,983,398</u></u>	<u><u>\$ 3,746,096</u></u>

The County is in compliance with the covenants as to rates, fees, rentals and charges in Section 301 of the Bond Order, authorizing the issuance of the Water System Improvement Revenue Bonds (Series A). Section 301(f) of the Bond Order requires the debt service coverage ratio to be no less than 110%. The debt service ratio calculation for the year ended June 30, 2020 is as follows:

Operating Revenues	\$ 18,529,508
Operating Expenses*	<u>13,756,774</u>
Operating Income	4,772,734
Nonoperating revenues (expenses)**	<u>1,703</u>
Income available for debt service	4,774,437
Debt Service, principal and interest paid (Revenue Bond only)	\$ 320,834
Debt service coverage ratio	1488%

*Per rate covenant, this does not include the depreciation expense of \$3,143,011.

**Per rate covenant, this does not include revenue bond interest paid of \$208,834.

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Revenue bonds (continued)

Limited Obligation Bonds

Limited Obligation bonds payable at June 30, 2020 are comprised of the following issues:

Serviced by the General Fund

\$28,245,000 Limited Obligation Refunding Bonds, Series 2010 due on October 15 in annual principal installments of \$1,050,000 to \$2,130,000 through October 2027, plus semi-annual interest at a true interest cost of 3.364%. The 2010 limited obligation bonds (LOBs) are issued under an installment financing contract secured by a deed of trust on real property on which Cleveland High School is located. As authorized by State law {G.S. 160A-20 and 153A-158.1}, the County financed construction of the high school in 2008 for use by the Johnston County Board of Education. The 2010 LOBs were issued to refinance the debt issued in 2008 to construct the high school. Pursuant to the deed of trust, legal title to the property financed is required to remain with the County as long as the debt is outstanding. The County has entered into a lease with the Johnston County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for a nominal lease payment. The lease term is the same as that of the financing obligation. Due to the economic substance of the transaction, the capital assets associated with the financing obligation are recorded by the Board of Education. The contract contains provisions that upon event of default the trustee may, (a) declare the unpaid portion of the principal components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance of the applicable covenants of the contract, and (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust.

2,070,000

\$20,741,000 direct placement Limited Obligation Refunding Bonds, Series 2017 due on October 1 in principal installments of \$1,392,000 to \$2,692,000 through October 2027, plus semi-annual interest at a true interest cost of 2.471%. The direct placement limited obligation bonds are issued under an installment financing contract secured by a deed of trust on real property on which Cleveland High School is located. As authorized by State law {G.S. 160A-20 and 153A-158.1}, the County financed construction of the high school in 2008 for use by the Johnston County Board of Education. The direct placement installment financing contract was issued to refund the County's Installment Payment Revenue Refunding Bonds (School and Museum Projects), Series 2006 and the 2010 LOBs described above, which were issued pursuant to a deed of trust that requires that legal title to the property financed remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The County has entered into a lease with the Johnston County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for a nominal lease payment. The lease term is the same as that of the installment purchase obligation. Due to economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. The contract contains provisions that upon event of default the trustee may, (a) declare the unpaid portion of the principal components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance of the applicable covenants of the Contract, and (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust.

16,675,000

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Limited Obligation Bonds (continued)

\$26,750,000 Limited Obligation Bonds, Series 2017A due on April 1 in principal installments of \$410,000 to \$1,450,000 through April 2037, plus semi-annual interest at a true interest cost of 2.716%. The 2017A LOBs were issued to finance improvements to 15 existing schools in the County and are issued under an installment financing contract secured by a deed of trust on real property on which South Johnston High School is located. The deed of trust requires that legal title to the property remain with the County as long as the debt is outstanding because the property is pledged as collateral for the debt. The County has entered into a lease with the Johnston County Board of Education that transfers the rights and responsibilities for maintenance and insurance of the property to the Board of Education. The lease calls for a nominal lease payment. The lease term is the same as that of the installment purchase obligation. Due to economic substance of the transaction, the capital assets associated with the installment purchase obligation are recorded by the Board of Education. The contract contains provisions that upon event of default the trustee may, (a) declare the unpaid portion of the principal components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance of the applicable covenants of the contract, and (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code and the general laws of the State of North Carolina with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust.

24,420,000

Total Serviced by the General Fund

\$ 43,165,000

Serviced by the County Enterprise Funds

\$26,365,000 Limited Obligation Bonds, Series 2013 due on June 1 in principal installments of \$250,000 to \$1,355,000 through June 2039, plus semi-annual interest at a true interest cost of 4.1846%. The 2013 LOBs were issued to refinance an existing installment financing contract of the County and to purchase certain general obligation refunding bonds of 9 of the County's water districts. The 9 County water districts each issued individual refunding bonds for each of the USDA Bonds being refinanced. As security for the 2013 LOBs, the County has granted a security interest to the holders in (1) the County's right, title and interest to refunding bonds issued by the 9 water districts; and (2) a deed of trust and fixture filing granting a lien of record on the County's water treatment plant. The installment financing contract contains provisions that upon event of default the trustee may, (a) declare the unpaid portion of the principal and interest components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance of the applicable covenants of the Contract, (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust., or (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract, including enforcing payment on the district refunding obligations and/or selling such district refunding obligations.

When debt service is due on the 2013 LOBs, each of the applicable 9 water districts will remit the debt service payments for their respective bonds to the County, who will then remit it to the bondholders. If a district does not pay, the County has the bonds (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The reader should note that this debt issuance of the County is partially offset by the water district refunding obligations as detailed under the General Obligation Indebtedness section.

The Water Districts are a blended component unit of the County. On the fund statements, the amounts owed to the County to make the payments for the LOBs are classified as "Due to the County" in the Water District Operating Fund, and as "Due from the Districts" in the County Water Fund. On the government-wide statements, these amounts are eliminated. Therefore, when Exhibit 1 debt totals are compared to the total debt in the notes, the amount will differ by the amount eliminated for this LOB debt. Of the total 2013 LOBs balance of \$20,075,000, \$19,610,000 is recorded as Due from the Districts and is eliminated in Exhibit 1.

\$ 20,075,000

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Limited Obligation Bonds (continued)

\$43,990,000 Limited Obligation Bonds, Series 2014 due on June 1 in principal installments of \$215,000 to \$2,375,000 through June 2039, plus semi-annual interest at a true interest cost of 3.6142%. The 2014 LOBs were issued to purchase certain general obligation refunding bonds of 6 of the County's water districts, to purchase installment finance refunding contracts of 8 of the County's water districts, to refinance 2 County installment finance contracts, and to refinance 5 State revolving fund loans. The 6 applicable County water districts each issued individual general obligation refunding bonds for each of the USDA Bonds being refinanced and the 8 applicable County water districts each issued installment financing refunding contracts. As security for the 2014 LOBs, the County has granted a security interest to the holders in (1) the County's right, title and interest to refunding obligations issued by these water districts; and (2) a deed of trust and fixture filing granting a lien of record on the County's water treatment plant. The installment financing contract under the LOBs contains provisions that upon event of default the trustee may, (a) declare the unpaid portion of the principal and interest components of the installment payments immediately due and payable without notice or demand, (b) proceed by appropriate court action to enforce performance of the applicable covenants of the contract, (c) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract and the deed of trust., or (d) exercise all the rights and remedies of a secured party or creditor under the Uniform Commercial Code of the State and the general laws of the State with respect to the enforcement of the security interest granted or reserved under the contract, including enforcing payment on the district refunding obligations and/or selling such district refunding obligations.

When debt service is due on the 2014 LOBs, each of the applicable water districts will remit the debt service payments for their respective obligations to the County, who will then remit it to the bondholders. If a district does not pay, the County has the refunding obligations (and the District's ad valorem taxing power for the general obligation bonds) as collateral. The reader should note that this debt issuance of the County is partially offset by the water district refunding obligations as detailed under the General Obligation Indebtedness and Installment Purchase Loans section.

The Water Districts are a blended component unit of the County. On the fund statements, the amounts owed to the County to make the payments for the LOBs are classified as "Due to the County" in the Water District Operating Fund, and as "Due from the Districts" in the County Water Fund. On the government-wide statements, these amounts are eliminated. Therefore, when Exhibit 1 debt totals are compared to the total debt in the notes, the amount will differ by the amount eliminated for this LOB debt. Of the total 2014 LOBs balance of \$35,915,000, \$31,385,000 is recorded as Due from the Districts and is eliminated in Exhibit 1.

Total Serviced by the Enterprise Funds \$ 55,990,000

The Limited Obligation Bonds were budgeted by the Board to be recorded and presented in the Water Fund. Therefore the issuance and purchase of the District's bonds are presented in the Water Fund's budget and actual schedule and exhibits.

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

Year Ending June 30	Governmental Activities		Business Type Activities		Total	
	Principle	Interest	Principle	Interest	Principle	Interest
2021	\$ 4,594,000	\$ 1,513,167	\$ 2,340,000	\$ 2,506,625	\$ 6,934,000	\$ 4,019,792
2022	4,142,000	1,361,584	2,445,000	2,399,825	6,587,000	3,761,409
2023	3,784,000	1,226,988	2,525,000	2,288,125	6,309,000	3,515,113
2024	3,757,000	1,097,148	2,330,000	2,170,125	6,087,000	3,267,273
2025	3,723,000	968,063	2,455,000	2,053,625	6,178,000	3,021,688
2026-2030	13,010,000	3,091,091	14,105,000	8,381,450	27,115,000	11,472,541
2031-2035	7,255,000	1,174,950	17,065,000	4,843,300	24,320,000	6,018,250
2036-2040	2,900,000	130,500	12,725,000	1,252,169	15,625,000	1,382,669
	<u>\$ 43,165,000</u>	<u>\$ 10,563,491</u>	<u>\$ 55,990,000</u>	<u>\$ 25,895,244</u>	<u>\$ 99,155,000</u>	<u>\$ 36,458,735</u>

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Advance Refunding's

On May 19, 2009 the County issued \$14,340,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$15,352,113. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$340,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 12 years by \$670,655 and resulted in an economic gain of \$461,301.

On May 12, 2010 the County issued \$54,735,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$59,639,774. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$805,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is shorter than the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 14 years by \$2,775,199 and resulted in an economic gain of \$2,397,343.

On November 2, 2010 the County issued \$30,400,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$33,224,500. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$2,467,317. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 15 years by \$2,548,831 and resulted in an economic gain of \$2,447,206.

On November 9, 2010 the County issued \$28,245,000 of Limited Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$30,000,000. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$733,604. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 17 years by \$1,240,667 and resulted in an economic gain of \$1,317,528.

On March 6, 2012 the County issued \$34,345,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$38,669,464. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the governmental activities column of the statement of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$4,375,346. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 13 years by \$2,608,165 and resulted in an economic gain of \$2,559,324.

On July 15, 2013 the County issued \$26,365,000 of Limited Obligation current refunding bonds to provide resources to redeem an outstanding County installment financing contract and general obligation bonds of 9 County water districts. As a result, the refunded obligations are defeased and the liability has been removed from the respective statements of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$582,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 25 years by \$4,810,278 and resulted in an economic gain of \$1,796,979.

On June 15, 2014, the County issued \$43,990,000 of Limited Obligation current refunding bonds to provide resources to redeem general obligation bonds of 6 County water districts, installment financing contracts of 8 County water districts, 2 County installment financing contracts and 6 County revolving loans. As a result, the refunded obligations are defeased and the liability has been removed from the respective statements of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$3,059,474. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This current refunding was undertaken to reduce total debt service payments over the next 25 years by \$12,235,346 and resulted in an economic gain of \$3,075,553.

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Advance Refunding's (continued)

On March 31, 2015, the County issued \$50,060,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$57,014,407. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the respective statements of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$5,414,407. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 20 years by \$4,309,763 and resulted in an economic gain of \$3,330,818.

On May 17, 2016, the County issued \$11,925,000 of General Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$13,354,699. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the respective statements of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,017,875. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 6 years by \$532,156 and resulted in an economic gain of \$510,698.

On April 5, 2017, the County issued \$20,741,000 of Limited Obligation bonds to provide resources to purchase U.S. Government securities that were placed in an irrevocable trust for the purpose of general resources for all future debt service payments of \$23,713,535. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the respective statements of net position. The reacquisition price exceeded the net carrying amount of the old debt by \$1,671,000. This amount is being netted against the new debt and amortized over the life of the refunded debt, which is the same as the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next 11 years by \$982,038 and resulted in an economic gain of \$745,005.

Debt Related to Capital Activities - None of the Governmental Activities debt listed relates to assets for which the County holds title. There was no unspent restricted cash related to the Governmental Activities assets for which the County holds title.

Long-Term Obligation Activity - The following is a summary of changes in long-term obligations for the fiscal year ended June 30, 2020:

	Balance			Balance		Amounts Due
	7/1/2019	Increases	Decreases	6/30/2020	Within One Year	
Governmental Activities:						
General Obligation Bonds	\$ 217,065,000	\$ 20,000,000	\$ 22,865,000	\$ 214,200,000	\$ 23,100,000	
Unamortized bond premium	22,026,103	2,966,941	2,376,795	22,616,249	2,525,142	
Direct placement installment purchase loans	300,000	-	300,000	-	-	
Limited Obligation Bonds	47,546,000	-	4,381,000	43,165,000	4,594,000	
Net Pension Liability	17,873,399	3,524,712	-	21,398,111	-	
Total Pension Liability (LEOSSA)	3,566,568	551,092	-	4,117,660	-	
Compensated Absences	3,856,716	3,423,382	2,917,660	4,362,438	1,760,244	
Total OPEB Liability	153,445,868	17,560,446	-	171,006,314	-	
Total governmental activities	\$ 465,679,654	\$ 48,026,573	\$ 32,840,455	\$ 480,865,772	\$ 31,979,386	
Business-type Activities:						
General Obligation Debt	\$ 44,455,000	\$ -	\$ 1,375,000	\$ 43,080,000	\$ 1,455,000	
Limited Obligation Bonds	58,240,000	-	2,250,000	55,990,000	2,340,000	
Direct borrowing loans	34,290,533	8,677,911	2,988,068	39,980,376	3,579,636	
Direct placement installment purchase loans	10,281,858	-	251,805	10,030,053	253,216	
Other notes payable	32,441	-	2,406	30,035	2,502	
Revenue Bonds	6,095,398	-	112,000	5,983,398	115,000	
Unamortized Premium	3,348,924	-	243,314	3,105,610	243,314	
Compensated absences	493,817	424,257	344,062	574,012	231,517	
Net Pension Liability	2,099,080	413,948	-	2,513,028	-	
Total OPEB Liability	20,161,156	2,307,257	-	22,468,413	-	
Total business-type activities	\$ 179,498,207	\$ 11,823,373	\$ 7,566,655	\$ 183,754,925	\$ 8,220,185	

Note 3 – Detail Notes on All Funds (continued)

8. Long-term obligations (continued)

Compensated absences for governmental activities typically have been liquidated in the general fund and are accounted for on a LIFO basis, assuming that all employees are taking leave time as it is earned. Additionally, other post employment benefits and the net pension obligation are also liquidated by the general fund.

To assist in the reconciliation of Total Government-wide debt to the above note, we offer the following reconciliation:

	<u>Governmental</u>	<u>Business-Type</u>
Debt per Government-wide Statements	\$ 476,748,112	\$ 132,759,690
Reconciling Items:		
2013 LOBS that are eliminated in Exhibit 1	-	19,610,000
2014 LOBS that are eliminated in Exhibit 1	-	31,385,000
Reconciled Balance	<u>\$ 476,748,112</u>	<u>\$ 183,754,690</u>

Conduit Debt Obligation - Johnston County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were one series of industrial revenue bonds outstanding with an aggregate principal amount payable of \$13,710,310.

C. INTERFUND BALANCES AND ACTIVITIES

Receivables and Payables

Due from/to Other funds

	<u>From</u>	<u>To</u>
General Fund	\$ 162,356	\$ 192,278
Special Revenue Funds		
Voluntary Ag District	-	164
Heritage Commission	30,162	
Capital Project Fund		
Industrial Infrastructure Fund	-	70,448
Enterprise Funds		
Administrative Fund	2,575	-
Solid Waste Fund		1,615,006
Water Fund	-	1,348,805
Wastewater Fund	537,438	-
Water District Operating Fund	2,494,246	-
Total	<u>\$ 3,226,777</u>	<u>\$ 3,226,777</u>

All interfund receivables and payables resulted from transfers used to supplement other funding sources.

Note 3 – Detail Notes on All Funds (continued)

C. INTERFUND BALANCES AND ACTIVITIES (continued)

Transfers

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

From the General fund to the Industrial Development fund to accumulate resources for the economic development grants.	\$ 4,773,000
From the General fund to the Solid Waste fund to provide additional resources for recycling operations.	400,000
From the General fund to the Heritage fund to provide additional resources for operations.	170,624
From the General fund to the Research Training fund to provide additional resources.	285,000
From the General fund to the Revaluation fund to accumulate resources for the revaluation of real property.	310,000
From the General Fund to the Public Safety Center Project Fund to provide resources for construction of a new detention center.	1,500,000
From the General Fund to the School Bond Fund to pay project costs for Johnston Community College pending receipt of General Obligation Bonds.	1,029,980
From the School Bond Fund to the General Fund to reimburse project costs that were covered by the General Fund pending receipt of bond funds.	1,029,980
From the School Bond Fund to the General Fund to move bond issuance premium and interest earnings on bond proceeds for debt service.	2,525,505
From the School Bond Fund to the Wastewater Capital Projects fund to provide resources for a sewer line project for a new school.	32,828
From the Industrial Development Fund to the Water Fund to provide resources for a water project to aid an economic development project.	<u>79,409</u>
Total - Governmental Funds	<u>\$ 12,136,326</u>
Enterprise Funds:	
From the Solid Waste Fund to the Solid Waste Capital Projects fund to provide resources for capital projects.	\$ 8,682,634
From the Water District Fund to the Water Fund for debt service.	1,752,687
From the Water Fund to the Water Capital Projects fund to provide resources for capital projects.	1,663,859
From the Water Capital Projects fund to the Water fund to close out a project (remaining funds not spent).	14,538
From the Water District Fund to the Water District Capital Projects fund to provide resources for capital projects.	99,020
From the Wastewater fund to the Wastewater Capital Project fund to provide resources for capital projects.	3,387,556
From the Wastewater Capital Projects fund to the Wasatewater fund to return funds no longer needed for capital projects.	445,280
From the Water District Fund to the Water District System Development Fee Capital Reserve fund to accumulate resources for capital projects and/or debt service.	4,111,660

Note 3 – Detail Notes on All Funds (continued)

C. INTERFUND BALANCES AND ACTIVITIES (continued)

Transfers (continued)

From the Wastewater Fund to the Wastewater System Development Fee Capital Reserve fund to accumulate resources for capital projects and/or debt service.	3,248,460
From the Water District System Development Fee Capital Reserve fund to the Water Capital Projects fund to provide resources for capital projects.	900,000
From the Wastewater System Development Fee Capital Reserve fund to the Wastewater Capital Projects fund to provide resources for capital projects.	<u>655,000</u>
Total Enterprise Funds	<u>\$ 24,960,693</u>
Total	<u><u>\$ 37,097,019</u></u>

D. NET INVESTMENT IN CAPITAL ASSETS

	<u>Governmental</u>	<u>Business-type</u>
Capital assets	\$ 60,466,895	\$ 248,198,005
less: long-term debt (related to County assets)	-	(158,199,470)
add: Due from Water Districts (LOBs)	-	50,995,000
add: unexpended debt proceeds (related to County assets)	-	-
	<u>\$ 60,466,895</u>	<u>\$ 140,993,535</u>
Net investment in capital assets	<u>\$ 60,466,895</u>	<u>\$ 140,993,535</u>

E. FUND BALANCE

Johnston County has a revenue spending policy that provides 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 purposes of fund balance classification expenditures are to be spent from restricted fund balance first, followed in order by committed fund balance, assigned fund balance, and lastly unassigned fund balance. The Finance Officer has the authority to deviate from this policy if it 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 for appropriation:

Total fund balance - General Fund	\$ 117,061,203
As percentage of budgeted expenditures	45.15%
As percentage of actual expenditures	49.67%
Less:	
Nonspendable items (Inventories, Prepaids)	-
Stabilization by State Statute	<u>21,138,424</u>
Legally available fund balance	95,922,779
As percentage of budgeted expenditures	37.00%
As percentage of actual expenditures	40.70%
Commitments and Assignments	
Appropriated Fund Balance in 2021 Budget	\$ 4,101,301
Mental Health Programs	350,000
Automation Enhancement	730,626
Public safety	999,095
LEO Separation Allowance	1,416,233
Tax Revaluation	1,046,879
Capital purchases (fee in lieu)	<u>1,045,489</u>
Total Committed and Assigned Fund Balance	9,689,623
Working Capital / Fund Balance Policy (15% of Budgeted Expenditures)	35,349,627
Remaining Fund Balance	\$ 60,573,152

Note 3 – Detail Notes on All Funds (continued)

E. FUND BALANCE (continued)

The County currently has an available fund balance of 40.70% of general fund expenditures, while total fund balance represents 49.67% of that same amount. Per their policy, the County Board may, from time-to-time, utilize fund balances that will reduce legally available fund balances below the 15% policy for the purposes of a declared fiscal emergency, financial opportunity to enhance the well-being of Johnston County or other such global purpose as to protect the long-term fiscal security of Johnston County. In such circumstances, after legally available fund balances have been calculated as part of closing-out a fiscal year, the Board will adopt a plan as part of the following year's budget process to restore the legally available fund balances to the policy level within 36 months from the date of the budget adoption. If restoration cannot be accomplished within such time period without severe hardship to the County, then the Board will establish a different but appropriate time period.

The outstanding encumbrances are amounts needed to pay any commitments related to purchase orders and contracts that remain unperformed at year-end. The General fund had \$1,867,814 in outstanding encumbrances at June 30, 2020.

Note 4 – Joint ventures

The County, in conjunction with the State of North Carolina and the Johnston County Board of Education, participates in a joint venture to operate the Johnston Community College (the "Community College"). The County appoints four members to the Board of Trustees of the Community College. The Community College is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and also provides some financial support for the Community College's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. 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 \$5,428,931 to the Community College for operating and capital purposes during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Financial statements for Johnston Community College can be obtained by contacting the Controller at P.O. Box 2350, Smithfield, NC 27577.

Alliance Behavioral Healthcare is subcontracting with Johnston County to perform certain PIHP and LME functions as permitted by state and federal law and regulations and the MCO Waiver Contract. Subcontracted services will include care coordination and maintaining a local presence in Johnston County and providing an understanding of the complexities of the providers, consumers, and other stakeholders in each County. This agreement became effective in January 2013. Operations that were performed by Johnston County Mental Health Authority (a blended component unit of the County) are now shared between Alliance Behavioral Healthcare and the Johnston County Health Department. The Mental Health Authority still exists, but merely acts as a contractor to perform mental health services.

Note 5 – Jointly governed organization

The County, in conjunction with other counties and municipalities, established the Triangle J Council of Governments (the "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 \$87,747 to the Council during the fiscal year ended June 30, 2020.

Note 6 – Summary disclosure of significant contingencies

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

Note 7 – Additional Disclosures Concerning Water District Presentation (Exhibits E-1, E-2)

USDA has requested that each water district within the County be presented separately as opposed to being consolidated into one Water District Operating Fund. However, the County did not have each of the District's separated out into individual funds, so adequate information was not available to provide separate schedules for each district. In addition, there was no separate budget prepared for each water district. In consultation with the Local Government Commission and USDA, the County has decided not to report these Water Districts in separate funds at this time, but rather to break the districts out based on usage and other measures agreed upon by all parties involved. Per USDA's request, the County prepared separate balance sheets and revenue and expenditure schedules for each water district based on the following: On the individual Balance Sheets, the amounts for Restricted Cash, Capital Assets, Accrued Interest, and Debt are based on USDA reserve requirement, Capital Asset Schedules, and Debt Schedules, so these numbers are properly reflected for each district. However, the remaining balance sheet items are allocated based on a proportionate rate determined by the Finance Staff and allocated across the districts based on that proportionate rate. On the Schedule of Revenues and Expenditures, Depreciation Expense and Interest Expense, as well as the prior period adjustment amount, are based on the Capital Asset Schedules and Debt Schedules. In addition, the grant amounts (capital contributions) are properly reflected in the district for which the grant was received. However, the remaining information was allocated based on the proportionate percentage determined by the Finance Staff.

Note 8 - Subsequent Events

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through January 4, 2021, the date the financial statements were available to be issued.

On June 17, 2020, the Johnston County Finance Corporation executed a Bond Purchase Agreement with Robert W. Baird & Co. and Wells Fargo Bank, National Association, for the purchase and sale of \$71,040,000 Johnston County Finance Corporation Limited Obligation Bonds (County of Johnston, North Carolina), Series 2020A and \$64,595,000 Johnston County Finance Corporation Taxable Limited Obligation Bonds (County of Johnston, North Carolina), Series 2020B (together the "2020 LOBs), evidencing proportionate undivided interests in rights to receive certain revenues pursuant to an Installment Financing Contract, dated as of July 1, 2020, between the Johnston County Finance Corporation and Johnston County. The 2020 LOBs were subsequently executed and delivered on July 8, 2020, to (a) finance all or a portion of the costs of acquiring, constructing, renovating and equipping a public safety facility in the County, including the acquisition of necessary land and rights-of-way, (b) refinance certain existing revenue bonds of the County, (c) refinance certain existing revolving loans of the County, (d) refinance an existing revolving loan of Brogden Water District, (e) purchase certain installment financing contracts of six of the County's Water Districts, (f) refinance certain existing installment payment obligations of the County and the related limited obligation bonds, and (f) pay certain expenses incurred in connection with the execution and delivery of the 2020 LOBs.

Note 9 - Prior Period Adjustment

The County identified developer contributions from prior years that had not been properly reflected on the depreciation schedules and financial statements. Prior Period Adjustments were recorded that increased net position in the Wastewater Fund by \$13,873,010 and Water District Fund by \$8,298,463.

**REQUIRED
SUPPLEMENTAL FINANCIAL DATA**

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

- Schedule of County's Proportionate Share of Net Pension Liability (LGERS)
- Schedule of County Contributions (LGERS)
- Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- Schedule of County Contributions (ROD)
- Schedule of Changes in Total Pension Liability - LEOSSA
- Schedule of Total Pension Liability as a Percentage of Covered Payroll - LEOSSA

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

Local Government Employees' Retirement System							
	2020	2019	2018	2017	2016	2015	2014
County's proportion of the net pension liability (asset) (%)	0.87557%	0.84189%	0.82845%	0.80080%	0.77943%	0.76341%	0.74464%
County's proportion of the net pension liability (asset) (\$)	\$ 23,911,139	\$ 19,972,479	\$ 12,656,356	\$ 16,995,622	\$ 3,498,044	\$ (4,502,181)	\$ 8,975,802
County's covered payroll	\$ 55,209,509	\$ 51,670,989	\$ 48,033,625	\$ 45,263,609	\$ 43,014,900	\$ 41,675,559	\$ 37,262,029
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	43.31%	38.65%	26.35%	37.55%	8.13%	-10.80%	24.09%
Plan fiduciary net position as a percentage of the total pension liability**	90.86%	92.00%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

Local Government Employees' Retirement System							
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 5,463,660	\$ 4,399,528	\$ 3,914,648	\$ 3,552,781	\$ 3,066,176	\$ 3,045,991	\$ 2,924,553
Contributions in relation to the contractually required contribution	5,463,660	4,399,528	3,914,648	3,552,781	3,066,176	3,045,991	2,924,553
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$ 60,155,404	\$ 55,209,509	\$ 51,670,989	\$ 48,033,625	\$ 45,263,609	\$ 43,014,900	\$ 41,675,559
Contributions as a percentage of covered payroll	9.08%	7.97%	7.58%	7.40%	6.77%	7.08%	7.02%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	2.0667%	2.1887%	2.1564%	1.9846%	1.8983%	1.9272%	1.8320%
County's proportionate share of the net pension liability (\$)	\$ (408,016)	\$ (362,514)	\$ (368,073)	\$ (371,050)	\$ (439,912)	\$ (436,817)	\$ (391,260)
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	190.50%

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 23,059	\$ 7,216	\$ 6,556	\$ 6,132	\$ 5,490	\$ 5,633	\$ 5,513
Contributions in relation to contractually required contribution	23,059	7,216	6,556	6,132	5,490	5,633	5,513
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Johnston County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,566,568	\$ 3,582,285	\$ 3,242,459	\$ 3,240,517
Service cost	180,834	171,268	141,680	143,181
Interest on the total pension liability	126,114	110,100	121,711	112,605
Change in benefit terms	-	-	-	-
Difference between expected and actuarial experience in the measurement of the total pension liability	319,428	44,449	33,971	-
Changes of assumptions and other inputs	128,503	(145,334)	221,095	(81,216)
Benefit payments	(203,787)	(196,200)	(178,631)	(172,628)
Other changes	-	-	-	-
Ending balance of total pension liability	<u>\$ 4,117,660</u>	<u>\$ 3,566,568</u>	<u>\$ 3,582,285</u>	<u>\$ 3,242,459</u>

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Johnston County, North Carolina
Schedule of Total Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2020

	2020	2019	2018	2017
Total pension liability	\$ 4,117,660	\$ 3,566,568	\$ 3,582,285	\$ 3,242,459
Covered payroll	\$ 6,687,453	\$ 5,907,408	\$ 5,535,741	\$ 5,298,253
Total pension liability as a percentage of covered payroll	61.57%	60.37%	64.71%	61.20%

Notes to the schedules:

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

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Johnston County, North Carolina
Schedule of Changes in the Total OPEB Liability and Related Ratios
Healthcare Benefits Plan
For the Year Ended June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service cost	\$ 3,602,494	\$ 4,226,774	\$ 4,859,492
Interest	6,686,160	5,329,180	4,810,431
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(175,373)	24,291,757	475,841
Changes of assumptions	13,238,699	(8,203,041)	(17,064,651)
Benefit payments	(3,484,308)	(3,439,077)	(2,969,365)
Net change in total OPEB liability	<u>19,867,672</u>	<u>22,205,593</u>	<u>(9,888,252)</u>
Total OPEB liability - beginning	<u>173,606,994</u>	<u>151,401,401</u>	<u>161,289,653</u>
Total OPEB liability - ending	<u>\$ 193,474,666</u>	<u>\$ 173,606,994</u>	<u>\$ 151,401,401</u>
Covered payroll	\$ 23,838,316	\$ 23,838,316	\$ 26,077,050
Total OPEB liability as a percentage of covered payroll	811.61%	728.27%	580.59%

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>
2020	3.50%
2019	3.89%
2018	3.56%

Note: This schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

GENERAL FUND

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

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad Valorem taxes			
Taxes	\$ 146,160,000	\$ 157,130,903	\$ 10,970,903
Penalties and interest	280,000	295,872	15,872
Total	<u>\$ 146,440,000</u>	<u>\$ 157,426,775</u>	<u>\$ 10,986,775</u>
Local option sales tax			
Article 39 one percent	\$ 17,689,324	\$ 17,992,722	\$ 303,398
Article 40 one - half of one percent	12,219,500	14,516,035	2,296,535
Article 42 one - half of one percent	13,117,650	11,209,397	(1,908,253)
Third one - half cent sales tax	2,467,500	6,897,442	4,429,942
Total	<u>\$ 45,493,974</u>	<u>\$ 50,615,596</u>	<u>\$ 5,121,622</u>
Other taxes and licenses			
Privilege licenses	\$ -	\$ -	\$ -
Other licenses and taxes	50,000	52,615	2,615
Total	<u>\$ 50,000</u>	<u>\$ 52,615</u>	<u>\$ 2,615</u>
Unrestricted intergovernmental			
Beer and wine tax	\$ 600,000	\$ 616,304	\$ 16,304
ABC Distribution	600,000	1,218,750	618,750
Food stamp fraud refunds	60,000	34,632	(25,368)
CSC Interest on Accounts	6,000	467	(5,533)
Miscellaneous tax income	21,000	6,674	(14,326)
ABC 5 Cents per bottle	-	62,770	62,770
Total	<u>\$ 1,287,000</u>	<u>\$ 1,939,597</u>	<u>\$ 652,597</u>
Restricted intergovernmental			
State grants	\$ 2,080,195	\$ 2,031,493	\$ (48,702)
State grants - Mental health	64,494	60,658	(3,836)
Federal grants	19,725,464	20,456,950	731,486
Other grants	100,078	142,854	42,776
NC Education Lottery Proceeds	2,300,000	2,049,000	(251,000)
Safety Officer Reimbursement	618,872	618,872	-
ABC Revenue for Deputy	45,000	7,267	(37,733)
Federal Equitable Sharing	205,084	205,084	-
Controlled substances	12,419	12,419	-
Court Facilities fees	376,000	323,777	(52,223)
Links Special Fund	24,000	18,976	(5,024)
MCO Agreement - Mental Health	-	-	-
COVID-19 Cares	3,656,014	3,851,958	195,944
Total	<u>\$ 29,207,620</u>	<u>\$ 29,779,308</u>	<u>\$ 571,688</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Permits and fees			
Inspection fees	\$ 3,250,000	\$ 3,771,698	\$ 521,698
Fire inspection fees	-	-	-
Register of deeds	4,941,200	5,289,254	348,054
Election fees	60,000	36,784	(23,216)
Cable franchise fees	500,000	357,057	(142,943)
Verisign User Fees	40,000	54,209	14,209
Emergency Management	1,050,000	1,652,911	602,911
Environmental fees	600,000	1,016,817	416,817
Subdivision and Zoning Fees	230,350	349,131	118,781
Fee in Lieu of Open Space	-	415,425	415,425
Arrest Fees	62,000	58,248	(3,752)
Sheriff Fees	297,948	301,574	3,626
Concealed Weapons Permit	125,000	155,814	30,814
Conservation Match	25,500	19,943	(5,557)
Civil Licenses Revocation and Penalties	25,000	15,288	(9,712)
2% Commission on Taxes	475,000	602,714	127,714
Total	\$ <u>11,681,998</u>	\$ <u>14,096,867</u>	\$ <u>2,414,869</u>
Sales and services			
Rental income	\$ 146,820	\$ 151,671	\$ 4,851
Interagencies	501,068	509,344	8,276
Legal Fees	40,000	3,355	(36,645)
GIS Map Sales	2,000	2,857	857
Jail fees	85,000	76,971	(8,029)
Adult Probation	-	1,974	1,974
Housing Assistance	-	3,342	3,342
Mental health	50,000	-	(50,000)
Gasoline	800,000	645,971	(154,029)
Public Utilities	250,000	150,000	(100,000)
Animal Control	50,000	35,090	(14,910)
Insurance recovery	94,260	115,628	21,368
Health Services	3,569,555	3,368,200	(201,355)
Reimbursement - jail canteen	50,000	74,230	24,230
Reimbursement for lockup - jail	42,000	237,476	195,476
Rescue Squad Billings	4,174,000	4,565,087	391,087
Sale of capital assets & unclaimed property	128,149	124,136	(4,013)
Miscellaneous sales / revenues	100,000	127,761	27,761
Total	\$ <u>10,082,852</u>	\$ <u>10,193,093</u>	\$ <u>110,241</u>
Investment earnings	\$ 700,000	\$ 784,653	\$ 84,653
Investment earnings - Mental Health	-	46	46
Investment earnings - LEO	19,997	20,100	103
Total	\$ <u>719,997</u>	\$ <u>804,799</u>	\$ <u>84,802</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Miscellaneous:			
Mental health	\$ -	\$ -	\$ -
Other	772,488	163,429	(609,059)
Total	<u>\$ 772,488</u>	<u>\$ 163,429</u>	<u>\$ (609,059)</u>
 Total revenues	 <u>\$ 245,735,929</u>	 <u>\$ 265,072,079</u>	 <u>\$ 19,336,150</u>
Expenditures			
General Government:			
Governing body:			
Salaries and employee benefits	\$ 190,317	\$ 190,256	\$ 61
Other operating expenditures	64,078	47,126	16,952
Total	<u>\$ 254,395</u>	<u>\$ 237,382</u>	<u>\$ 17,013</u>
Telephone system operations:			
Operating expenditures	\$ 828,448	\$ 755,411	\$ 73,037
Capital outlay	-	-	-
Total	<u>\$ 828,448</u>	<u>\$ 755,411</u>	<u>\$ 73,037</u>
Administration and finance:			
Salaries and employee benefits	\$ 1,396,961	\$ 1,396,472	\$ 489
Other operating expenditures	103,593	92,898	10,695
Professional services	87,373	76,373	11,000
Total	<u>\$ 1,587,927</u>	<u>\$ 1,565,743</u>	<u>\$ 22,184</u>
Elections:			
Salaries and employee benefits	\$ 451,175	\$ 439,691	\$ 11,484
Other operating expenditures	437,214	372,533	64,681
Capital outlay	-	-	-
Total	<u>\$ 888,389</u>	<u>\$ 812,224</u>	<u>\$ 76,165</u>
Human Resources:			
Salaries and employee benefits	\$ 1,063,842	\$ 1,017,033	\$ 46,809
Other operating expenditures	165,834	103,826	62,008
Capital outlay	-	-	-
Total	<u>\$ 1,229,676</u>	<u>\$ 1,120,859</u>	<u>\$ 108,817</u>
Taxes:			
Salaries and employee benefits	\$ 2,029,820	\$ 1,799,685	\$ 230,135
Other operating expenditures	839,883	426,922	412,961
Tax audits	139,000	28,710	110,290
Professional services	184,036	65,621	118,415
Capital outlay	87,458	-	87,458
Total	<u>\$ 3,280,197</u>	<u>\$ 2,320,938</u>	<u>\$ 959,259</u>

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

	2020		
	Budget	Actual	Variance Positive (Negative)
Legal:			
Salaries and employee benefits	\$ 262,642	\$ 256,657	\$ 5,985
Professional services	15,000	5,580	9,420
Other operating expenditures	11,750	6,256	5,494
Contracted Services	235,360	137,878	97,482
Total	<u>\$ 524,752</u>	<u>\$ 406,371</u>	<u>\$ 118,381</u>
Court facilities:			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other operating expenditures	30,593	14,861	15,732
Total	<u>\$ 30,593</u>	<u>\$ 14,861</u>	<u>\$ 15,732</u>
Register of deeds:			
Salaries and employee benefits	\$ 805,033	\$ 767,285	\$ 37,748
Other operating expenditures	416,882	219,510	197,372
Conveyance excise tax	1,950,000	1,886,541	63,459
Domestic violence center fund	35,970	35,970	-
Children's fund	6,000	5,995	5
Total	<u>\$ 3,213,885</u>	<u>\$ 2,915,301</u>	<u>\$ 298,584</u>
Technology services:			
Salaries and employee benefits	\$ 1,444,197	\$ 1,387,831	\$ 56,366
Other operating expenditures	523,153	416,114	107,039
Capital outlay	17,900	16,229	1,671
Total	<u>\$ 1,985,250</u>	<u>\$ 1,820,174</u>	<u>\$ 165,076</u>
Public Buildings / Housekeeping:			
Salaries and employee benefits	\$ 1,405,814	\$ 1,360,735	\$ 45,079
Other operating expenditures	859,517	493,680	365,837
Capital outlay	1,186,300	780,174	406,126
Total	<u>\$ 3,451,631</u>	<u>\$ 2,634,589</u>	<u>\$ 817,042</u>
COVID:			
Salaries and employee benefits	\$ 819,871	\$ 143,502	\$ 676,369
Other operating expenditures	2,736,143	370,305	2,365,838
Capital outlay	100,000	-	100,000
Total	<u>\$ 3,656,014</u>	<u>\$ 513,807</u>	<u>\$ 3,142,207</u>
Nondepartmental:			
Salaries and employee benefits	\$ 4,648,747	\$ 1,565,790	\$ 3,082,957
Professional services	145,000	43,262	101,738
Other operating expenditures	1,736,932	1,416,028	320,904
Insurance and bonds	1,172,676	1,077,965	94,711
Capital outlay	169,213	-	169,213
Total	<u>\$ 7,872,568</u>	<u>\$ 4,103,045</u>	<u>\$ 3,769,523</u>
Total General Government	<u>\$ 28,803,725</u>	<u>\$ 19,220,705</u>	<u>\$ 9,583,020</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Public safety:			
Sheriff:			
Salaries and employee benefits	\$ 11,775,616	\$ 11,199,734	\$ 575,882
Professional services	57,138	45,253	11,885
Other operating expenditures	1,455,869	1,252,162	203,707
Capital outlay	1,700,608	747,472	953,136
Total	<u>\$ 14,989,231</u>	<u>\$ 13,244,621</u>	<u>\$ 1,744,610</u>
LEO Separation			
Salaries and employee benefits	\$ 321,141	\$ 321,139	\$ 2
Total	<u>\$ 321,141</u>	<u>\$ 321,139</u>	<u>\$ 2</u>
Jail:			
Salaries and employee benefits	\$ 4,104,427	\$ 3,132,305	\$ 972,122
Professional services	488,178	485,771	2,407
Other operating expenditures	1,714,650	1,257,913	456,737
SCAAP Expenditures	49,693	-	49,693
Capital outlay	11,350	11,350	-
Total	<u>\$ 6,368,298</u>	<u>\$ 4,887,339</u>	<u>\$ 1,480,959</u>
Communications:			
Salaries and employee benefits	\$ 2,640,836	\$ 2,628,868	\$ 11,968
Other operating expenditures	515,946	482,694	33,252
Capital outlay	70,230	70,230	-
Total	<u>\$ 3,227,012</u>	<u>\$ 3,181,792</u>	<u>\$ 45,220</u>
Volunteer fire and rescue:			
Salaries and employee benefits	\$ 534,503	\$ 503,213	\$ 31,290
Other operating expenditures	466,810	377,646	89,164
Capital outlay	126,600	126,558	42
Total	<u>\$ 1,127,913</u>	<u>\$ 1,007,417</u>	<u>\$ 120,496</u>
Child support:			
Salaries and employee benefits	\$ 1,564,241	\$ 1,541,862	\$ 22,379
Professional services	60,000	42,125	17,875
Other operating expenditures	281,939	210,696	71,243
Total	<u>\$ 1,906,180</u>	<u>\$ 1,794,683</u>	<u>\$ 111,497</u>
Animal control:			
Salaries and employee benefits	\$ 649,456	\$ 649,367	\$ 89
Professional services	5,000	-	5,000
Other operating expenditures	237,170	195,871	41,299
Capital outlay	33,237	32,554	683
Total	<u>\$ 924,863</u>	<u>\$ 877,792</u>	<u>\$ 47,071</u>
Coroner:			
Professional services	\$ 145,500	\$ 145,449	\$ 51
Total	<u>\$ 145,500</u>	<u>\$ 145,449</u>	<u>\$ 51</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Emergency management:			
Salaries and employee benefits	\$ 636,177	\$ 580,057	\$ 56,120
Other operating expenditures	334,169	157,450	176,719
Capital outlay	65,000	44,292	20,708
Total	<u>\$ 1,035,346</u>	<u>\$ 781,799</u>	<u>\$ 253,547</u>
Inspections:			
Salaries and employee benefits	\$ 2,052,554	\$ 1,932,198	\$ 120,356
Other operating expenditures	597,301	336,204	261,097
Capital Outlay	43,000	21,300	21,700
Total	<u>\$ 2,692,855</u>	<u>\$ 2,289,702</u>	<u>\$ 403,153</u>
Emergency medical service (EMS):			
Salaries and employee benefits	\$ 12,682,424	\$ 12,669,556	\$ 12,868
Other operating expenditures	3,179,392	2,768,175	411,217
Capital outlay	1,601,340	1,570,136	31,204
Total	<u>\$ 17,463,156</u>	<u>\$ 17,007,867</u>	<u>\$ 455,289</u>
Hurricane Expenses:			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other operating expenditures	36,015	593,382	(557,367)
Total	<u>\$ 36,015</u>	<u>\$ 593,382</u>	<u>\$ (557,367)</u>
Total public safety	<u>\$ 50,237,510</u>	<u>\$ 46,132,982</u>	<u>\$ 4,104,528</u>
Economic and Physical Development:			
Planning:			
Salaries and employee benefits	\$ 569,571	\$ 486,356	\$ 83,215
Other operating expenditures	79,266	56,395	22,871
Total	<u>\$ 648,837</u>	<u>\$ 542,751</u>	<u>\$ 106,086</u>
Parks, Greenways, and Open Spaces			
Operating expenditures	74,026	4,410	69,616
Total	<u>74,026</u>	<u>4,410</u>	<u>69,616</u>
Cooperative extension:			
Salaries and employee benefits	\$ 561,463	\$ 499,585	\$ 61,878
Other operating expenditures	109,388	91,465	17,923
Capital Outlay	54,004	53,978	26
Total	<u>\$ 724,855</u>	<u>\$ 645,028</u>	<u>\$ 79,827</u>
Soil conservation:			
Salaries and employee benefits	\$ 303,565	\$ 260,940	\$ 42,625
Other operating expenditures	25,562	18,651	6,911
Capital outlay	33,000	32,006	994
Total	<u>\$ 362,127</u>	<u>\$ 311,597</u>	<u>\$ 50,530</u>
Livestock arena:			
Other operating expenditures	\$ 28,550	\$ 23,396	\$ 5,154
Capital outlay	4,000	-	4,000
Total	<u>\$ 32,550</u>	<u>\$ 23,396</u>	<u>\$ 9,154</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Special appropriations:			
NC Forest Service	\$ 119,785	\$ 110,504	\$ 9,281
Community and Senior Services	234,062	234,062	-
Triangle J Council of Government	87,747	87,747	-
Institute of Government	25,216	25,216	-
Beaver control	4,000	4,000	-
Harbor, Inc.	25,000	25,000	-
Johnston County Arts Council	10,000	10,000	-
Johnston County Area Transit	242,252	242,252	-
Upper Coastal Plain COG	9,441	9,440	1
JCATS ROAP Grant	318,686	306,572	12,114
Office of Juvenile Justice	39,000	39,000	-
Jo. Co. Juvenile Crime Prevention	6,179	6,179	-
Jo. Co. Youth Services	225,058	225,058	-
NC 70 Project	25,000	25,000	-
Health Choices, Health Relation	49,676	49,676	-
Preparing to Soar Teen Court	113,750	113,750	-
Open Space Expense	1,190,034	161,443	1,028,591
Smithfield Rescue Mission	21,000	21,000	-
Revitalization & Econ Dev Grant	18,224	2,800	15,424
Town of Kenly	85,000	85,000	-
Eleventh Judicial District Reentry	5,000	5,000	-
Archer Lodge Veteran Memorial	35,000	35,000	-
Clayton Harmony Program	100,000	100,000	-
Special Olympics	10,000	10,000	-
Commuter Rail Study	76,000	76,000	-
JC PS for Children	25,000	25,000	-
Total	<u>\$ 3,100,110</u>	<u>\$ 2,034,699</u>	<u>\$ 1,065,411</u>
Industrial development:			
Salaries and employee benefits	\$ 214,675	\$ 214,206	\$ 469
Professional Services	115,000	82,557	32,443
Other operating expenditures	189,613	148,022	41,591
Capital outlay	5,000	-	5,000
Total	<u>\$ 524,288</u>	<u>\$ 444,785</u>	<u>\$ 79,503</u>
Airport (Component Unit)	<u>\$ 175,000</u>	<u>\$ 175,000</u>	<u>\$ -</u>
Total Economic and Physical Development	<u>\$ 5,641,793</u>	<u>\$ 4,181,666</u>	<u>\$ 1,460,127</u>
Human Services:			
Health:			
Administration:			
Salaries and employee benefits	\$ 1,165,359	\$ 1,158,022	\$ 7,337
Professional Services	10,500	5,783	4,717
Other operating expenditures	63,342	52,448	10,894
Capital outlay	-	-	-
Total	<u>\$ 1,239,201</u>	<u>\$ 1,216,253</u>	<u>\$ 22,948</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Epidemiology:			
Salaries and employee benefits	\$ 528,706	\$ 500,628	\$ 28,078
Professional Services	3,000	1,739	1,261
Other operating expenditures	422,329	239,725	182,604
Capital outlay	-	-	-
Total	\$ 954,035	\$ 742,092	\$ 211,943
Family Planning:			
Salaries and employee benefits	\$ 561,356	\$ 560,131	\$ 1,225
Professional services	2,500	1,105	1,395
Other operating expenditures	383,675	145,150	238,525
Capital outlay	-	-	-
Total	\$ 947,531	\$ 706,386	\$ 241,145
Maternal and child:			
Salaries and employee benefits	\$ 3,146,206	\$ 3,070,675	\$ 75,531
Professional services	27,600	26,590	1,010
Other operating expenditures	1,710,534	268,302	1,442,232
School health	110,886	102,540	8,346
Capital outlay	-	-	-
Total	\$ 4,995,226	\$ 3,468,107	\$ 1,527,119
Wellness center:			
Salaries and employee benefits	\$ 190,729	\$ 190,633	\$ 96
Other operating expenditures	280,575	44,161	236,414
Capital outlay	-	-	-
Total	\$ 471,304	\$ 234,794	\$ 236,510
Women, infants and children:			
Salaries and employee benefits	\$ 856,252	\$ 801,372	\$ 54,880
Other operating expenditures	153,194	132,022	21,172
Capital outlay	-	-	-
Total	\$ 1,009,446	\$ 933,394	\$ 76,052
Adult health:			
Salaries and employee benefits	\$ 1,210,667	\$ 1,179,691	\$ 30,976
Professional services	36,500	33,289	3,211
Other operating expenditures	533,997	178,378	355,619
Capital outlay	-	-	-
Total	\$ 1,781,164	\$ 1,391,358	\$ 389,806
Environmental health:			
Salaries and employee benefits	\$ 1,434,624	\$ 1,396,619	\$ 38,005
Other operating expenditures	181,580	153,294	28,286
Mosquito Abatement	-	-	-
Capital Outlay	-	-	-
Total	\$ 1,616,204	\$ 1,549,913	\$ 66,291

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Mental Health - Outpatient			
Salaries and employee benefits	\$ 2,247,476	\$ 2,034,856	\$ 212,620
Other operating expenditures	1,059,268	793,915	265,353
Capital Outlay	90,822	44,322	46,500
Total	<u>\$ 3,397,566</u>	<u>\$ 2,873,093</u>	<u>\$ 524,473</u>
Total Health	<u>\$ 16,411,677</u>	<u>\$ 13,115,390</u>	<u>\$ 3,296,287</u>
Social services:			
Administration:			
Salaries and employee benefits	\$ 18,187,308	\$ 17,459,833	\$ 727,475
Professional services	320,000	317,070	2,930
Other operating expenditures	2,554,362	1,774,908	779,454
Capital outlay	-	-	-
Total	<u>\$ 21,061,670</u>	<u>\$ 19,551,811</u>	<u>\$ 1,509,859</u>
Building maintenance:			
Salaries and employee benefits	\$ 191,020	\$ 169,721	\$ 21,299
Other operating expenditures	352,649	291,332	61,317
Capital outlay	248,340	201,512	46,828
Total	<u>\$ 792,009</u>	<u>\$ 662,565</u>	<u>\$ 129,444</u>
Public assistance:			
AFDC program			
County participation only	<u>\$ 2,848,777</u>	<u>\$ 2,459,873</u>	<u>\$ 388,904</u>
Adult Transportation:			
Operating expenditures	\$ 332,200	\$ 249,786	\$ 82,414
Capital outlay	-	-	-
Total	<u>\$ 332,200</u>	<u>\$ 249,786</u>	<u>\$ 82,414</u>
Child day care:			
Contracted services	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Crisis assistance:			
Operating expenditures	<u>\$ 1,455,613</u>	<u>\$ 1,448,352</u>	<u>\$ 7,261</u>

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Public Assistance SF:			
Operating Expenditures	\$ 1,778,980	\$ 1,577,400	\$ 201,580
Work First Program			
Salaries and employee benefits	\$ 425,464	\$ 422,625	\$ 2,839
Operating expenditures	1,658,675	374,659	1,284,016
Total	\$ 2,084,139	\$ 797,284	\$ 1,286,855
Community alternative programs for disabled adults:			
Salaries and employee benefits	\$ 208,434	\$ 207,577	\$ 857
Operating expenditures	40,000	27,166	12,834
Total	\$ 248,434	\$ 234,743	\$ 13,691
Therapeutic Foster Care Service			
Operating expenditures	\$ 95,000	\$ -	\$ 95,000
Aging:			
Operating expenditures	\$ 1,236,921	\$ 1,183,381	\$ 53,540
Total Social Services	\$ 31,933,743	\$ 28,165,195	\$ 3,768,548
Veterans services:			
Salaries and employee benefits	\$ 165,442	\$ 162,482	\$ 2,960
Other operating expenditures	21,886	15,717	6,169
Total	\$ 187,328	\$ 178,199	\$ 9,129
Total Human Services	\$ 48,532,748	\$ 41,458,784	\$ 7,073,964
Cultural and recreational:			
Libraries:			
Assistance to local libraries	\$ 551,000	\$ 551,000	\$ -
Total cultural and recreational	\$ 551,000	\$ 551,000	\$ -
Education:			
Public schools	\$ 72,842,842	\$ 72,842,842	\$ -
Community colleges	5,428,931	5,428,931	-
School Fees	-	-	-
Total Education	\$ 78,271,773	\$ 78,271,773	\$ -

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

	2020		Variance Positive (Negative)
	Budget	Actual	
Debt service:			
Principal retirement	\$ 27,546,000	\$ 27,546,000	\$ -
Interest and fees	10,260,597	10,085,285	175,312
Total debt service	<u>\$ 37,806,597</u>	<u>\$ 37,631,285</u>	<u>\$ 175,312</u>
Total expenditures	<u>\$ 249,845,146</u>	<u>\$ 227,448,195</u>	<u>\$ 22,396,951</u>
Revenue over (under) expenditures	<u>\$ (4,109,217)</u>	<u>\$ 37,623,884</u>	<u>\$ 41,733,101</u>
Other Financing Sources (Uses):			
Transfers to other funds:			
Revaluation fund	\$ (310,000)	\$ (310,000)	\$ -
Heritage commission fund	(170,624)	(170,624)	-
Industrial development fund	(4,773,000)	(4,773,000)	-
RTZ	(285,000)	(285,000)	-
School Capital Project Fund	(2,000,000)	(1,029,980)	970,020
Public Utilities - Recycling	(400,000)	(400,000)	-
Public Safety Project Fund	(1,500,000)	(1,500,000)	-
Total	<u>\$ (9,438,624)</u>	<u>\$ (8,468,604)</u>	<u>\$ 970,020</u>
Transfers from other funds:			
School bond fund	\$ 4,525,505	\$ 3,555,485	\$ (970,020)
Total	<u>\$ 4,525,505</u>	<u>\$ 3,555,485</u>	<u>\$ (970,020)</u>
Appropriated fund balance			
Fund balance - Non-departmental	\$ 7,741,158	\$ -	\$ (7,741,158)
Fund balance - Reserved for Open Space	1,190,034	-	(1,190,034)
Fund balance - LEO	91,144	-	(91,144)
Total appropriated fund balance	<u>\$ 9,022,336</u>	<u>\$ -</u>	<u>\$ (9,022,336)</u>
Installment Purchase Proceeds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total other financing sources (uses)	<u>\$ 4,109,217</u>	<u>\$ (4,913,119)</u>	<u>\$ (9,022,336)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 32,710,765</u>	<u>\$ 32,710,765</u>
Fund balance, beginning		83,303,559	
Fund balance, ending		<u>\$ 116,014,324</u>	

Johnston County, North Carolina
Revaluation Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Investment earnings	\$ -	\$ 13,759	\$ 13,759
Total Revenues	<u>-</u>	<u>13,759</u>	<u>13,759</u>
Expenditures			
General Government			
Salaries & Benefits	\$ 5,000	\$ -	\$ 5,000
Operating expenses	632,225	57,384	574,841
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>637,225</u>	<u>57,384</u>	<u>579,841</u>
Revenues over expenditures	\$ <u>(637,225)</u>	\$ <u>(43,625)</u>	\$ <u>593,600</u>
Other financing sources (uses):			
Appropriated fund balance	\$ 327,225	\$ -	\$ (327,225)
Transfers from general fund	<u>310,000</u>	<u>310,000</u>	<u>-</u>
Total other financing sources	<u>637,225</u>	<u>310,000</u>	<u>(327,225)</u>
Revenues and other financing sources over (under) expenditures and other financing uses	\$ <u><u>-</u></u>	266,375	\$ <u><u>266,375</u></u>
Fund balance, beginning		<u>780,504</u>	
Fund balance, ending		<u>\$ 1,046,879</u>	

Johnston County, North Carolina
Capital Projects Fund - School Bond Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Closed out Projects	Total To Date	Variance Positive (Negative)
Revenues						
Investment earnings	\$ 631,399	\$ 603,234	\$ 237,695	\$ -	\$ 840,929	\$ 209,530
Sales tax refunds	932,281	843,571	88,710	-	932,281	-
Total revenues	<u>1,563,680</u>	<u>1,446,805</u>	<u>326,405</u>	<u>-</u>	<u>1,773,210</u>	<u>209,530</u>
Expenditures						
Intergovernmental:						
Education - Community College	6,500,000	4,737,756	1,762,244	-	6,500,000	-
County schools	92,467,790	52,695,279	18,609,500	-	71,304,779	21,163,011
Total	<u>98,967,790</u>	<u>57,433,035</u>	<u>20,371,744</u>	<u>-</u>	<u>77,804,779</u>	<u>21,163,011</u>
Total Expenditures	<u>98,967,790</u>	<u>57,433,035</u>	<u>20,371,744</u>	<u>-</u>	<u>77,804,779</u>	<u>21,163,011</u>
Revenue over (under) expenditures	\$ <u>(97,404,110)</u>	\$ <u>(55,986,230)</u>	\$ <u>(20,045,339)</u>	\$ <u>-</u>	\$ <u>(76,031,569)</u>	\$ <u>21,372,541</u>
Other Financing Sources (Uses)						
Transfers to general fund	(12,788,738)	(3,810,987)	(3,555,485)	-	(7,366,472)	5,422,266
Transfers from general fund	5,050,000	1,347,753	1,029,980	-	2,377,733	(2,672,267)
Transfers to Utility Capital Project Fund	(42,314)	-	(32,828)	-	(32,828)	9,486
School Bond Proceeds \$27 M	27,000,000	27,000,000	-	-	27,000,000	-
School Bond Proceeds \$30.5 M	26,750,000	26,750,000	-	-	26,750,000	-
School Bond Proceeds \$20 M	20,000,000	20,000,000	-	-	20,000,000	-
School Bond Proceeds \$20 M	20,000,000	-	20,000,000	-	20,000,000	-
Premium on Issuance	11,435,162	8,521,732	2,966,940	-	11,488,672	53,510
Total other financing sources	<u>97,404,110</u>	<u>79,808,498</u>	<u>20,408,607</u>	<u>-</u>	<u>100,217,105</u>	<u>2,812,995</u>
Revenue and other financing sources over (under) expenditures	\$ <u>-</u>	\$ <u>23,822,268</u>	363,268	\$ <u>-</u>	\$ <u>24,185,536</u>	\$ <u>24,185,536</u>
Fund balance, beginning			<u>23,822,268</u>			
Fund balance, ending			<u>\$ 24,185,536</u>			

NON-MAJOR GOVERNMENTAL FUNDS

Non-Major Governmental Funds are Special Revenue Funds and Capital Projects Funds

Johnston County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2020

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2020
ASSETS			
Cash and cash equivalents	\$ 4,330,578	\$ 5,608,278	\$ 9,938,856
Restricted cash	-	-	-
Taxes receivable (net)	41,670	-	41,670
Accounts receivable	115,173	-	115,173
Due from other governments	21,910	-	21,910
Due from other funds	240	70,448	70,688
Prepaid expenses	54,900	-	54,900
Total assets	<u>\$ 4,564,471</u>	<u>\$ 5,678,726</u>	<u>\$ 10,243,197</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable and accrued liabilities	\$ 52,633	\$ 59,393	\$ 112,026
Payroll withholdings	375	-	375
Due to other funds	30,162	-	30,162
Total liabilities	<u>83,170</u>	<u>59,393</u>	<u>142,563</u>
DEFERRED INFLOWS OF RESOURCES			
Taxes Receivable	41,670	-	41,670
Total deferred inflows of resources	<u>41,670</u>	<u>-</u>	<u>41,670</u>
Fund balances:			
Restricted:			
Capital Projects - Schools	-	-	-
Committed:			
General Government	-	-	-
Economic Development	484,941	-	484,941
Public Safety	3,954,690	62,302	4,016,992
Industrial Development	-	5,557,031	5,557,031
Unassigned	-	-	-
Total fund balances	<u>4,439,631</u>	<u>5,619,333</u>	<u>10,058,964</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,564,471</u>	<u>\$ 5,678,726</u>	<u>\$ 10,243,197</u>

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

	Special Revenue Funds	Capital Project Funds	Totals June 30, 2020
Revenues			
Ad valorem taxes	\$ 12,066,914	\$ -	\$ 12,066,914
Other taxes and licenses	1,377,277	-	1,377,277
Restricted intergovernmental	-	-	-
Investment earnings	-	-	-
Miscellaneous	380,922	-	380,922
Total revenues	<u>13,825,113</u>	<u>-</u>	<u>13,825,113</u>
Expenditures			
Current:			
General Government	-	-	-
Public safety	12,190,272	2,044,141	14,234,413
Economic and physical development	313,880	4,967,288	5,281,168
Education	978,755	-	978,755
Total expenditures	<u>13,482,907</u>	<u>7,011,429</u>	<u>20,494,336</u>
Excess (deficiency) of revenues over expenditures	<u>342,206</u>	<u>(7,011,429)</u>	<u>(6,669,223)</u>
Other financing sources:			
Transfers in (out)	455,624	6,193,591	6,649,215
Issuance of General Obligation Bonds	-	-	-
Issuance of Refunding Bonds	-	-	-
Payment to Refunded Bonds Escrow	-	-	-
Premium on Bonds	-	-	-
Bond issuance cost	-	-	-
Total other financing sources (uses)	<u>455,624</u>	<u>6,193,591</u>	<u>6,649,215</u>
Net change in fund balance	797,830	(817,838)	(20,008)
Fund balances, beginning	<u>3,641,801</u>	<u>6,437,171</u>	<u>10,078,972</u>
Prior Period Adjustment	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ 4,439,631</u>	<u>\$ 5,619,333</u>	<u>\$ 10,058,964</u>

**Johnston County, North Carolina
Non-Major Special Revenue Funds
Combining Balance Sheet
For the Fiscal Year Ended June 30, 2020**

	Moccasin Creek Drainage District	Special Tax Districts Fund	Heritage Commission Fund	Communication Fund	Research Training Zone	Voluntary Ag District	Totals June 30, 2020
ASSETS							
Cash and cash equivalents	\$ 156,089	\$ 2,294,756	\$ 139,372	\$ 1,365,190	\$ 374,065	\$ 1,106	\$ 4,330,578
Taxes receivable (net)	-	41,670	-	-	-	-	41,670
Accounts receivable	-	-	400	114,773	-	-	115,173
Due from other governments	-	-	2,118	17,137	2,655	-	21,910
Due from other funds	-	-	-	76	-	164	240
Prepaid expenses	-	-	-	54,900	-	-	54,900
Total assets	<u>\$ 156,089</u>	<u>\$ 2,336,426</u>	<u>\$ 141,890</u>	<u>\$ 1,552,076</u>	<u>\$ 376,720</u>	<u>\$ 1,270</u>	<u>\$ 4,564,471</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable and accrued liabilities	\$ 3,247	\$ 40,654	\$ 1,213	\$ 4,030	\$ 3,489	\$ -	\$ 52,633
Payroll withholdings	-	-	75	300	-	-	375
Due to other funds	-	-	30,162	-	-	-	30,162
Total liabilities	<u>3,247</u>	<u>40,654</u>	<u>31,450</u>	<u>4,330</u>	<u>3,489</u>	<u>-</u>	<u>83,170</u>
Deferred inflows of resources	-	41,670	-	-	-	-	41,670
Fund balances:							
Committed:							
General Government	-	-	110,440	-	373,231	1,270	484,941
Economic Development	-	-	-	-	-	-	-
Public Safety	152,842	2,254,102	-	1,547,746	-	-	3,954,690
Unassigned	-	-	-	-	-	-	-
Total fund balances	<u>152,842</u>	<u>2,254,102</u>	<u>110,440</u>	<u>1,547,746</u>	<u>373,231</u>	<u>1,270</u>	<u>4,439,631</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 156,089</u>	<u>\$ 2,336,426</u>	<u>\$ 141,890</u>	<u>\$ 1,552,076</u>	<u>\$ 376,720</u>	<u>\$ 1,270</u>	<u>\$ 4,564,471</u>

Johnston County, North Carolina
Non-Major Special Revenue Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2020

	Moccasin Creek Drainage District	Special Tax Districts Funds	Heritage Commission Fund	Communication Fund	Research Training Zone	Voluntary Ag District	Totals June 30, 2020
Revenues							
Ad valorem taxes	\$ 27,685	\$ 11,065,483	\$ -	\$ -	\$ 973,746	\$ -	\$ 12,066,914
Other taxes and licenses	-	-	-	1,377,277	-	-	1,377,277
Restricted intergovernmental	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	220,480	110,917	-	49,169	356	380,922
Total	<u>27,685</u>	<u>11,285,963</u>	<u>110,917</u>	<u>1,377,277</u>	<u>1,022,915</u>	<u>356</u>	<u>13,825,113</u>
Expenditures							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	11,046,408	-	1,143,864	-	-	12,190,272
Economic and physical development	29,241	18,245	266,394	-	-	-	313,880
Education	-	-	-	-	978,755	-	978,755
Total	<u>29,241</u>	<u>11,064,653</u>	<u>266,394</u>	<u>1,143,864</u>	<u>978,755</u>	<u>-</u>	<u>13,482,907</u>
Excess (deficiency) of revenues over expenditures	<u>(1,556)</u>	<u>221,310</u>	<u>(155,477)</u>	<u>233,413</u>	<u>44,160</u>	<u>356</u>	<u>342,206</u>
Other financing sources (uses):							
Transfers in	-	-	170,624	-	285,000	-	455,624
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>170,624</u>	<u>-</u>	<u>285,000</u>	<u>-</u>	<u>455,624</u>
Net change in fund balance	<u>(1,556)</u>	<u>221,310</u>	<u>15,147</u>	<u>233,413</u>	<u>329,160</u>	<u>356</u>	<u>797,830</u>
Fund balances, beginning	<u>154,398</u>	<u>2,032,792</u>	<u>95,293</u>	<u>1,314,333</u>	<u>44,071</u>	<u>914</u>	<u>3,641,801</u>
Fund balances, ending	<u>\$ 152,842</u>	<u>\$ 2,254,102</u>	<u>\$ 110,440</u>	<u>\$ 1,547,746</u>	<u>\$ 373,231</u>	<u>\$ 1,270</u>	<u>\$ 4,439,631</u>

Johnston County, North Carolina
Non-Major Capital Projects Funds
Combining Balance Sheet
June 30, 2020

	Industrial Infrastructure Fund	Public Safety Center Project	Totals June 30, 2020
ASSETS			
Cash and cash equivalents	\$ 5,486,583	\$ 121,695	\$ 5,608,278
Restricted cash	-	-	-
Accounts Receivable	-	-	-
Due from other governments	-	-	-
Due from Other Funds	70,448	-	70,448
Total assets	<u>\$ 5,557,031</u>	<u>\$ 121,695</u>	<u>\$ 5,678,726</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ 59,393	\$ 59,393
Due to Other Funds	-	-	-
Total liabilities	<u>-</u>	<u>59,393</u>	<u>59,393</u>
DEFERRED INFLOWS OF RESOURCES			
Fund balances:			
Capital Projects - Schools	-	-	-
Committed - Industrial Infrastructure	5,557,031	-	5,557,031
Committed - General Government	-	-	-
Committed - Public Safety	-	62,302	62,302
Total fund balances	<u>5,557,031</u>	<u>62,302</u>	<u>5,619,333</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,557,031</u>	<u>\$ 121,695</u>	<u>\$ 5,678,726</u>

Johnston County, North Carolina
Non-Major Capital Projects Funds
Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
June 30, 2020

	Industrial Infrastructure Fund	Public Safety Center Project	Totals June 30, 2020
Revenues			
Investment earnings	\$ -	\$ -	\$ -
Miscellaneous Revenue	-	-	-
Restricted Intergovernmental	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures			
Current:			
General Government	-	-	-
Public Safety	-	2,044,141	2,044,141
Economic and physical development	4,967,288	-	4,967,288
Education	-	-	-
Total	<u>4,967,288</u>	<u>2,044,141</u>	<u>7,011,429</u>
Excess (deficiency) of revenues over expenditures	<u>(4,967,288)</u>	<u>(2,044,141)</u>	<u>(7,011,429)</u>
Other financing sources (uses):			
Transfers	<u>4,693,591</u>	<u>1,500,000</u>	<u>6,193,591</u>
Total other financing sources (uses)	<u>4,693,591</u>	<u>1,500,000</u>	<u>6,193,591</u>
Net change in fund balances	<u>(273,697)</u>	<u>(544,141)</u>	<u>(817,838)</u>
Fund balances, beginning	<u>5,830,728</u>	<u>606,443</u>	<u>6,437,171</u>
Fund balances, ending	<u>\$ 5,557,031</u>	<u>\$ 62,302</u>	<u>\$ 5,619,333</u>

Johnston County, North Carolina
Special Revenue Funds - Moccasin Creek Drainage District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$ 23,000	\$ 27,685	\$ 4,685
Restricted intergovernmental	193,435	-	(193,435)
Total	<u>216,435</u>	<u>27,685</u>	<u>(188,750)</u>
Expenditures			
Economic and physical development			
Maintenance	35,000	29,241	5,759
Grant Expenditures	193,435	-	193,435
Total	<u>228,435</u>	<u>29,241</u>	<u>199,194</u>
Revenue over (under) expenditures	\$ <u>(12,000)</u>	\$ <u>(1,556)</u>	\$ <u>10,444</u>
Other Financing Sources (Uses):			
Fund balance appropriated	\$ 12,000	\$ -	\$ (12,000)
Total other financing sources (uses)	<u>12,000</u>	<u>-</u>	<u>(12,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	(1,556)	<u>\$ (1,556)</u>
Fund balance, beginning		154,398	
Fund balance, ending		<u>\$ 152,842</u>	

Johnston County, North Carolina
Special Revenue Funds - Special Tax District Funds
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Ad valorem taxes	\$ 11,081,872	\$ 11,065,483	\$ (16,389)
Miscellaneous Revenue	80,000	220,480	140,480
Total	<u>11,161,872</u>	<u>11,285,963</u>	<u>124,091</u>
Expenditures			
Public safety			
Fire departments - ad valorem	\$ 11,138,872	\$ 11,046,408	\$ 92,464
Economic and physical development			
Sanitary districts	23,000	18,245	4,755
Total expenditures	<u>11,161,872</u>	<u>11,064,653</u>	<u>97,219</u>
Revenue over (under) expenditures	\$ -	\$ 221,310	\$ 221,310
Other Financing Sources (Uses)			
Fund Balance Appropriated	\$ -	\$ -	\$ -
Transfer to general fund	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	221,310	<u>\$ 221,310</u>
Fund balance, beginning		2,032,792	
Fund balance, ending		<u>\$ 2,254,102</u>	

Johnston County, North Carolina
Special Revenue Funds - Heritage Commission Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Book and souvenir sales	\$ 11,000	\$ 4,629	\$ (6,371)
Donations	94,000	69,940	(24,060)
Restricted intergovernmental	16,650	10,000	(6,650)
Fines and fees	6,000	3,888	(2,112)
Holding endowment	20,500	22,460	1,960
Total revenues	<u>148,150</u>	<u>110,917</u>	<u>(37,233)</u>
Expenditures			
Economic and physical development			
Salaries and fringe benefits	\$ 204,050	\$ 195,979	\$ 8,071
Operating expenditures	121,045	60,160	60,885
Capital outlay	10,255	10,255	-
Total expenditures	<u>335,350</u>	<u>266,394</u>	<u>68,956</u>
Revenue over (under) expenditures	\$ <u>(187,200)</u>	\$ <u>(155,477)</u>	\$ <u>31,723</u>
Other Financing Sources (Uses)			
Fund Balance Appropriated	\$ 16,576	\$ -	\$ (16,576)
Transfer from general fund	170,624	170,624	-
Total other financing sources (uses)	<u>187,200</u>	<u>170,624</u>	<u>(16,576)</u>
Revenue and other sources over (under) expenditures	\$ <u>-</u>	15,147	\$ <u>15,147</u>
Fund balance, beginning		95,293	
Fund balance, ending		<u>\$ 110,440</u>	

Johnston County, North Carolina
Special Revenue Funds - Communication Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Other taxes and licenses:			
Enhanced 9-1-1	\$ 1,377,276	\$ 1,377,277	\$ 1
Miscellaneous	-	-	-
Total revenues	<u>1,377,276</u>	<u>1,377,277</u>	<u>1</u>
Expenditures			
Enhanced 9-1-1			
Salaries and fringe benefits	\$ -	\$ -	\$ -
Operating expenditures	1,377,276	1,143,864	233,412
Capital outlay	-	-	-
Total	<u>1,377,276</u>	<u>1,143,864</u>	<u>233,412</u>
Total Expenditures	<u>1,377,276</u>	<u>1,143,864</u>	<u>233,412</u>
Revenue over (under) expenditures	\$ -	\$ 233,413	\$ 233,413
Other Financing Sources (Uses)			
Transfer from (to) Other Funds	\$ -	\$ -	\$ -
Fund balance appropriated	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	233,413	<u>\$ 233,413</u>
Fund balance, beginning		<u>1,314,333</u>	
Fund balance, ending		<u>\$ 1,547,746</u>	

Johnston County, North Carolina
Special Revenue Funds - Research Training Zone
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted intergovernmental revenues	\$ -	\$ -	\$ -
Ad Valorem Taxes	693,755	973,746	279,991
Miscellaneous Revenue	-	49,169	49,169
Total Revenues	<u>693,755</u>	<u>1,022,915</u>	<u>329,160</u>
Expenditures			
Education	\$ 978,755	\$ 978,755	\$ -
Revenue over (under) expenditures	\$ (285,000)	\$ 44,160	\$ 329,160
Other Financing Sources (Uses):			
Transfers In	\$ 285,000	\$ 285,000	\$ -
Total other financing sources (uses)	<u>285,000</u>	<u>285,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	\$ 329,160	<u>\$ 329,160</u>
Fund balance, beginning		<u>44,071</u>	
Fund balance, ending		<u>\$ 373,231</u>	

Johnston County, North Carolina
Special Revenue Funds - Voluntary Ag District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Restricted intergovernmental revenues	\$ -	\$ -	\$ -
District Sales	355	356	(1)
Donations	-	-	-
Total Revenues	<u>355</u>	<u>356</u>	<u>1</u>
Expenditures			
Department Supplies	\$ 355	\$ -	\$ 355
Revenue over (under) expenditures	\$ -	\$ 356	\$ 356
Other Financing Sources (Uses):			
Fund Balance Appropriated	\$ -	\$ -	\$ -
Transfers In	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	356	<u>\$ 356</u>
Fund balance, beginning		<u>914</u>	
Fund balance, ending		<u>\$ 1,270</u>	

CAPITAL PROJECTS FUND

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

Johnston County, North Carolina
Capital Projects Fund
Industrial Development Infrastructure
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Revenues					
NC Department of Commerce	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous Revenue	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Kenly Truckstop	20,000	-	-	-	20,000
Grifols	350,000	-	-	-	350,000
Norvo Nordisk	2,553,000	-	4,914,816	4,914,816	(2,361,816)
SHARP / Sound Station	13,304	-	13,303	13,303	1
Four Oaks EDIG Waterline Fire Protect	857,287	-	-	-	857,287
CAT Connector	30,000	-	19,537	19,537	10,463
Talecris	2,100,000	-	-	-	2,100,000
OPW	20,000	-	19,632	19,632	368
Becton, Dickerson	-	-	-	-	-
Total expenditures	<u>5,943,591</u>	<u>-</u>	<u>4,967,288</u>	<u>4,967,288</u>	<u>976,303</u>
Revenue over (under) expenditures	<u>(5,943,591)</u>	<u>-</u>	<u>(4,967,288)</u>	<u>(4,967,288)</u>	<u>976,303</u>
Other Financing Sources (Uses)					
Fund Balance Appropriated	1,500,000	-	-	-	(1,500,000)
Transfer from General Fund	4,523,000	-	4,773,000	4,773,000	250,000
Transfer to Other Funds	(79,409)	-	(79,409)	(79,409)	-
Total other financing sources	<u>5,943,591</u>	<u>-</u>	<u>4,693,591</u>	<u>4,693,591</u>	<u>(1,250,000)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>(273,697)</u>	<u>\$ (273,697)</u>	<u>\$ (273,697)</u>
Fund balance, beginning			<u>5,830,728</u>		
Fund balance, ending			<u>\$ 5,557,031</u>		

Johnston County, North Carolina
Capital Projects Fund
Public Safety Center Project
Schedule of Revenues and Expenditures - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Current Year	Total To Date	Variance Positive (Negative)
Expenditures					
Public Safety					
Technical Service	\$ 3,827,632	\$ 442,484	\$ 2,044,141	\$ 2,486,625	\$ 1,341,007
Furniture and Fixtures	992,372	-	-	-	992,372
Land	508,891	508,891	-	508,891	-
Construction	36,694,900	-	-	-	36,694,900
Contingency	2,056,205	-	-	-	2,056,205
Cost of Issuance	420,000	-	-	-	420,000
Total expenditures	<u>44,500,000</u>	<u>951,375</u>	<u>2,044,141</u>	<u>2,995,516</u>	<u>41,504,484</u>
Revenue over (under) expenditures	<u>(44,500,000)</u>	<u>(951,375)</u>	<u>(2,044,141)</u>	<u>(2,995,516)</u>	<u>41,504,484</u>
Other Financing Sources (Uses)					
Limited Obligation Bond Proceeds	42,000,000	-	-	-	(42,000,000)
Transfer from General Fund	2,499,000	999,000	1,500,000	2,499,000	-
Transfer from Other Funds	558,818	558,818	-	558,818	-
Transfer to General Fund	(557,818)	-	-	-	557,818
Total other financing sources	<u>44,500,000</u>	<u>1,557,818</u>	<u>1,500,000</u>	<u>3,057,818</u>	<u>(41,442,182)</u>
Revenue and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 606,443</u>	<u>(544,141)</u>	<u>\$ 62,302</u>	<u>\$ 62,302</u>
Fund balance, beginning			<u>606,443</u>		
Fund balance, ending			<u>\$ 62,302</u>		

ENTERPRISE FUNDS

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

Johnston County, North Carolina
Combining Statement of Net Position - Non-Major Enterprise Funds
Proprietary Funds
June 30, 2020

	NON-MAJOR		Total Non-Major Proprietary Funds
	Section 8 Housing Assistance	Administrative Fund	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 1,304,788	\$ 2,129,614	\$ 3,434,402
Restricted cash	-	1,059,761	1,059,761
Receivables (net):			
Accounts	-	-	-
Due from other funds	-	-	-
Due from other governments	345	292,083	292,428
Prepaid items	1,611	-	1,611
Total current assets	<u>1,306,744</u>	<u>3,481,458</u>	<u>4,788,202</u>
Noncurrent assets:			
Capital assets, net	<u>124,316</u>	<u>210,000</u>	<u>334,316</u>
Total noncurrent assets	<u>124,316</u>	<u>210,000</u>	<u>334,316</u>
Total assets	<u>\$ 1,431,060</u>	<u>\$ 3,691,458</u>	<u>\$ 5,122,518</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension related deferrals	\$ 61,971	\$ 156,055	\$ 218,026
OPEB related deferrals	<u>81,163</u>	<u>299,137</u>	<u>380,300</u>
Total deferred outflows of resources	<u>\$ 143,134</u>	<u>\$ 455,192</u>	<u>\$ 598,326</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued liabilities	\$ 1,297	\$ 265	\$ 1,562
Due to other funds	-	2,575	2,575
Other deposits	-	1,059,761	1,059,761
Compensated Absenses Payable	4,912	29,725	34,637
Unspent COVID Funds	<u>41,275</u>	<u>-</u>	<u>41,275</u>
Total current liabilities	<u>47,484</u>	<u>1,092,326</u>	<u>1,139,810</u>
Long-term liabilities:			
Total OPEB Liability	253,271	2,191,784	2,445,055
Net Pension Liability	105,682	266,127	371,809
Compensated absences payable	<u>7,262</u>	<u>43,943</u>	<u>51,205</u>
Total long-term liabilities	<u>366,215</u>	<u>2,501,854</u>	<u>2,868,069</u>
Total liabilities	<u>\$ 413,699</u>	<u>\$ 3,594,180</u>	<u>\$ 4,007,879</u>
DEFERRED INFLOWS OF RESOURCES			
Pension related deferrals	\$ 432	\$ 1,088	\$ 1,520
OPEB related deferrals	<u>17,289</u>	<u>149,621</u>	<u>166,910</u>
Total deferred inflows of resources	<u>\$ 17,721</u>	<u>\$ 150,709</u>	<u>\$ 168,430</u>
NET POSITION			
Net investment in capital assets	\$ 124,316	\$ 210,000	\$ 334,316
Restricted			
Utilities - Reclamation	-	-	-
Housing Assistance Program	207,528	-	207,528
Unrestricted	<u>810,930</u>	<u>191,761</u>	<u>1,002,691</u>
Total net position	<u>\$ 1,142,774</u>	<u>\$ 401,761</u>	<u>\$ 1,544,535</u>

Johnston County, North Carolina
Combining Statement of Revenues, Expenses, and Changed in Fund Net Position -
Non-Major Enterprise Funds - Proprietary Funds
For the Fiscal Year Ended June 30, 2020

	NON-MAJOR		Total Non-Major Proprietary Funds
	Section 8 Housing Assistance	Administrative Fund	
Operating revenues:			
Charges for services	\$ -	\$ 1,493,767	\$ 1,493,767
NCDOT Stormwater Fees		500,000	500,000
Water and sewer taps	-	-	-
Total operating revenues	<u>-</u>	<u>1,993,767</u>	<u>1,993,767</u>
Operating expenses:			
General operating	4,396,022	1,335,218	5,731,240
Depreciation and amortization	6,232	-	6,232
Total operating expenses	<u>4,402,254</u>	<u>1,335,218</u>	<u>5,737,472</u>
Operating income (loss)	\$ <u>(4,402,254)</u>	\$ <u>658,549</u>	\$ <u>(3,743,705)</u>
Nonoperating revenues (expenses):			
Restricted Intergovernmental	50,863	-	50,863
Investment earnings	188	14,225	14,413
Miscellaneous	11,271	-	11,271
Operating subsidy - HUD	4,287,935	-	4,287,935
Fraud recovery	8,473	-	8,473
Total nonoperating revenues (expenses)	<u>4,358,730</u>	<u>14,225</u>	<u>4,372,955</u>
Income (loss) before transfers and contributions	\$ <u>(43,524)</u>	\$ <u>672,774</u>	\$ <u>629,250</u>
Transfers in	-	-	-
Transfers out	-	-	-
Change in net position	(43,524)	672,774	629,250
Total net position, beginning	<u>1,186,298</u>	<u>(271,013)</u>	<u>915,285</u>
Total net position - beginning (as restated)	<u>1,186,298</u>	<u>(271,013)</u>	<u>915,285</u>
Total net position, ending	<u>\$ 1,142,774</u>	<u>\$ 401,761</u>	<u>\$ 1,544,535</u>

Johnston County, North Carolina
Combining Statement of Cash Flows - Non-Major Enterprise Funds
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2020

	NON-MAJOR		Total Non-Major Proprietary Funds
	Section 8	Administrative Fund	
	Housing Assistance		
Cash Flows From Operating Activities			
Cash received from customers	\$ -	\$ 1,922,368	\$ 1,922,368
Cash paid for goods and services	(62,114)	(167,445)	(229,559)
Cash paid to employees	(371,975)	(981,913)	(1,353,888)
Cash paid for housing assistance	(3,919,565)	-	(3,919,565)
Miscellaneous	61,019	-	61,019
Net cash provided by (used in) operating activities	<u>(4,292,635)</u>	<u>773,010</u>	<u>(3,519,625)</u>
Cash Flows From Noncapital Financing Activities			
Transfer from (to) other funds	-	-	-
Due to / from other funds	-	-	-
Operating subsidy - HUD	4,287,935	-	4,287,935
Net cash provided by (used in) financing activities	<u>4,287,935</u>	<u>-</u>	<u>4,287,935</u>
Cash Flows From Capital and Related Financing Activities			
Restricted intergovernmental	50,863	-	50,863
Net cash provided by (used in) capital and related financing activities	<u>50,863</u>	<u>-</u>	<u>50,863</u>
Cash Flows From Investing Activities			
Investment Income	188	14,225	14,413
Net cash provided by (used in) investing activities	<u>188</u>	<u>14,225</u>	<u>14,413</u>
Net increase (decrease) in cash and cash equivalents/investments	<u>46,351</u>	<u>787,235</u>	<u>833,586</u>
Cash and cash equivalents/investments			
Beginning of year	<u>1,258,437</u>	<u>2,402,140</u>	<u>3,660,577</u>
End of year	<u>\$ 1,304,788</u>	<u>\$ 3,189,375</u>	<u>\$ 4,494,163</u>

Johnston County, North Carolina
Statement of Cash Flows
All Proprietary Fund Types
For the Fiscal Year Ended June 30, 2020

	NON-MAJOR		Total Non-
	Section 8 Housing Assistance	Administrative Fund	Major Proprietary Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities			
Operating income (loss)	\$ (4,402,254)	\$ 658,549	\$ (3,743,705)
Nonoperating (miscellaneous)	19,744	-	19,744
Depreciation	6,232	-	6,232
(Increase) decrease in:			
Accounts receivable	116	(246,771)	(246,655)
Prepaid expenses	(138)	-	(138)
Deferred Outflows for pensions	6,435	16,203	22,638
Deferred Outflows for OPEB	(6,988)	(60,474)	(67,462)
Increase (decrease) in:			
Compensated absences payable	6,226	18,051	24,277
Utility deposits	-	-	-
Other deposits	-	175,372	175,372
Deferred Inflows for Pensions	(693)	(1,746)	(2,439)
Deferred Inflows for OPEB	(5,887)	(50,947)	(56,834)
Net Pension Liability	17,408	43,837	61,245
Accounts payable and accrued expenses	(119)	(4,136)	(4,255)
Deferred Revenue	41,275	-	41,275
Total OPEB liability	26,008	225,072	251,080
Prepaid Decals-Landfill	-	-	-
Total adjustments	<u>109,619</u>	<u>114,461</u>	<u>224,080</u>
Net cash provided by (used in) operating activities	<u>\$ (4,292,635)</u>	<u>\$ 773,010</u>	<u>\$ (3,519,625)</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Administrative Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Sales and Services	\$ 652,630	\$ 652,630	\$ -
Plan review fees	320,000	478,550	158,550
Erosion Control Permit fee	245,000	361,954	116,954
NCDOT Stormwater Mgmt Program	500,000	500,000	-
Miscellaneous	-	633	633
Total Operating Revenues	<u>\$ 1,717,630</u>	<u>\$ 1,993,767</u>	<u>\$ 276,137</u>
Nonoperating Revenues (Expenditures)			
Interest on investments	\$ -	\$ 14,225	\$ 14,225
Total Nonoperating revenues	<u>\$ -</u>	<u>\$ 14,225</u>	<u>\$ 14,225</u>
Operating Expenditures			
FEMA			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other	-	-	-
Total FEMA	<u>-</u>	<u>-</u>	<u>-</u>
Administration			
Salaries and employee benefits	\$ 398,658	\$ 394,092	\$ 4,566
Other	19,400	13,295	6,105
Total Administration	<u>418,058</u>	<u>407,387</u>	<u>10,671</u>
Engineer/Construction			
Salaries and employee benefits	\$ 398,402	\$ 384,744	\$ 13,658
Other	94,764	79,717	15,047
Total Engineer/Construction	<u>493,166</u>	<u>464,461</u>	<u>28,705</u>
Storm water management			
Salaries and employee benefits	\$ 257,770	\$ 221,128	\$ 36,642
Other	575,238	70,297	504,941
Total Storm water management	<u>833,008</u>	<u>291,425</u>	<u>541,583</u>
Capital outlay	\$ -	\$ -	\$ -
Total Operating expenditures	<u>\$ 1,744,232</u>	<u>\$ 1,163,273</u>	<u>\$ 580,959</u>
Revenues over (under) expenditures	<u>\$ (26,602)</u>	<u>\$ 844,719</u>	<u>\$ 857,096</u>
Other financing sources (uses):			
Fund balance appropriated	\$ 26,602	\$ -	\$ (26,602)
Restricted intergovernmental	-	-	-
Transfers to) from other funds	-	-	-
Total Other financing sources	<u>\$ 26,602</u>	<u>\$ -</u>	<u>\$ (26,602)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>844,719</u>	<u>\$ 830,494</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		-	
Total OPEB liability		(225,072)	
Deferred outflows of resources - pensions		(16,203)	
Deferred outflows of resources - OPEB		60,474	
Net pension liability		(43,837)	
Deferred inflows of resources - pensions		1,746	
Deferred inflows of resources - OPEB		50,947	
Depreciation		-	
Change in net position		<u>\$ 672,774</u>	

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Charges for services			
Yard waste	\$ 209,000	\$ 144,430	\$ (64,570)
Recycling	1,000	87,672	86,672
Contract hauling	-	-	-
Landfill fees	4,900,000	6,221,820	1,321,820
Decals	1,450,000	1,277,700	(172,300)
Total Operating Revenues	<u>6,560,000</u>	<u>7,731,622</u>	<u>1,171,622</u>
Nonoperating Revenues (Expenditures)			
Interest on investments	-	166,783	166,783
Disposal taxes	170,000	225,575	55,575
Late fees collected	-	7,575	7,575
Gain (loss) on disposal of assets	-	3,128	3,128
Insurance recovery	-	-	-
Miscellaneous	-	1,442	1,442
State Solid Waste Fee	300,000	349,536	49,536
State Electronics Fund	15,000	-	(15,000)
Landfill Gas to Energy Proceeds	100,000	91,827	(8,173)
State 1% tax on tires	240,000	271,688	31,688
Total Nonoperating revenues	<u>825,000</u>	<u>1,117,554</u>	<u>292,554</u>
Total Revenues	<u>\$ 7,385,000</u>	<u>\$ 8,849,176</u>	<u>\$ 1,464,176</u>
Operating Expenditures			
Sanitation			
Salaries and employee benefits	\$ 810,970	\$ 780,686	\$ 30,284
Other	969,700	890,250	79,450
Total Sanitation	<u>1,780,670</u>	<u>1,670,936</u>	<u>109,734</u>
Landfill			
Salaries and employee benefits	\$ 740,655	\$ 603,646	\$ 137,009
Other	597,598	523,828	73,770
Total Landfill	<u>1,338,253</u>	<u>1,127,474</u>	<u>210,779</u>
Solid waste			
Salaries and employee benefits	\$ 544,246	\$ 389,916	\$ 154,330
Other	1,775,413	1,395,954	379,459
Total Solid waste	<u>2,319,659</u>	<u>1,785,870</u>	<u>533,789</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Solid Waste Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Tire disposal			
Salaries and employee benefits	\$ 29,846	\$ 27,060	\$ 2,786
Other	178,063	172,855	5,208
Total Tire disposal	<u>207,909</u>	<u>199,915</u>	<u>7,994</u>
Appliances/White goods			
Salaries and employee benefits	\$ 128,097	\$ 124,109	\$ 3,988
Other	1,000	-	1,000
Total Appliances/White goods	<u>129,097</u>	<u>124,109</u>	<u>4,988</u>
Yard and wood waste			
Salaries and employee benefits	\$ 30,259	\$ 27,426	\$ 2,833
Other	147,500	138,784	8,716
Total Yard and wood waste	<u>177,759</u>	<u>166,210</u>	<u>11,549</u>
Electronics Recycling			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other	72,800	59,677	13,123
Total Electronics Recycling	<u>72,800</u>	<u>59,677</u>	<u>13,123</u>
SW Recycling Program			
Salaries and employee benefits	\$ 430,369	\$ 409,721	\$ 20,648
Other	196,300	103,712	92,588
Total SW Recycling Program	<u>626,669</u>	<u>513,433</u>	<u>113,236</u>
Capital outlay	\$ 1,638,187	\$ 1,662,884	\$ (24,697)
Total Operating expenditures	<u>\$ 8,291,003</u>	<u>\$ 7,310,508</u>	<u>\$ 980,495</u>
Revenues over expenditures	<u>\$ (906,003)</u>	<u>\$ 1,538,668</u>	<u>\$ 2,444,671</u>
Other financing sources (uses):			
Fund balance appropriated	\$ 9,188,637	\$ -	\$ (9,188,637)
Transfers to other funds	(8,682,634)	(8,682,634)	-
Transfers from other funds	400,000	400,000	-
Total other financing sources	<u>\$ 906,003</u>	<u>\$ (8,282,634)</u>	<u>\$ (9,188,637)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>(6,743,966)</u>	<u>\$ (6,743,966)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		1,662,884	
Capital reserve for post-closure		(444,399)	
Total OPEB liability		(591,773)	
Deferred outflows of resources - pensions		(39,698)	
Deferred outflows of resources - OPEB		159,003	
Net pension liability		(107,400)	
Deferred inflows of resources - pensions		4,277	
Deferred inflows of resources - OPEB		133,951	
Depreciation		(826,869)	
Transfer to (from) project (Ex D-5a, 5b, 5c)		<u>8,682,634</u>	
Change in net position		<u>\$ 1,888,644</u>	

Johnston County, North Carolina
Public Utilities Capital Project Fund
Landfill Construction Fund - Landfill Entrance & Attendant Facilities
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	75,950	46,870	27,103	73,973	1,977
Construction of Project	1,595,915	-	-	-	1,595,915
Contingency Construction	79,796	-	-	-	79,796
Total Expenditures	<u>1,751,661</u>	<u>46,870</u>	<u>27,103</u>	<u>73,973</u>	<u>1,677,688</u>
Other Financing Sources (Uses)					
Transfer from other funds	1,751,661	75,950	1,675,711	1,751,661	-
Total Other Financing Sources	<u>1,751,661</u>	<u>75,950</u>	<u>1,675,711</u>	<u>1,751,661</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 29,080</u>	<u>\$ 1,648,608</u>	<u>\$ 1,677,688</u>	<u>\$ 1,677,688</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Landfill Construction Fund - Phase 4-A Landfill Site Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	31,500	15,311	9,077	24,388	7,112
Construction of Project	128,565	-	128,564	128,564	1
Total Expenditures	<u>160,065</u>	<u>15,311</u>	<u>137,641</u>	<u>152,952</u>	<u>7,113</u>
Other Financing Sources (Uses)					
Transfer from other funds	160,065	31,500	128,565	160,065	-
Total Other Financing Sources	<u>160,065</u>	<u>31,500</u>	<u>128,565</u>	<u>160,065</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 16,189</u>	<u>\$ (9,076)</u>	<u>\$ 7,113</u>	<u>\$ 7,113</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Landfill Construction Fund - Phase 6-A MSW Landfill Site Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Construction of Project	4,993,817	-	-	-	4,993,817
Stream & Wetland Mitigation Credits	1,884,541	-	1,884,541	1,884,541	-
Total Expenditures	<u>6,878,358</u>	<u>-</u>	<u>1,884,541</u>	<u>1,884,541</u>	<u>4,993,817</u>
Other Financing Sources (Uses)					
Transfer from other funds	6,878,358	-	6,878,358	6,878,358	-
Total Other Financing Sources	<u>6,878,358</u>	<u>-</u>	<u>6,878,358</u>	<u>6,878,358</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,993,817</u>	<u>\$ 4,993,817</u>	<u>\$ 4,993,817</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Charges for services			
Water taps	\$ 425,000	\$ 485,799	\$ 60,799
Capacity fees	3,418,650	3,926,035	507,385
Contracted services	2,989,220	2,647,932	(341,288)
Water - wholesale	10,400,000	11,314,591	914,591
Reconnect Fees	160,000	146,373	(13,627)
Miscellaneous	-	8,778	8,778
Total Operating Revenues	<u>17,392,870</u>	<u>18,529,508</u>	<u>1,136,638</u>
Nonoperating Revenues (Expenditures)			
Investment income	\$ 2,351,563	\$ 2,434,386	\$ 82,823
Insurance recovery	-	19,910	19,910
NCDOT Reimbursement	-	-	-
Gain on sale of capital assets	-	17,595	17,595
Total Nonoperating revenues	<u>2,351,563</u>	<u>2,471,891</u>	<u>120,328</u>
Total Revenues	\$ <u>19,744,433</u>	\$ <u>21,001,399</u>	\$ <u>1,256,966</u>
Operating Expenditures			
Public utilities operations			
Salaries and employee benefits	\$ 289,622	\$ 273,414	\$ 16,208
Other	2,103,648	291,379	1,812,269
Total	<u>2,393,270</u>	<u>564,793</u>	<u>1,828,477</u>
Water transmission			
Salaries and employee benefits	\$ 618,795	\$ 590,292	\$ 28,503
Other	1,136,204	1,033,238	102,966
Total	<u>1,754,999</u>	<u>1,623,530</u>	<u>131,469</u>
Retail water			
Salaries and employee benefits	\$ 1,054,720	\$ 987,095	\$ 67,625
Other	771,900	639,604	132,296
Total	<u>1,826,620</u>	<u>1,626,699</u>	<u>199,921</u>
Water treatment and transmission			
Salaries and employee benefits	\$ 1,048,446	\$ 978,696	\$ 69,750
Other	7,046,218	6,739,229	306,989
Total	<u>8,094,664</u>	<u>7,717,925</u>	<u>376,739</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Water Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Laboratory services			
Salaries and employee benefits	\$ 88,921	\$ 86,514	\$ 2,407
Other	147,980	113,073	34,907
Total	<u>236,901</u>	<u>199,587</u>	<u>37,314</u>
Waterline Construction			
Salaries and employee benefits	\$ 885,585	\$ 875,513	\$ 10,072
Other	476,462	409,032	67,430
Total	<u>1,362,047</u>	<u>1,284,545</u>	<u>77,502</u>
Capital outlay	\$ 548,771	\$ 248,707	\$ 300,064
Debt service			
Principal retirement	\$ 2,912,000	\$ 2,911,594	\$ 406
Interest	2,892,706	2,824,058	68,648
Total Debt service	<u>5,804,706</u>	<u>5,735,652</u>	<u>69,054</u>
Total Operating expenditures	\$ <u>22,021,978</u>	\$ <u>19,001,438</u>	\$ <u>3,020,540</u>
Revenues over expenditures	\$ <u>(2,277,545)</u>	\$ <u>1,999,961</u>	\$ <u>4,277,506</u>
Other financing sources (uses):			
Transfers (to) other funds	\$ (1,663,859)	\$ (1,663,859)	\$ -
Transfers from other funds	2,216,359	1,846,634	(369,725)
Fund Balance Appropriated	1,725,045	-	(1,725,045)
Total Other financing sources	<u>\$ 2,277,545</u>	<u>\$ 182,775</u>	<u>\$ (2,094,770)</u>
Revenues and other sources over (under) expenditures	\$ <u><u>-</u></u>	2,182,736	\$ <u><u>2,182,736</u></u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		248,707	
Capacity Fees		-	
Debt service principal retirement		2,911,594	
Amortize Bond Premium		53,313	
Total OPEB Liability		(1,015,514)	
Deferred outflows of resources - pensions		(63,070)	
Deferred outflows of resources - OPEB		272,857	
Net pension liability		(170,630)	
Deferred inflows of resources - pensions		6,794	
Deferred inflows of resources - OPEB		229,868	
Depreciation and Amortization		(3,143,011)	
DOT Reimbursement (Ex D-6b)		91,723	
Restricted Intergovernmental (Ex D-6d)		125,044	
Transfer to Projects (Ex D-6c, 6g, 6h, 6i, 6j)		2,563,859	
Transfer from Projects (Ex D-6d)		<u>(14,538)</u>	
Change in net position		<u>\$ 4,279,732</u>	

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - WTP 2.5 MGD Exp / Future Planning
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Technical service	185,000	54,987	-	54,987	130,013
Total Expenditures	185,000	54,987	-	54,987	130,013
Other Financing Sources (Uses)					
Transfer from other funds	185,000	185,000	-	185,000	-
Total Other Financing Sources	185,000	185,000	-	185,000	-
Revenues and other sources over (under) expenditures	\$ -	\$ 130,013	\$ -	\$ 130,013	\$ 130,013

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - NCDOT Waterline Projects
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NCDOT Reimbursements	457,249	30,043	91,723	(109,173)	12,593	(335,483)
Total Revenues	457,249	30,043	91,723	(109,173)	12,593	(335,483)
Expenditures						
Technical service	264,116	183,785	5,617	(64,735)	124,667	74,714
Construction of Project	216,385	44,438	35,808	(44,438)	35,808	136,139
Total Expenditures	480,501	228,223	41,425	(109,173)	160,475	210,853
Other Financing Sources (Uses)						
Transfer from other funds	23,252	23,252	-	-	23,252	-
Total Other Financing Sources	23,252	23,252	-	-	23,252	-
Revenues and other sources over (under) expenditures	\$ -	\$ (174,928)	\$ 50,298	\$ -	\$ (124,630)	\$ (124,630)

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - WTP 2.0 MGD Upgrade
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Variance Positive (Negative)
		Prior Years	Current Year	Total To Date	
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	482,300	325,899	27,870	353,769	128,531
Construction of Project	3,948,637	-	2,221,009	2,221,009	1,727,628
Loan Closing	66,000	-	66,000	66,000	-
Contingency Construction	197,513	-	-	-	197,513
Total Expenditures	<u>4,694,450</u>	<u>325,899</u>	<u>2,314,879</u>	<u>2,640,778</u>	<u>2,053,672</u>
Other Financing Sources (Uses)					
Revolving Loan	3,300,000	-	1,975,393	1,975,393	(1,324,607)
Transfer from other funds	1,394,450	60,000	1,334,450	1,394,450	-
Total Other Financing Sources	<u>4,694,450</u>	<u>60,000</u>	<u>3,309,843</u>	<u>3,369,843</u>	<u>(1,324,607)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (265,899)</u>	<u>\$ 994,964</u>	<u>\$ 729,065</u>	<u>\$ 729,065</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - Clayton No. 2 Booster Pump Station Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted intergovernmental						
Rural Economic Development Grant	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)	\$ -	\$ -
EDA Grant (Town of Clayton)	125,044	-	125,044	(125,044)	-	-
Total Revenues	<u>375,044</u>	<u>250,000</u>	<u>125,044</u>	<u>(375,044)</u>	<u>-</u>	<u>-</u>
Expenditures						
Technical service	30,001	21,156	8,845	(30,001)	-	-
Construction of Project	343,005	327,795	15,210	(343,005)	-	-
Contingency Construction	-	-	-	-	-	-
Total Expenditures	<u>373,006</u>	<u>348,951</u>	<u>24,055</u>	<u>(373,006)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfer from other funds	12,500	12,500	-	(12,500)	-	-
Transfer to other funds	(14,538)	-	(14,538)	14,538	-	-
Total Other Financing Sources	<u>(2,038)</u>	<u>12,500</u>	<u>(14,538)</u>	<u>2,038</u>	<u>-</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (86,451)</u>	<u>\$ 86,451</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - WTP Efficiency Project
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	592,000	-	379,975	379,975	212,025
Construction of Project	3,770,000	-	-	-	3,770,000
Loan closing	90,200	-	-	-	90,200
Contingency	148,000	-	-	-	148,000
Total Expenditures	<u>4,600,200</u>	<u>-</u>	<u>379,975</u>	<u>379,975</u>	<u>4,220,225</u>
Other Financing Sources (Uses)					
Revolving loan funds	4,510,000	-	-	-	(4,510,000)
Transfer from other funds	90,200	90,200	-	90,200	-
Total Other Financing Sources	<u>4,600,200</u>	<u>90,200</u>	<u>-</u>	<u>90,200</u>	<u>(4,510,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 90,200</u>	<u>\$ (379,975)</u>	<u>\$ (289,775)</u>	<u>\$ (289,775)</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - Post Clearwell Chemical Feed Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	15,000	-	-	-	15,000
Construction of Project	336,000	-	130,778	130,778	205,222
Total Expenditures	<u>351,000</u>	<u>-</u>	<u>130,778</u>	<u>130,778</u>	<u>220,222</u>
Other Financing Sources (Uses)					
Transfer from other funds	351,000	351,000	-	351,000	-
Total Other Financing Sources	<u>351,000</u>	<u>351,000</u>	<u>-</u>	<u>351,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 351,000</u>	<u>\$ (130,778)</u>	<u>\$ 220,222</u>	<u>\$ 220,222</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - AWIA Risk & Resiliency Assessment
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	250,000	-	171,600	171,600	78,400
Total Expenditures	<u>250,000</u>	<u>-</u>	<u>171,600</u>	<u>171,600</u>	<u>78,400</u>
Other Financing Sources (Uses)					
Transfer from other funds	250,000	-	250,000	250,000	-
Total Other Financing Sources	<u>250,000</u>	<u>-</u>	<u>250,000</u>	<u>250,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 78,400</u>	<u>\$ 78,400</u>	<u>\$ 78,400</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - NC 96 Economic Development Water Main Extension
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental					
CDBG Grant	\$ 500,000	\$ -	\$ -	\$ -	\$ (500,000)
Golden Leaf Grant	250,000	-	-	-	(250,000)
EDA Grant	750,000	-	-	-	(750,000)
Total Revenues	<u>1,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,500,000)</u>
Expenditures					
Technical service	171,367	-	9,800	9,800	161,567
Construction of Project	1,282,927	-	37,409	37,409	1,245,518
Contingency Construction	125,115	-	-	-	125,115
Total Expenditures	<u>1,579,409</u>	<u>-</u>	<u>47,209</u>	<u>47,209</u>	<u>1,532,200</u>
Other Financing Sources (Uses)					
Transfer from other funds	79,409	-	79,409	79,409	-
Total Other Financing Sources	<u>79,409</u>	<u>-</u>	<u>79,409</u>	<u>79,409</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 32,200</u>	<u>\$ 32,200</u>	<u>\$ 32,200</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - Buffalo Road BPS & Transmission Main
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	400,000	-	159,670	159,670	240,330
Total Expenditures	<u>400,000</u>	<u>-</u>	<u>159,670</u>	<u>159,670</u>	<u>240,330</u>
Other Financing Sources (Uses)					
Transfer from SDF Reserve Fund	400,000	-	400,000	400,000	-
Total Other Financing Sources	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 240,330</u>	<u>\$ 240,330</u>	<u>\$ 240,330</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water Construction Fund - 385 West Transmission Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	500,000	-	323,505	323,505	176,495
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>323,505</u>	<u>323,505</u>	<u>176,495</u>
Other Financing Sources (Uses)					
Transfer from SDF Reserve Fund	500,000	-	500,000	500,000	-
Total Other Financing Sources	<u>500,000</u>	<u>-</u>	<u>500,000</u>	<u>500,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 176,495</u>	<u>\$ 176,495</u>	<u>\$ 176,495</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Wastewater Treatment Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Charges for services			
Wholesale water treatment sales	\$ 6,200,000	\$ 7,557,625	\$ 1,357,625
Sewer sales	3,847,915	4,555,687	707,772
Sewer taps	20,000	4,500	(15,500)
Septic tank dumping	130,000	313,148	183,148
Acreage and assessment fee	-	-	-
Leachate Revenue	40,000	45,921	5,921
Pretreatment fees	10,000	5,870	(4,130)
Pump Station Fees	20,000	96,292	76,292
Total Operating Revenues	<u>10,267,915</u>	<u>12,579,043</u>	<u>2,311,128</u>
Nonoperating Revenues (Expenditures)			
System Development Fees	\$ 3,248,460	\$ 3,248,460	\$ -
Developer Contributions	-	2,690,545	2,690,545
Interest on investments	-	157,194	157,194
Sale of Assets	-	4,416	4,416
Capacity Fees	2,000,000	-	(2,000,000)
Capital Surcharge (GTI)	-	-	-
FEMA Grant	-	-	-
NCDOT Reimbursement	-	6,675	6,675
Insurance recovery	-	-	-
Miscellaneous	-	4,572	4,572
Total Nonoperating revenues (expenditures)	<u>5,248,460</u>	<u>6,111,862</u>	<u>863,402</u>
Total Revenues	<u>\$ 15,516,375</u>	<u>\$ 18,690,905</u>	<u>\$ 3,174,530</u>
Other Expenditures			
FEMA			
Salaries and employee benefits	\$ -	\$ -	\$ -
Other expenses	67,517	31,790	35,727
Total	<u>67,517</u>	<u>31,790</u>	<u>35,727</u>
Operations			
Salaries and employee benefits	\$ 154,444	\$ 142,878	\$ 11,566
Other expenses	345,336	303,133	42,203
Total	<u>499,780</u>	<u>446,011</u>	<u>53,769</u>
Wastewater treatment			
Salaries and employee benefits	\$ 881,936	\$ 852,633	\$ 29,303
Other expenses	2,318,009	1,808,733	509,276
Total	<u>3,199,945</u>	<u>2,661,366</u>	<u>538,579</u>
Wastewater transmission			
Salaries and employee benefits	\$ 716,250	\$ 708,681	\$ 7,569
Other expenses	1,169,094	968,384	200,710
Total	<u>1,885,344</u>	<u>1,677,065</u>	<u>208,279</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Wastewater Treatment Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Laboratory services			
Salaries and employee benefits	\$ 177,976	\$ 167,758	\$ 10,218
Other expenses	61,700	49,421	12,279
Total	<u>239,676</u>	<u>217,179</u>	<u>22,497</u>
Retail sewer			
Salaries and employee benefits	\$ 182,649	\$ 111,663	\$ 70,986
Other expenses	867,250	703,895	163,355
Total	<u>1,049,899</u>	<u>815,558</u>	<u>234,341</u>
Capital Outlay	\$ 1,202,246	\$ 303,657	\$ 898,589
Debt service			
Principal retirement	\$ 2,365,000	\$ 2,361,536	\$ 3,464
Interest	1,029,180	469,512	559,668
Total	<u>3,394,180</u>	<u>2,831,048</u>	<u>563,132</u>
Total operating expenditures	\$ 11,538,587	\$ 8,983,674	\$ 2,554,913
Revenues over expenditures	\$ 3,977,788	\$ 9,707,231	\$ 5,729,443
Other Financing sources (uses)			
Transfer to other funds	\$ (6,636,016)	\$ (6,636,016)	\$ -
Transfer from other funds	1,017,780	445,280	572,500
Fund balance appropriated	1,640,448	-	(1,640,448)
Total other financing sources (uses)	\$ (3,977,788)	\$ (6,190,736)	\$ (1,067,948)
Revenues and other sources over (under) expenditures	\$ <u>-</u>	3,516,495	\$ <u>4,661,495</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital outlay		303,657	
Debt service principal retirement		2,361,536	
Total OPEB liability		(448,890)	
Deferred outflows of resources - pensions		(27,601)	
Deferred outflows of resources - OPEB		120,612	
Net pension liability		(74,674)	
Deferred inflows of resources - pensions		2,973	
Deferred inflows of resources - OPEB		101,608	
Amortize Bond Premium		38,322	
Depreciation		(2,246,910)	
Restricted Intergovernmental from Projects (Ex D-7h)		109,790	
NCDOT Reimbursements from Projects (Ex D-7m)		25,165	
Transfers to (from) capital reserve fund (Ex D-7a)		2,593,460	
Transfer to project funds (Ex D-7e, D-7f, D-7g, D-7h, D-7k, D-7l, D-7o, D-7p, D-7q)		4,075,384	
Transfer from project funds (Ex D-7i)		<u>(445,280)</u>	
Change in net position		\$ <u>10,005,647</u>	

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater SDF Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7a

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer of System Development Fees	5,839,020	2,590,560	3,248,460	5,839,020	-
Transfer to Capital Project Fund	(5,839,020)	(550,000)	(655,000)	(1,205,000)	4,634,020
Total Other Financing Sources (Uses)	<u>-</u>	<u>2,040,560</u>	<u>2,593,460</u>	<u>4,634,020</u>	<u>4,634,020</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 2,040,560</u>	<u>\$ 2,593,460</u>	<u>\$ 4,634,020</u>	<u>\$ 4,634,020</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Biosolids Facilities Improvement
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7b

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Construction of project	260,000	-	-	-	260,000
Total Expenditures	<u>260,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>260,000</u>
Other Financing Sources (Uses)					
Transfer from other funds	260,000	260,000	-	260,000	-
Total Other Financing Sources (Uses)	<u>260,000</u>	<u>260,000</u>	<u>-</u>	<u>260,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ -</u>	<u>\$ 260,000</u>	<u>\$ 260,000</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Buffalo WWPS Upgrade / Force Main
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	954,700	366,153	108,762	474,915	479,785
Construction	3,750,000	195	-	195	3,749,805
Loan Closing	88,100	-	-	-	88,100
Easements	30,000	-	-	-	30,000
Contingency Construction	375,000	-	-	-	375,000
Total Expenditures	<u>5,197,800</u>	<u>366,348</u>	<u>108,762</u>	<u>475,110</u>	<u>4,722,690</u>
Other Financing Sources (Uses)					
Transfer from other funds	792,800	792,800	-	792,800	-
State revolving loan fund	4,405,000	-	-	-	(4,405,000)
Total Other Financing Sources (Uses)	<u>5,197,800</u>	<u>792,800</u>	<u>-</u>	<u>792,800</u>	<u>(4,405,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 426,452</u>	<u>\$ (108,762)</u>	<u>\$ 317,690</u>	<u>\$ 317,690</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Pine Level Wastewater Pump Station Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	306,371	18,398	149,778	168,176	138,195
Construction of Project	117,950	591	-	591	117,359
Easements	25,679	25,678	-	25,678	1
Total Expenditures	<u>450,000</u>	<u>44,667</u>	<u>149,778</u>	<u>194,445</u>	<u>255,555</u>
Other Financing Sources (Uses)					
Transfer from other funds	450,000	450,000	-	450,000	-
Total Other Financing Sources (Uses)	<u>450,000</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 405,333</u>	<u>\$ (149,778)</u>	<u>\$ 255,555</u>	<u>\$ 255,555</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - McGee's Crossroads Sewer Consolidation / Middle Creek Interceptor
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	93,000	-	10,741	10,741	82,259
Construction of Project	7,900,722	6,150	-	6,150	7,894,572
Loan Closing	166,920	-	-	-	166,920
Easements	141,000	5,124	122,933	128,057	12,943
Contingency Construction	395,278	-	22,500	22,500	372,778
Total Expenditures	<u>8,696,920</u>	<u>11,274</u>	<u>156,174</u>	<u>167,448</u>	<u>8,529,472</u>
Other Financing Sources (Uses)					
Transfer from other funds	350,920	200,660	150,260	350,920	-
State revolving loan fund	8,346,000	-	-	-	(8,346,000)
Total Other Financing Sources (Uses)	<u>8,696,920</u>	<u>200,660</u>	<u>150,260</u>	<u>350,920</u>	<u>(8,346,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 189,386</u>	<u>\$ (5,914)</u>	<u>\$ 183,472</u>	<u>\$ 183,472</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Swift Creek Interceptor
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical service	164,000	138,070	1,303	139,373	24,627
Construction of Project	4,350,000	1,334,754	1,374,222	2,708,976	1,641,024
Loan Closing	63,760	63,760	-	63,760	-
Easements	100,000	91,290	-	91,290	8,710
Contingency Construction	95,800	-	-	-	95,800
Total Expenditures	<u>4,773,560</u>	<u>1,627,874</u>	<u>1,375,525</u>	<u>3,003,399</u>	<u>1,770,161</u>
Other Financing Sources (Uses)					
Transfer from other funds	1,585,553	281,354	1,304,199	1,585,553	-
State revolving loan fund	3,188,007	1,447,744	932,270	2,380,014	(807,993)
Total Other Financing Sources (Uses)	<u>4,773,560</u>	<u>1,729,098</u>	<u>2,236,469</u>	<u>3,965,567</u>	<u>(807,993)</u>
Revenues and other sources over (under) expenditures	\$ <u>-</u>	\$ <u>101,224</u>	\$ <u>860,944</u>	\$ <u>962,168</u>	\$ <u>962,168</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water and Sewer Construction Fund - WWTP 4MGD Expansion
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7g

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
CWMTF Grant	-	-	-	-	-
Total Revenues	-	-	-	-	-
Expenditures					
Technical Service	4,455,610	965,758	2,214,219	3,179,977	1,275,633
Construction of Project	32,670,000	-	-	-	32,670,000
Nitrogen Credits	500,000	-	-	-	500,000
Loan Closing	783,000	-	-	-	783,000
Contingency Construction	2,024,390	-	100	100	2,024,290
Total Expenditures	40,433,000	965,758	2,214,319	3,180,077	37,252,923
Other Financing Sources (Uses)					
Transfer from other funds	1,283,000	783,000	500,000	1,283,000	-
Revolving Loan	39,150,000	-	-	-	(39,150,000)
Total Other Financing Sources (Uses)	40,433,000	783,000	500,000	1,283,000	(39,150,000)
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (182,758)</u>	<u>\$ (1,714,319)</u>	<u>\$ (1,897,077)</u>	<u>\$ (1,897,077)</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Selma Equalization & WWPS Facilities
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7h

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ 1,060,000	\$ 18,000	\$ 109,790	\$ 127,790	\$ (932,210)
Total Revenues	<u>1,060,000</u>	<u>18,000</u>	<u>109,790</u>	<u>127,790</u>	<u>(932,210)</u>
Expenditures					
Technical Service	208,000	22,796	121,270	144,066	63,934
Construction of Project	1,349,150	-	-	-	1,349,150
Easements	12,500	-	12,500	12,500	-
Contingency Construction	62,850	-	-	-	62,850
Total Expenditures	<u>1,632,500</u>	<u>22,796</u>	<u>133,770</u>	<u>156,566</u>	<u>1,475,934</u>
Other Financing Sources (Uses)					
Transfer from other funds	572,500	-	572,500	572,500	-
Total Other Financing Sources (Uses)	<u>572,500</u>	<u>-</u>	<u>572,500</u>	<u>572,500</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (4,796)</u>	<u>\$ 548,520</u>	<u>\$ 543,724</u>	<u>\$ 543,724</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - 20" 70 BUS / 70 Bypass Force Main
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7i

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	150,000	128,170	5,400	133,570	16,430
Construction of Project	1,183,376	-	1,102,480	1,102,480	80,896
Contingency Construction	17,344	-	-	-	17,344
Total Expenditures	<u>1,350,720</u>	<u>128,170</u>	<u>1,107,880</u>	<u>1,236,050</u>	<u>114,670</u>
Other Financing Sources (Uses)					
Transfer from other funds	1,796,000	1,796,000	-	1,796,000	-
Transfer to other funds	(445,280)	-	(445,280)	(445,280)	-
Total Other Financing Sources (Uses)	<u>1,350,720</u>	<u>1,796,000</u>	<u>(445,280)</u>	<u>1,350,720</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,667,830</u>	<u>\$ (1,553,160)</u>	<u>\$ 114,670</u>	<u>\$ 114,670</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - East Clayton WWPS Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7j

	Project Authorization	Prior Years	Actual		Variance Positive (Negative)
			Current Year	Total To Date	
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	200,000	-	148,830	148,830	51,170
Construction of Project	-	-	-	-	-
Contingency Construction	-	-	-	-	-
Total Expenditures	<u>200,000</u>	<u>-</u>	<u>148,830</u>	<u>148,830</u>	<u>51,170</u>
Other Financing Sources (Uses)					
Transfer from other funds	200,000	200,000	-	200,000	-
Total Other Financing Sources (Uses)	<u>200,000</u>	<u>200,000</u>	<u>-</u>	<u>200,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 200,000</u>	<u>\$ (148,830)</u>	<u>\$ 51,170</u>	<u>\$ 51,170</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Landfill Equalization & WWPS Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7k

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	505,000	-	297,150	297,150	207,850
Construction of Project	-	-	-	-	-
Contingency Construction	-	-	-	-	-
Total Expenditures	<u>505,000</u>	<u>-</u>	<u>297,150</u>	<u>297,150</u>	<u>207,850</u>
Other Financing Sources (Uses)					
Transfer from other funds	505,000	350,000	155,000	505,000	-
Total Other Financing Sources (Uses)	<u>505,000</u>	<u>350,000</u>	<u>155,000</u>	<u>505,000</u>	<u>-</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 350,000</u>	<u>\$ (142,150)</u>	<u>\$ 207,850</u>	<u>\$ 207,850</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Reedy Branch WWPS & FM
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-71

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	500,000	-	142,951	142,951	357,049
Total Expenditures	<u>500,000</u>	<u>-</u>	<u>142,951</u>	<u>142,951</u>	<u>357,049</u>
Other Financing Sources (Uses)					
Transfer from SDF Reserve Fund	500,000	-	500,000	500,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 357,049</u>	<u>\$ 357,049</u>	<u>\$ 357,049</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - NCDOT Sewer Line Projects
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7m

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
NCDOT Reimbursements	\$ 25,165	\$ -	\$ 25,165	\$ (25,165)	\$ -	\$ -
Total Revenues	<u>25,165</u>	<u>-</u>	<u>25,165</u>	<u>(25,165)</u>	<u>-</u>	<u>-</u>
Expenditures						
Construction of Project	25,165	-	25,165	(25,165)	-	-
Total Expenditures	<u>25,165</u>	<u>-</u>	<u>25,165</u>	<u>(25,165)</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)						
Transfer from Other Funds	-	-	-	-	-	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - WWTP Flood Mitigation (FEMA)
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7n

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
FEMA Disaster Payment	\$ 2,143,500	\$ -	\$ -	\$ -	\$ (2,143,500)
Total Revenues	<u>2,143,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,143,500)</u>
Expenditures					
Technical Service	12,000	-	-	-	12,000
Construction of Project	2,030,000	-	-	-	2,030,000
Contingency Construction	101,500	-	-	-	101,500
Total Expenditures	<u>2,143,500</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,143,500</u>
Other Financing Sources (Uses)					
Transfer from Other Funds	-	-	-	-	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - NC 42 Sewer Line (School Bond Project)
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7o

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	42,314	-	32,828	32,828	9,486
Total Expenditures	<u>42,314</u>	<u>-</u>	<u>32,828</u>	<u>32,828</u>	<u>9,486</u>
Other Financing Sources (Uses)					
Transfer from School Bond Fund	42,314	-	32,828	32,828	(9,486)
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Sewer Rehabilitation / Sewer
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Construction of Project	250,000	-	62,024	62,024	187,976
Total Expenditures	<u>250,000</u>	<u>-</u>	<u>62,024</u>	<u>62,024</u>	<u>187,976</u>
Other Financing Sources (Uses)					
Transfer from Other Funds	250,000	-	250,000	250,000	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 187,976</u>	<u>\$ 187,976</u>	<u>\$ 187,976</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Wastewater Construction Fund - Olive Branch WWPS & FM Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-7g

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Construction of Project	610,597	-	-	-	610,597
Total Expenditures	<u>610,597</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>610,597</u>
Other Financing Sources (Uses)					
Transfer from Other Funds	610,597	-	610,597	610,597	-
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 610,597</u>	<u>\$ 610,597</u>	<u>\$ 610,597</u>

Johnston County, North Carolina
Enterprise Funds - Public Utilities Funds
Combined Water District Operating Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Operating Revenues			
Charges for services			
Water sales	\$ 5,624,000	\$ 6,353,461	\$ 729,461
Reconnect fees	-	-	-
New meter fees	425,000	582,315	157,315
Monthly base fees	10,579,000	10,793,926	214,926
Total Operating Revenues	<u>16,628,000</u>	<u>17,729,702</u>	<u>1,101,702</u>
Nonoperating Revenues			
Investment Earnings	\$ -	\$ 90,233	\$ 90,233
System Development Fees	4,111,660	4,111,660	-
Rents and Concessions	30,000	31,087	1,087
FEMA Grant Reimbursements	-	-	-
Developer Contributions	-	1,080,521	1,080,521
Miscellaneous	-	53,367	53,367
Total Nonoperating revenues	<u>4,141,660</u>	<u>5,366,868</u>	<u>1,225,208</u>
Total Revenues	<u>\$ 20,769,660</u>	<u>\$ 23,096,570</u>	<u>\$ 2,326,910</u>
Expenditures			
Service meters	\$ 1,028,000	\$ 926,036	\$ 101,964
Water purchase	5,344,340	5,229,521	114,819
Contract service	2,989,220	2,647,932	341,288
Administrative Cost	1,868,650	58,658	1,809,992
Debt service:			
Principal retirement	1,707,000	1,706,146	854
Interest	3,421,211	2,461,072	960,139
Total	<u>16,358,421</u>	<u>13,029,365</u>	<u>3,329,056</u>
Revenues over expenditures	<u>\$ 4,411,239</u>	<u>\$ 10,067,205</u>	<u>\$ 5,655,966</u>
Other Financing Sources (Uses)			
Transfers From other Funds	\$ -	\$ -	\$ -
Transfers to other Funds	(6,213,367)	(5,963,367)	250,000
Fund Balance Appropriated	1,802,128	-	(1,802,128)
Total other financing sources (uses)	<u>\$ (4,411,239)</u>	<u>\$ (5,963,367)</u>	<u>\$ (1,552,128)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	4,103,838	<u>\$ 4,103,838</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Debt service principal retirement		1,706,146	
Capacity Fees		-	
Amortize Bond Premium		151,679	
Depreciation		(2,523,204)	
Amortization		(634,326)	
Transfer to (from) capital reserve funds (Ex D-8a)		3,211,660	
Transfer to project funds (Ex D-8b, 8c, 8d, 8e, 8f, 8g)		<u>99,020</u>	
Change in net position		<u>\$ 6,114,813</u>	

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District SDF Capital Reserve Fund
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8a

	Project Authorization	Prior Years	Actual Current Year	Total To Date	Variance Positive (Negative)
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
Transfer of System Development Fees	5,998,360	1,886,700	4,111,660	5,998,360	-
Transfer to Capital Project Fund	(2,606,660)	-	(900,000)	(900,000)	1,706,660
Transfer for Capacity Purchase	(3,391,700)	-	-	-	3,391,700
Total Other Financing Sources (Uses)	<u>-</u>	<u>1,886,700</u>	<u>3,211,660</u>	<u>5,098,360</u>	<u>5,098,360</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 1,886,700</u>	<u>\$ 3,211,660</u>	<u>\$ 5,098,360</u>	<u>\$ 5,098,360</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District Construction Fund - Elevation Water District FY 18 Hydraulic Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8b

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Technical Service	265,790	127,213	16,869	-	144,082	121,708
Construction of Project	1,161,239	-	1,067,766	-	1,067,766	93,473
Loan Closing	30,000	30,000	-	-	30,000	-
Easements	18,400	5,815	-	-	5,815	12,585
Contingency Construction	54,571	-	-	-	-	54,571
Total Expenditures	<u>1,530,000</u>	<u>163,028</u>	<u>1,084,635</u>	<u>-</u>	<u>1,247,663</u>	<u>282,337</u>
Other Financing Sources (Uses)						
Transfer from other funds	30,000	30,000	-	-	30,000	-
State Revolving Loan	1,500,000	-	1,125,194	-	1,125,194	(374,806)
Total Other Financing Sources (Uses)	<u>1,530,000</u>	<u>30,000</u>	<u>1,125,194</u>	<u>-</u>	<u>1,155,194</u>	<u>(374,806)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (133,028)</u>	<u>\$ 40,559</u>	<u>\$ -</u>	<u>\$ (92,469)</u>	<u>\$ (92,469)</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District Construction Fund - Buffalo Water District FY 18 Hydraulic Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8c

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Technical Service	203,664	176,822	4,404	-	181,226	22,438
Construction of Project	2,287,760	-	1,792,961	-	1,792,961	494,799
Loan Closing	50,600	50,600	-	-	50,600	-
Easements	11,080	11,071	-	-	11,071	9
Contingency Construction	39,976	-	-	-	-	39,976
Total Expenditures	<u>2,593,080</u>	<u>238,493</u>	<u>1,797,365</u>	<u>-</u>	<u>2,035,858</u>	<u>557,222</u>
Other Financing Sources (Uses)						
Transfer from other funds	63,080	63,080	-	-	63,080	-
State Revolving Loan	2,530,000	-	1,817,137	-	1,817,137	(712,863)
Total Other Financing Sources (Uses)	<u>2,593,080</u>	<u>63,080</u>	<u>1,817,137</u>	<u>-</u>	<u>1,880,217</u>	<u>(712,863)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (175,413)</u>	<u>\$ 19,772</u>	<u>\$ -</u>	<u>\$ (155,641)</u>	<u>\$ (155,641)</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District Construction Fund - Wilson's Mills Water District FY 18 Hydraulic Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8d

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	-	-	-	-	-	-
Expenditures						
Technical Service	170,000	138,650	16,021	-	154,671	15,329
Construction of Project	2,328,255	-	1,984,707	-	1,984,707	343,548
Loan Closing	49,940	49,940	-	-	49,940	-
Easements	150	150	(50)	-	100	50
Contingency Construction	96,413	-	-	-	-	96,413
Total Expenditures	2,644,758	188,740	2,000,678	-	2,189,418	455,340
Other Financing Sources (Uses)						
Transfer from other funds	147,758	147,758	-	-	147,758	-
State Revolving Loan	2,497,000	-	2,050,245	-	2,050,245	(446,755)
Total Other Financing Sources (Uses)	2,644,758	147,758	2,050,245	-	2,198,003	(446,755)
Revenues and other sources over (under) expenditures	\$ -	\$ (40,982)	\$ 49,567	\$ -	\$ 8,585	\$ 8,585

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District Construction Fund - Wilson's Mills Water District WTP Service Line
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8e

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Technical Service	436,900	300,432	45,049	-	345,481	91,419
Construction of Project	4,423,836	-	1,726,011	-	1,726,011	2,697,825
Loan Closing	99,000	-	97,123	-	97,123	1,877
Easements	33,255	7,523	24,870	-	32,393	862
Contingency Construction	27,159	-	-	-	-	27,159
Total Expenditures	<u>5,020,150</u>	<u>307,955</u>	<u>1,893,053</u>	<u>-</u>	<u>2,201,008</u>	<u>2,819,142</u>
Other Financing Sources (Uses)						
Transfer from other funds	65,000	-	65,000	-	65,000	-
State Revolving Loan	4,955,150	-	777,672	-	777,672	(4,177,478)
Total Other Financing Sources (Uses)	<u>5,020,150</u>	<u>-</u>	<u>842,672</u>	<u>-</u>	<u>842,672</u>	<u>(4,177,478)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ (307,955)</u>	<u>\$ (1,050,381)</u>	<u>\$ -</u>	<u>\$ (1,358,336)</u>	<u>\$ (1,358,336)</u>

**Johnston County, North Carolina
Public Utilities Capital Project Fund**

Exhibit D-8f

**Water District Construction Fund - Archer Lodge Water District 500,000 Gallon Elevated Storage Tank
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020**

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	120,000	-	2,481	2,481	117,519
Construction of Project	1,410,000	-	-	-	1,410,000
Loan Closing	34,020	-	-	-	34,020
Easements	30,000	-	-	-	30,000
Contingency Construction	141,000	-	-	-	141,000
Total Expenditures	<u>1,735,020</u>	<u>-</u>	<u>2,481</u>	<u>2,481</u>	<u>1,732,539</u>
Other Financing Sources (Uses)					
Transfer from other funds	34,020	-	34,020	34,020	-
State Revolving Loan	1,701,000	-	-	-	(1,701,000)
Total Other Financing Sources (Uses)	<u>1,735,020</u>	<u>-</u>	<u>34,020</u>	<u>34,020</u>	<u>(1,701,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,539</u>	<u>\$ 31,539</u>	<u>\$ 31,539</u>

Johnston County, North Carolina
Public Utilities Capital Project Fund
Water District Construction Fund - Ingram's Water District 2018 Hydraulic Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

Exhibit D-8g

	Project Authorization	Actual			Total To Date	Variance Positive (Negative)
		Prior Years	Current Year	Completed Project		
Revenues						
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures						
Technical Service	222,785	53,125	143,589	-	196,714	26,071
Construction of Project	2,442,000	-	-	-	-	2,442,000
Loan Closing	59,000	-	-	-	-	59,000
Easements	60,000	-	-	-	-	60,000
Contingency Construction	225,215	-	-	-	-	225,215
Total Expenditures	<u>3,009,000</u>	<u>53,125</u>	<u>143,589</u>	<u>-</u>	<u>196,714</u>	<u>2,812,286</u>
Other Financing Sources (Uses)						
Transfer from other funds	59,000	59,000	-	-	59,000	-
State Revolving Loan	2,950,000	-	-	-	-	(2,950,000)
Total Other Financing Sources (Uses)	<u>3,009,000</u>	<u>59,000</u>	<u>-</u>	<u>-</u>	<u>59,000</u>	<u>(2,950,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 5,875</u>	<u>\$ (143,589)</u>	<u>\$ -</u>	<u>\$ (137,714)</u>	<u>\$ (137,714)</u>

**Johnston County, North Carolina
Public Utilities Capital Project Fund**

Exhibit D-8h

**Water District Construction Fund - McGee's Water District Ph 1 & 2 - NC 210 WM Improvements
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020**

	Project Authorization	Actual		Total To Date	Variance Positive (Negative)
		Prior Years	Current Year		
Revenues					
Restricted Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures					
Technical Service	468,960	74,911	357,745	432,656	36,304
Construction of Project	4,793,070	-	-	-	4,793,070
Loan Closing	111,720	-	-	-	111,720
Easements	44,325	-	44,325	44,325	-
Contingency Construction	279,645	-	-	-	279,645
Total Expenditures	<u>5,697,720</u>	<u>74,911</u>	<u>402,070</u>	<u>476,981</u>	<u>5,220,739</u>
Other Financing Sources (Uses)					
Transfer from other funds	111,720	111,720	-	111,720	-
State Revolving Loan	5,586,000	-	-	-	(5,586,000)
Total Other Financing Sources (Uses)	<u>5,697,720</u>	<u>111,720</u>	<u>-</u>	<u>111,720</u>	<u>(5,586,000)</u>
Revenues and other sources over (under) expenditures	<u>\$ -</u>	<u>\$ 36,809</u>	<u>\$ (402,070)</u>	<u>\$ (365,261)</u>	<u>\$ (365,261)</u>

Johnston County, North Carolina
Section 8 Housing Assistance Payments Fund
Project No. NC19-V164-006
Schedule of Revenues and Expenditures
Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2020

	2020		Variance Positive (Negative)
	Budget	Actual	
Revenues			
Nonoperating revenues			
Operating subsidy - HUD	\$ 4,273,100	\$ 4,287,935	\$ 14,835
CARES Act Funding	-	50,863	50,863
Investment earnings	8,000	188	(7,812)
Fraud recovery	8,000	8,473	473
Other	15,000	11,271	(3,729)
Total Revenues	<u>\$ 4,304,100</u>	<u>\$ 4,358,730</u>	<u>\$ 54,630</u>
Expenditures			
Administration			
Salaries and benefits	\$ 407,500	\$ 378,317	\$ 29,183
Operating expenditures	61,600	61,857	(257)
Total administration	<u>469,100</u>	<u>440,174</u>	<u>28,926</u>
Housing assistance payments	\$ 3,835,000	\$ 3,919,565	\$ (84,565)
Capital outlay	\$ -	\$ -	\$ -
Total expenditures	<u>\$ 4,304,100</u>	<u>\$ 4,359,739</u>	<u>\$ (55,639)</u>
Other Financing Sources (Uses)			
Transfer from General Funds	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Revenues over (under) expenditures	<u>\$ -</u>	(1,009)	<u>\$ (1,009)</u>
Reconciliation from budgetary basis (modified accrual) to full accrual basis			
Capital Outlay		-	
Total OPEB Liability		(26,008)	
Deferred outflows of resources - pensions		(6,435)	
Deferred outflows of resources - OPEB		6,988	
Net pension liability		(17,408)	
Deferred inflows of resources - pensions		693	
Deferred inflows of resources - OPEB		5,887	
Depreciation		<u>(6,232)</u>	
Change in net position		<u>\$ (43,524)</u>	

WATER DISTRICTS - CONSOLIDATING INFORMATION

USDA has requested that the County break out each water district separately. The County only has one water district operating fund. See Note 24 for additional information concerning the following schedules.

Johnston County, North Carolina
Statement of Net Position - Combined Water District Operating Fund
Proprietary Funds
June 30, 2020

	Archer's Lodge Water District	Brodgen Water District	Buffalo Water District	Clayton Water District	Cleveland Water District	Elevation Water District	Hopewell- Pisgah Water District	Ingrams Township Water District	Little Creek Water District
Assets									
Current assets:									
Cash and cash equivalents	\$ 836,251	\$ 527,055	\$ 732,613	\$ 507,398	\$ 2,876,075	\$ 478,815	\$ 879,654	\$ 185,399	\$ 925,110
Restricted cash	431,781	308,315	495,805	272,252	1,543,204	306,532	471,993	193,784	496,383
Receivables (net):									
Accounts	196,885	128,952	217,325	124,143	703,677	139,774	215,221	79,055	226,343
Interest	3	2	3	2	9	2	3	1	3
Due from other funds	-	-	-	-	5,845,264	-	885,371	-	161,860
Due from other governments	4,094	2,682	4,519	2,582	14,633	2,907	4,476	1,644	4,707
Total current assets	<u>1,469,014</u>	<u>967,006</u>	<u>1,450,265</u>	<u>906,377</u>	<u>10,982,862</u>	<u>928,030</u>	<u>2,456,718</u>	<u>459,883</u>	<u>1,814,406</u>
Noncurrent assets:									
Capital assets, net	5,547,412	5,761,148	8,084,366	3,268,819	7,900,536	7,116,187	4,410,600	4,132,640	4,412,547
Total noncurrent assets	<u>5,547,412</u>	<u>5,761,148</u>	<u>8,084,366</u>	<u>3,268,819</u>	<u>7,900,536</u>	<u>7,116,187</u>	<u>4,410,600</u>	<u>4,132,640</u>	<u>4,412,547</u>
Total assets	<u>\$ 7,016,426</u>	<u>\$ 6,728,154</u>	<u>\$ 9,534,631</u>	<u>\$ 4,175,196</u>	<u>\$ 18,883,398</u>	<u>\$ 8,044,217</u>	<u>\$ 6,867,318</u>	<u>\$ 4,592,523</u>	<u>\$ 6,226,953</u>
Liabilities									
Current liabilities:									
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	125,029	851,697	131,609	312,094	-	313,607	-	359,913	-
Current maturities of long-term debt	10,379	89,042	140,439	5,865	15,484	88,523	5,904	15,425	6,006
Due to the County (LOBs)	145,000	85,000	40,000	115,000	180,000	75,000	75,000	55,000	120,000
Utility deposits	97,838	64,080	107,995	61,690	349,678	69,458	106,950	39,285	112,476
Accrued interest	15,232	18,950	20,335	9,280	19,533	17,156	6,144	15,348	11,842
Total current liabilities	<u>393,478</u>	<u>1,108,769</u>	<u>440,378</u>	<u>503,929</u>	<u>564,695</u>	<u>563,744</u>	<u>193,998</u>	<u>484,971</u>	<u>250,324</u>
Long-term liabilities:									
Long-term debt	176,897	787,581	2,138,607	90,054	262,501	1,276,124	85,486	487,197	112,381
Due to the County (LOBs)	3,915,000	2,325,000	2,195,000	2,335,000	5,060,000	3,050,000	1,560,000	2,360,000	3,010,000
Total long-term liabilities	<u>4,091,897</u>	<u>3,112,581</u>	<u>4,333,607</u>	<u>2,425,054</u>	<u>5,322,501</u>	<u>4,326,124</u>	<u>1,645,486</u>	<u>2,847,197</u>	<u>3,122,381</u>
Total liabilities	<u>\$ 4,485,375</u>	<u>\$ 4,221,350</u>	<u>\$ 4,773,985</u>	<u>\$ 2,928,983</u>	<u>\$ 5,887,196</u>	<u>\$ 4,889,868</u>	<u>\$ 1,839,484</u>	<u>\$ 3,332,168</u>	<u>\$ 3,372,705</u>
Net Position									
Net investment in capital assets	1,300,136	2,474,525	3,570,320	722,900	2,382,551	2,626,540	2,684,210	1,215,018	1,164,160
Restricted	-	-	-	-	-	-	-	-	-
Unrestricted	1,230,915	32,279	1,190,326	523,313	10,613,651	527,809	2,343,624	45,337	1,690,088
Total net position	<u>\$ 2,531,051</u>	<u>\$ 2,506,804</u>	<u>\$ 4,760,646</u>	<u>\$ 1,246,213</u>	<u>\$ 12,996,202</u>	<u>\$ 3,154,349</u>	<u>\$ 5,027,834</u>	<u>\$ 1,260,355</u>	<u>\$ 2,854,248</u>

Johnston County, North Carolina
Statement of Net Position - Combined Water District Operating Fund
Proprietary Funds
June 30, 2020

	Little River Water District	McGee's Crossroads Water District	Meadow Water District	O'Neals Water District	Princeton-Kenly Water District	Southeast Lowgrounds Water District	Wilson's Mills Water District	Total Operating Fund
Assets								
Current assets:								
Cash and cash equivalents	\$ 461,941	\$ 1,408,790	\$ 357,513	\$ 426,312	\$ 368,570	\$ 179,370	\$ 462,473	\$ 11,613,339
Restricted cash	247,861	951,895	217,647	244,558	217,063	96,244	222,812	6,718,129
Receivables (net):								
Accounts	113,021	434,050	87,471	104,305	90,176	43,886	101,599	3,005,883
Interest	1	5	1	1	1	1	1	39
Due from other funds	-	1,753,906	-	-	-	-	-	8,646,401
Due from other governments	2,350	9,026	1,819	2,167	1,875	913	2,113	62,507
Total current assets	<u>825,174</u>	<u>4,557,672</u>	<u>664,451</u>	<u>777,343</u>	<u>677,685</u>	<u>320,414</u>	<u>788,998</u>	<u>30,046,298</u>
Noncurrent assets:								
Capital assets, net	10,022,834	8,291,897	4,970,313	9,729,115	3,680,152	1,757,664	5,943,649	95,029,879
Total noncurrent assets	<u>10,022,834</u>	<u>8,291,897</u>	<u>4,970,313</u>	<u>9,729,115</u>	<u>3,680,152</u>	<u>1,757,664</u>	<u>5,943,649</u>	<u>95,029,879</u>
Total assets	<u>\$ 10,848,008</u>	<u>\$ 12,849,569</u>	<u>\$ 5,634,764</u>	<u>\$ 10,506,458</u>	<u>\$ 4,357,837</u>	<u>\$ 2,078,078</u>	<u>\$ 6,732,647</u>	<u>\$ 125,076,177</u>
Liabilities								
Current liabilities:								
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,537,578	-	344,434	2,806,789	146,509	1,803,383	408,005	11,140,647
Current maturities of long-term debt	25,519	12,429	17,275	28,212	9,318	3,527	374,999	848,346
Due to the County (LOBs)	175,000	205,000	55,000	195,000	70,000	35,000	40,000	1,665,000
Utility deposits	56,163	215,692	43,467	51,832	44,811	21,808	50,487	1,493,710
Accrued interest	27,152	19,841	17,108	27,840	13,246	146	23,330	262,483
Total current liabilities	<u>3,821,412</u>	<u>452,962</u>	<u>477,284</u>	<u>3,109,673</u>	<u>283,884</u>	<u>1,863,864</u>	<u>896,821</u>	<u>15,410,186</u>
Long-term liabilities:								
Long-term debt	459,348	208,250	575,956	670,109	365,835	-	2,500,119	10,196,445
Due to the County (LOBs)	7,205,000	5,065,000	2,375,000	5,995,000	1,805,000	-	1,075,000	49,330,000
Total long-term liabilities	<u>7,664,348</u>	<u>5,273,250</u>	<u>2,950,956</u>	<u>6,665,109</u>	<u>2,170,835</u>	<u>-</u>	<u>3,575,119</u>	<u>59,526,445</u>
Total liabilities	<u>\$ 11,485,760</u>	<u>\$ 5,726,212</u>	<u>\$ 3,428,240</u>	<u>\$ 9,774,782</u>	<u>\$ 2,454,719</u>	<u>\$ 1,863,864</u>	<u>\$ 4,471,940</u>	<u>\$ 74,936,631</u>
Net Position								
Net investment in capital assets	2,157,967	2,801,218	1,947,082	2,840,794	1,429,999	1,719,137	1,953,531	32,990,088
Restricted	-	-	-	-	-	-	-	-
Unrestricted	(2,795,719)	4,322,139	259,442	(2,109,118)	473,119	(1,504,923)	307,176	17,149,458
Total net position	<u>\$ (637,752)</u>	<u>\$ 7,123,357</u>	<u>\$ 2,206,524</u>	<u>\$ 731,676</u>	<u>\$ 1,903,118</u>	<u>\$ 214,214</u>	<u>\$ 2,260,707</u>	<u>\$ 50,139,546</u>

Johnston County, North Carolina
Schedule of Revenues and Expenditures - Combined Water District Operating Fund
Proprietary Funds
June 30, 2020

	<u>Archer's Lodge Water District</u>	<u>Brodgen Water District</u>	<u>Buffalo Water District</u>	<u>Clayton Water District</u>	<u>Cleveland Water District</u>	<u>Elevation Water District</u>	<u>Hopewell- Pisgah Water District</u>	<u>Ingrams Township Water District</u>	<u>Little Creek Water District</u>
Operating revenues:									
Charges for services	\$ 1,161,295	\$ 760,604	\$ 1,281,857	\$ 732,237	\$ 4,150,523	\$ 824,431	\$ 1,269,447	\$ 466,291	\$ 1,335,047
Total operating revenues	<u>1,161,295</u>	<u>760,604</u>	<u>1,281,857</u>	<u>732,237</u>	<u>4,150,523</u>	<u>824,431</u>	<u>1,269,447</u>	<u>466,291</u>	<u>1,335,047</u>
Operating expenses:									
General operating	580,471	380,186	640,733	366,007	2,074,629	412,090	634,530	233,074	667,319
Depreciation and amortization	218,347	215,139	212,427	129,843	290,627	208,763	174,681	146,839	156,906
Total operating expenses	<u>798,818</u>	<u>595,325</u>	<u>853,160</u>	<u>495,850</u>	<u>2,365,256</u>	<u>620,853</u>	<u>809,211</u>	<u>379,913</u>	<u>824,225</u>
Operating income	\$ <u>362,477</u>	\$ <u>165,279</u>	\$ <u>428,697</u>	\$ <u>236,387</u>	\$ <u>1,785,267</u>	\$ <u>203,578</u>	\$ <u>460,236</u>	\$ <u>86,378</u>	\$ <u>510,822</u>
Nonoperating revenues (expenses):									
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Development Fees	269,314	176,390	297,273	169,812	962,540	191,192	294,395	108,137	309,608
Developer Contributions	70,774	46,354	78,122	44,626	252,950	50,244	77,365	28,418	81,363
Investment earnings	5,910	3,871	6,524	3,727	21,124	4,196	6,461	2,373	6,795
Late fees collected	-	-	-	-	-	-	-	-	-
Miscellaneous	5,532	3,623	6,106	3,488	19,771	3,927	6,047	2,221	6,359
Interest and fees	(177,863)	(136,306)	(109,856)	(109,577)	(225,928)	(136,707)	(70,709)	(112,173)	(140,409)
Total nonoperating revenues (expenses)	<u>173,667</u>	<u>93,932</u>	<u>278,169</u>	<u>112,076</u>	<u>1,030,457</u>	<u>112,852</u>	<u>313,559</u>	<u>28,976</u>	<u>263,716</u>
Revenues over (under) expenditures	\$ <u>536,144</u>	\$ <u>259,211</u>	\$ <u>706,866</u>	\$ <u>348,463</u>	\$ <u>2,815,724</u>	\$ <u>316,430</u>	\$ <u>773,795</u>	\$ <u>115,354</u>	\$ <u>774,538</u>
Other Financing Sources (Uses)									
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(173,749)	(113,797)	(191,790)	(109,556)	(620,994)	(123,350)	(189,932)	(69,766)	(199,747)
Total other financing sources (uses)	<u>(173,749)</u>	<u>(113,797)</u>	<u>(191,790)</u>	<u>(109,556)</u>	<u>(620,994)</u>	<u>(123,350)</u>	<u>(189,932)</u>	<u>(69,766)</u>	<u>(199,747)</u>
Change in net position	\$ <u>362,395</u>	\$ <u>145,414</u>	\$ <u>515,076</u>	\$ <u>238,907</u>	\$ <u>2,194,730</u>	\$ <u>193,080</u>	\$ <u>583,863</u>	\$ <u>45,588</u>	\$ <u>574,791</u>
Net position, beginning	1,625,107	2,005,386	3,645,591	664,579	8,858,802	2,575,390	3,849,801	996,517	1,654,583
Prior period adjustment	543,549	356,004	599,979	342,727	1,942,670	385,879	594,170	218,250	624,874
Total net position - beginning (as restated)	<u>2,168,656</u>	<u>2,361,390</u>	<u>4,245,570</u>	<u>1,007,306</u>	<u>10,801,472</u>	<u>2,961,269</u>	<u>4,443,971</u>	<u>1,214,767</u>	<u>2,279,457</u>
Net position, ending	\$ <u><u>2,531,051</u></u>	\$ <u><u>2,506,804</u></u>	\$ <u><u>4,760,646</u></u>	\$ <u><u>1,246,213</u></u>	\$ <u><u>12,996,202</u></u>	\$ <u><u>3,154,349</u></u>	\$ <u><u>5,027,834</u></u>	\$ <u><u>1,260,355</u></u>	\$ <u><u>2,854,248</u></u>

Johnston County, North Carolina
Schedule of Revenues and Expenditures - Combined Water District Operating Fund
Proprietary Funds
June 30, 2020

	Little River Water District	McGee's Crossroads Water District	Meadow Water District	O'Neals Water District	Princeton-Kenly Water District	Southeast Lowgrounds Water District	Wilson's Mills Water District	Operating Fund
Operating revenues:								
Charges for services	\$ 666,637	\$ 2,560,169	\$ 515,934	\$ 615,221	\$ 531,891	\$ 258,854	\$ 599,264	\$ 17,729,702
Total operating revenues	<u>666,637</u>	<u>2,560,169</u>	<u>515,934</u>	<u>615,221</u>	<u>531,891</u>	<u>258,854</u>	<u>599,264</u>	<u>17,729,702</u>
Operating expenses:								
General operating	333,217	1,279,694	257,888	307,517	265,864	129,387	299,542	8,862,148
Depreciation and amortization	332,218	296,144	180,120	313,548	152,461	70,488	58,979	3,157,530
Total operating expenses	<u>665,435</u>	<u>1,575,838</u>	<u>438,008</u>	<u>621,065</u>	<u>418,325</u>	<u>199,875</u>	<u>358,521</u>	<u>12,019,678</u>
Operating income	\$ 1,202	\$ 984,331	\$ 77,926	\$ (5,844)	\$ 113,566	\$ 58,979	\$ 240,743	\$ 5,710,024
Nonoperating revenues (expenses):								
Restricted intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
System Development Fees	154,598	593,724	119,649	142,674	123,350	60,030	138,974	4,111,660
Developer Contributions	40,628	156,027	31,443	37,493	32,416	15,776	36,522	1,080,521
Investment earnings	3,393	13,030	2,626	3,131	2,705	1,317	3,050	90,233
Late fees collected	-	-	-	-	-	-	-	-
Miscellaneous	3,175	12,195	2,458	2,931	2,534	1,232	2,855	84,454
Interest and fees	(307,639)	(233,084)	(116,082)	(268,506)	(96,363)	173	(68,364)	(2,309,393)
Total nonoperating revenues (expenses)	<u>(105,845)</u>	<u>541,892</u>	<u>40,094</u>	<u>(82,277)</u>	<u>64,642</u>	<u>78,528</u>	<u>113,037</u>	<u>3,057,475</u>
Revenues over (under) expenditures	\$ (104,643)	\$ 1,526,223	\$ 118,020	\$ (88,121)	\$ 178,208	\$ 137,507	\$ 353,780	\$ 8,767,499
Other Financing Sources (Uses)								
Transfers in	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfers out	(99,742)	(383,049)	(77,193)	(92,051)	(79,581)	(38,729)	(89,661)	(2,652,687)
Total other financing sources (uses)	<u>(99,742)</u>	<u>(383,049)</u>	<u>(77,193)</u>	<u>(92,051)</u>	<u>(79,581)</u>	<u>(38,729)</u>	<u>(89,661)</u>	<u>(2,652,687)</u>
Change in net position	\$ (204,385)	\$ 1,143,174	\$ 40,827	\$ (180,172)	\$ 98,627	\$ 98,778	\$ 264,119	\$ 6,114,812
Net position, beginning	(745,389)	4,781,885	1,924,212	623,891	1,555,537	(5,722)	1,716,100	35,726,270
Prior period adjustment	312,022	1,198,298	241,485	287,957	248,954	121,158	280,488	8,298,464
Total net position - beginning (as restated)	<u>(433,367)</u>	<u>5,980,183</u>	<u>2,165,697</u>	<u>911,848</u>	<u>1,804,491</u>	<u>115,436</u>	<u>1,996,588</u>	<u>44,024,734</u>
Net position, ending	<u>\$ (637,752)</u>	<u>\$ 7,123,357</u>	<u>\$ 2,206,524</u>	<u>\$ 731,676</u>	<u>\$ 1,903,118</u>	<u>\$ 214,214</u>	<u>\$ 2,260,707</u>	<u>\$ 50,139,546</u>

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.

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

	Motor Vehicles Trust Fund	Social Services Trust Fund	Cooperative Extension Advisory	4H Development Fund	Youth Livestock Fund	Totals June 30, 2020
Assets						
Cash and cash equivalents	\$ -	\$ 336,961	\$ 42,626	\$ 16,049	\$ 70,111	\$ 465,747
Due from other Governments	390,460	-	4,063	70	50	394,643
Total assets	<u>\$ 390,460</u>	<u>\$ 336,961</u>	<u>\$ 46,689</u>	<u>\$ 16,119</u>	<u>\$ 70,161</u>	<u>\$ 860,390</u>
Liabilities and Fund Balance						
Liabilities:						
Accounts payable	\$ -	\$ 336,961	\$ -	\$ -	\$ -	\$ 336,961
Due from other funds	-	-	-	-	-	-
Due to other governments	390,460	-	46,689	16,119	70,161	523,429
Total liabilities	<u>\$ 390,460</u>	<u>\$ 336,961</u>	<u>\$ 46,689</u>	<u>\$ 16,119</u>	<u>\$ 70,161</u>	<u>\$ 860,390</u>

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

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
Motor Vehicles Trust Fund				
Assets:				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Due from other governments	381,985	19,704,119	19,695,644	390,460
Liabilities:				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to other governments	381,985	19,695,644	19,704,119	390,460
Social Services Trust Fund				
Assets:				
Cash and cash equivalents	\$ 279,820	\$ 386,073	\$ 328,932	\$ 336,961
Liabilities:				
Accounts payable	\$ 279,820	\$ 328,932	\$ 386,073	\$ 336,961
Cooperative Extension Advisory				
Assets:				
Cash and cash equivalents	\$ 46,418	\$ 73,591	\$ 77,383	\$ 42,626
Due from other governments	4,010	4,062	4,009	4,063
Liabilities:				
Due to other governments	\$ 50,428	\$ 81,392	\$ 77,653	\$ 46,689
4H Development Fund				
Assets:				
Cash and cash equivalents	\$ 22,379	\$ 5,941	\$ 12,271	\$ 16,049
Due from other governments	79	70	79	70
Liabilities:				
Due to other governments	\$ 22,458	\$ 12,350	\$ 6,011	\$ 16,119
Youth Livestock Fund				
Assets:				
Cash and cash equivalents	\$ 138,745	\$ 89,884	\$ 158,518	\$ 70,111
Due from other governments	418	50	418	50
Liabilities:				
Accounts Payable	\$ -	\$ -	\$ -	\$ -
Due to other governments	139,163	158,936	89,934	70,161
Totals - All Agency Funds				
Assets:				
Cash and cash equivalents	\$ 487,362	\$ 555,489	\$ 577,104	\$ 465,747
Due from other governments	386,492	19,708,301	19,700,150	394,643
Total assets	\$ 873,854	\$ 20,263,790	\$ 20,277,254	\$ 860,390
Liabilities:				
Accounts payable	\$ 279,820	\$ 328,932	\$ 386,073	\$ 336,961
Due to other funds	-	-	-	-
Due to other governments	594,034	19,948,322	19,877,717	523,429
Total liabilities	\$ 873,854	\$ 20,277,254	\$ 20,263,790	\$ 860,390

OTHER SCHEDULES

This section includes additional information on property taxes.

Johnston County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
For the Fiscal Year Ended June 30, 2020

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2019</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2020</u>
2019-2020	\$ -	\$ 158,307,966	\$ 157,498,165	\$ 809,801
2018-2019	145,214	443	91,355	54,302
2017-2018	71,845	-	27,290	44,555
2016-2017	12,009	-	2,207	9,802
2015-2016	10,404	-	1,487	8,917
2014-2015	10,440	-	189	10,251
2013-2014	51,143	-	1,485	49,658
2012-2013	83,331	-	886	82,445
2011-2012	86,533	-	859	85,674
2010-2011	77,167	-	1,316	75,851
2009-2010	84,429	-	84,429	-
	<u>\$ 632,515</u>	<u>\$ 158,308,409</u>	<u>\$ 157,709,668</u>	<u>\$ 1,231,256</u>
Less: allowance for uncollectible accounts:				
General Fund				<u>688,000</u>
Ad valorem taxes receivable - net:				
General Fund				<u>\$ 543,256</u>
<u>Reconciliation with revenues:</u>				
Ad valorem taxes - General Fund				\$ 157,426,775
Reconciling items:				
Interest collected				(295,872)
Releases and adjustments				(54,454)
NCVTS Collection Cost				548,813
Taxes written off				<u>84,406</u>
Total reconciling items				<u>282,893</u>
Total collections and credits				<u>\$ 157,709,668</u>

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

	County - wide		Total Levy		
			Property exclusing Registered Motor Vehicles	Registered Motor Vehicles	
	Property Valuation	Rate			
Original levy:					
General Fund - Real property	\$ 16,670,723,455	0.76	\$ 126,697,498	\$ 126,697,498	\$ -
General Fund - Personal property	1,593,777,224	0.76	12,112,707	12,112,707	-
General Fund - Motor vehicles	2,076,067,500	0.76	15,778,113	-	15,778,113
Penalties	-		92,661	92,661	-
Total	\$ <u>20,340,568,179</u>		\$ <u>154,680,979</u>	\$ <u>138,902,866</u>	\$ <u>15,778,113</u>
Public service levy:					
General Fund - Real property	397,086,920	0.76	3,017,861	3,017,861	-
Total	\$ <u>397,086,920</u>		\$ <u>3,017,861</u>	\$ <u>3,017,861</u>	\$ <u>-</u>
Discoveries:					
Current year taxes	\$ 35,331,169	0.76	\$ 268,517	\$ 268,517	\$ -
Prior years taxes	61,282,871	various	478,006	478,006	-
Motor vehicles	400,044	0.76	3,075	-	3,075
Penalties	3,098,178	various	24,166	24,166	-
Total	\$ <u>100,112,262</u>		\$ <u>773,764</u>	\$ <u>770,689</u>	\$ <u>3,075</u>
Abatements/Releases:					
General Fund - Real property	\$ (21,385,908)	0.76	\$ (162,533)	\$ (162,533)	\$ -
General Fund - Motor Vehicles	-	0.76	-	-	-
Penalties	(276,942)	0.76	(2,105)	(2,105)	-
Total	\$ <u>(21,662,850)</u>		\$ <u>(164,638)</u>	\$ <u>(164,638)</u>	\$ <u>-</u>
Total Property Valuation	\$ <u>20,816,104,511</u>				
Net levy			158,307,966	142,526,778	15,781,188
Uncollected taxes at June 30, 2020 (County Only)			<u>809,801</u>	<u>809,801</u>	<u>-</u>
Current year's taxes collected (includes penalty)			\$ <u>157,498,165</u>	\$ <u>141,716,977</u>	\$ <u>15,781,188</u>
Current levy collection percentage			<u>99.49%</u>	<u>99.43%</u>	<u>100.00%</u>

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

Secondary Market Disclosures:

Assessed Valuation:

Assessment Ratio ¹	100 %
Real Property	\$ 16,741,331,355
Personal Property	1,619,783,356
Motor Vehicles	2,076,472,042
Public Service Companies ²	397,086,920
Less Releases	<u>(21,385,908)</u>
Total Assessed Valuation	\$ 20,813,287,765
Tax Rate per \$100	0.76
Levy (includes discoveries, releases and abatements) ³	\$ 158,180,987

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

Fire Protection Districts	\$ 13,763,666,948
Sanitation Districts	245,037,852
Smithfield Redevelopment	50,988,581
Research Training Zone	1,217,242,799
Total	<u>\$ 15,276,936,180</u>

¹ Percentage of appraised value has been established by statute.

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

³ The levy includes interest and penalties.

Johnston County, North Carolina
Ten Largest Taxpayers
For the Fiscal Year Ended June 30, 2020

Taxpayer	Type of Business	2019 Assessed Valuation	Percentage of Total Assessed Valuation
Grifols Therapeutics Inc	Pharmaceuticals	\$ 657,504,221	3.16%
Novo Nordisk Pharmaceutical	Pharmaceuticals	567,305,146	2.73%
Duke Energy Progress	Utility	159,750,743	0.77%
Piedmont Natural Gas Co	Utility	100,785,381	0.48%
Sysco Food Services	Food Services / Distribution	47,507,134	0.23%
Crown Raleigh III, IV	Real Estate Investment	45,430,621	0.22%
Chicopee Inc	Nonwovens	45,138,770	0.22%
Caterpillar Inc	Construction	43,290,386	0.21%
Carolina Premium Outlets	Retail	43,179,932	0.21%
TKC CXXIX LLC	Distributor of Medical Devices	34,086,290	0.16%
Total		<u>\$ 1,743,978,624</u>	<u>8.38%</u>

COMPLIANCE SECTION



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

Independent Auditors' Report

To the Board of County Commissioners
County of Johnston
Smithfield, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Johnston, North Carolina, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprises the County of Johnston basic financial statements, and have issued our report thereon dated January 4, 2021. Our report includes a reference to other auditors who audited the financial statements of the Johnston County ABC Board, as described in our report on the County of Johnston'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 the Johnston County ABC Board 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 of Johnston'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 of Johnston'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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs [2020-001] that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Johnston'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 matters⁶ that are required to be reported under *Government Auditing Standards*.

Johnston County's Response to Findings

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

Purpose of this Report

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 4, 2021



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

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

Independent Auditors' Report

To the Board of County Commissioners
County of Johnston
Smithfield, North Carolina

Report on Compliance for Each Major Federal Program

We have audited the County of Johnston, North Carolina's, compliance with the types of compliance requirements described in the OMB *Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Johnston's major federal programs for the year ended June 30, 2020. The County of Johnston'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 of laws, regulations, contracts, and grants applicable to its federal programs.

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the County of Johnston 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, 2020.

Report on Internal Control Over Compliance

Management of the County of Johnston 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 of Johnston internal control over compliance with the types of requirements that could have direct and material effect on major federal program to determine the auditing procedures that are appropriate in the circumstance for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County 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 type of compliance requirement of a federal program that is less severe than material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-002, 2020-003, and 2020-004] that we consider to be significant deficiencies.

The County's response to the internal control over compliance findings identified in our audit are described in the accompany schedule of findings and questioned costs and the 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.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 4, 2021



**CERTIFIED PUBLIC ACCOUNTANTS
CONSULTANTS AND TAX ADVISORS**

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

Independent Auditors' Report

To the Board of County Commissioners
County of Johnston
Smithfield, North Carolina

Report on Compliance for Each Major State Program

We have audited the County of Johnston, North Carolina's, compliance with the types of compliance requirements described in the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County of Johnston major state programs for the year ended June 30, 2020. The County of Johnston major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditors' Responsibility

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

Opinion on Each Major State Program

In our opinion, the County of Johnston complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the County of Johnston 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 of Johnston's internal control over compliance with the types of requirements that could have 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 charges 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 material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as items [2020-002, 2020-003, and 2020-004] that we consider to be significant deficiencies.

The County of Johnston's response to the internal control over compliance findings identified in our audit are described in the accompanying corrective action plan. The County of Johnston'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.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
January 4, 2021

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

Section II. Financial Statement Findings

Finding 2020-001	PRIOR PERIOD ADJUSTMENT
MATERIAL WEAKNESS	
Criteria:	AU-C 260 requires communication of certain matters related to internal control over financial reporting.
Condition:	During the year, the County was made aware that there were several assets created by developers that were not recorded for the Wastewater Treatment Fund and Water District Operating Fund. Prior Period Adjustments were proposed to correct those balances.
Effect:	Management may not receive accurate information to base decisions appropriately for planning and budgeting purposes.
Cause:	The County's internal control system over financial reporting did not prevent and detect the misstatement timely.
Recommendation:	The design or operation of the internal control system should be reviewed and adjusted to ensure the effectiveness and efficiency.
Views of Responsible officials and planned corrective action:	The County agrees with this finding. Each year, the utility department will ensure that the finance department is made aware of any developer contributions that were made on behalf of the County.

Section III. Federal Award Findings and Questioned Costs

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

Finding: 2020-002

SIGNIFICANT DEFICIENCY

Eligibility

Criteria:	In accordance with 42 CFR 435, documentation must be obtained as needed to determine if a recipient met specific standards, and documentation must be maintained to support eligibility determinations. In accordance with 2 CFR 200, management should have an adequate system of internal controls procedures in place to ensure an applicant is properly determined or redetermined for benefits.
Condition:	There were thirteen errors discovered during our procedures that inaccurate information was entered when determining eligibility.
Questioned Costs:	There was no known affect to eligibility and there were no known questioned costs.
Context:	We examined 60 Medicaid recipients from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.
Effect:	For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.
Identification of a repeat finding:	This is a repeat finding from the immediate previous audit, 2019-002.

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

Section III. Federal Award Findings and Questioned Costs (continued)

Finding: 2020-002 (continued)

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources of income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will perform second party reviews to ensure proper documentation is contained in files to support eligibility determinations. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping.

US Department of Health and Human Services

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

Finding: 2020-003

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: Medicaid for Aged, Blind and Disabled case records should contain documentation that verifications were done in preparation of the application and these items will agree to reports in the NC FAST system. In this process, the countable resources should be calculated correctly and agree back to the amounts in the NC FAST system. Any items discovered in the verification process should be considered countable or non-countable resources and explained within the documentation.

Condition: There were five errors discovered during our procedures that resources in the county documentation and those same resources contained in NC FAST were not the same amounts or files containing resources were not properly documented to be considered countable or non-countable.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Identification of a repeat finding: This is a repeat finding from the immediate previous audit, 2019-003.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST which could affect countable resource. Therefore, applicants could have received assistance for which they were not eligible.

Cause: Ineffective record keeping and ineffective case review process, incomplete documentation, and incorrect application of rules for purposes of determining eligibility.

Recommendation: Files should be reviewed internally to ensure proper documentation is in place for eligibility. Workers should be retrained on what files should contain and the importance of complete and accurate record keeping. We recommend that all files include online verifications, documented resources and income and those amounts agree to information in NC FAST. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will review action reports regularly to determine if correct was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping, and reserve calculations.

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

Section III. Federal Award Findings and Questioned Costs (continued)

US Department of Health and Human Services

Passed through the NC Dept. of Health and Human Services

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

Finding: 2020-004

SIGNIFICANT DEFICIENCY

Eligibility

Criteria: The Child Support Enforcement Agency (IV-D) can assist the family in obtaining financial and/or medical support or medical support payments from the child's non-custodial parent. Cooperation requirement with Social Services and Child Support Agencies must be met or good cause for not cooperating must be established when determine Medicaid eligibility.

Condition: There were two errors discovered during our procedures that referrals between DSS and Child Support Agencies were not properly made.

Questioned Costs: There was no known affect to eligibility and there were no known questioned costs.

Context: We examined 60 Medicaid applicants from the Medicaid Beneficiary report provided by NC Department of Health and Human Services to re-determine eligibility. These findings are being reported with the financial statement audit as it relates to Medicaid administrative cost compliance audit.

Effect: For those certifications/re-certifications there was a chance that information was not properly documented and reconciled to NC FAST and a participant could have been approved for benefits for which they were not eligible.

Cause: Error in reading the ACTS report and/or ineffective case review process.

Recommendation: Files should be reviewed internally to ensure proper information is in place and necessary procedures are taken when determine eligibility. The results found or documentation made in case notes should clearly indicate what actions were performed and the results of those actions.

Views of responsible officials and planned corrective actions: The County agrees with the finding. Supervisors will review action reports regularly to determine if corrective action was taken and that action was correctly closed out. Workers will be retrained on what information should be maintained in case files, the importance of complete and accurate record keeping.

Section IV. State Award Findings and Questioned Costs

Program Name: Medical Assistance Program (Medicaid; Title XIX)

CFDA # 93.778

SIGNIFICANT DEFICIENCY: Finding 2020-002, 2020-003 and 2020-004 also apply to State requirements and State Awards.

Corrective Action Plan
For the Year Ended June 30, 2020

Section II - Financial Statement Findings

Finding: 2020-001 Prior Period Adjustment

Name of contact person: Chad McLamb, Finance Director

Corrective Action: The County will improve the internal control system and review the financial statements to ensure the balances are correct prior to issuance of the financial statements.

Proposed Completion Date: Immediately.

Section III - Federal Award Findings and Question Costs

Finding: 2020-002

Name of contact person: Scott Sabatino, DSS Director & Vynette Duncan, Income Maintenance Program Administrator

Corrective Action: It was discovered that the household size reflected in determinations did not match with the household members entered into NCFAST. Upon further review of these cases, some of the errors originated due to the incorrect household relationship or tax filing status entered in the evidence dashboard. However, some of the errors were also due to an NCFAST system issue, as all of the information was entered correctly into NCFAST by the caseworker. These findings have been addressed with all staff and continued reminders are being sent to the caseworkers to emphasize the importance of reviewing the determinations on their cases to ensure the household size matches the information entered into NCFAST. Staff have also been reminded of the importance of completing an NCFAST help desk ticket if their case is reading incorrectly due to an NCFAST system error.

It was discovered that the income entered into NCFAST did not have the relevant verifications attached to the case, the income entered into NCFAST did not match what was verified, online data matches were not utilized or there was no documentation to support where it was ran, and the income entered did not pull into the case determinations. Upon further review of these cases, some of the errors originated as a direct result or worker oversight. However, some of the errors were also due to an NCFAST system issue, as all of the information was entered into NCFAST by the caseworker.

Proposed Completion Date: All of these areas of concern have been discussed with staff and there will be ongoing discussions with all staff and additional training as needed to ensure these errors are not an ongoing issue. Additionally, on September 1, 2019, we implemented an in-house Quality Assurance team, that is continuously monitoring case files along with worker's timeliness and accuracy. A minimum of 25 Adult Medicaid records and 50 Family & Children's Medicaid records are audited each week with the worker and their supervisor notified of the errors found upon audit completion.

Corrective Action Plan
For the Year Ended June 30, 2020

Section III - Federal Award Findings and Question Costs (continued)

Finding: 2020-003

Name of contact person: Scott Sabatino, DSS Director & Vynette Duncan, Income Maintenance Program Administrator

Corrective Action: It was discovered that real and personal property was not entered into NCFAST correctly resulting in an incorrect determination for the resources section, there were not verifications to support a vehicle entered, and a property search was not performed prior to recertifying client's benefits. It was also discovered that one of the errors was a direct result of an NCFAST system issue as the caseworker accurately entered the evidence into the system. These findings have been addressed with all staff and continued reminders are being sent to case workers on the importance of completing all applicable online data searches/resource verifications and reading them carefully, including OMV data, as well as entering all information accurately to ensure the case determinations show correctly. Again, staff are being reminded of the importance of completing an NCFAST help desk ticket if the countable and/or non countable resources in NCFAST are reading incorrectly due to an NCFAST system error.

Proposed Completion Date: All of these areas of concern have been discussed with staff and there will be ongoing discussions with all staff and additional training as needed to ensure these errors are not an ongoing issue. Additionally, on September 1, 2019, we implemented an in-house Quality Assurance team, that is continuously monitoring case files along with worker's timeliness and accuracy. A minimum of 25 Adult Medicaid records and 50 Family & Children's Medicaid records are audited each week with the worker and their supervisor notified of the errors found upon audit completion.

Finding: 2020-004

Name of contact person: Scott Sabatino, DSS Director & Vynette Duncan, Income Maintenance Program Administrator

Corrective Action: It was discovered there were errors associated with the IV-D referral process and the referrals between DSS and the Johnston County Child Support Agency were not properly made. These findings have been addressed with all staff and continued reminders are being sent to case workers to ensure they are verifying a IV-D referral has been completed if a parent/caretaker is receiving Medicaid benefits in addition to the minor child. Our in house auditing team has created a IV-D referrals reminders sheet and this has been distributed to all Medicaid workers for them to follow to ensure they are following the correct procedure in accordance with the policy in place.

Proposed Completion Date: All of these areas of concern have been discussed with staff and there will be ongoing discussions with all staff and additional training as needed to ensure these errors are not an ongoing issue. Additionally, on September 1, 2019, we implemented an in-house Quality Assurance team, that is continuously monitoring case files along with worker's timeliness and accuracy. A minimum of 25 Adult Medicaid records and 50 Family & Children's Medicaid records are audited each week with the worker and their supervisor notified of the errors found upon audit completion.

Section IV - State Award Findings and Question Costs

Corrective Actions for Finding 2020-002, 2020-003 and 2020-004 also apply to the State Award Findings.

Johnston County, North Carolina
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2020

Finding: 2019-001

Status: Corrected

Finding: 2019-002

Status: Repeat finding. See 2020-002

Finding: 2019-003

Status: Repeat finding. See 2020-003

Finding: 2019-004

Status: Corrected

Johnston County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Federal Awards:						
<u>U. S. Department of Agriculture</u>						
Passed-through N.C. Dept of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561		\$ 2,129,460	\$ -	\$ -	\$ 2,129,460
Passed-through N.C. Dept of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants and Children	10.557		742,429	-	-	-
Total U.S. Dept. of Agriculture			<u>2,871,889</u>	<u>-</u>	<u>-</u>	<u>2,129,460</u>
<u>U.S. Dept. of Treasury</u>						
Passed-through the Office of State Budget and Management:						
NC Pandemic Recovery Office						
Coronavirus Relief Fund	21.019		3,657,452	-	-	-
Total U.S. Dept. of Treasury			<u>3,657,452</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Justice</u>						
Passed-through N.C. Department of Public Safety						
Edward Byrne Memorial Justice Assistance Grant	16.738		13,651	-	-	-
Federal Equitable Sharing	16.922		205,084	-	-	-
Total U.S. Department of Justice			<u>218,735</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Department of Homeland Security</u>						
Passed-through N.C. Department of Public Safety						
Division of Emergency Management						
Emergency Performance Grant	97.042		53,279	-	-	-
Hazard Mitigation Grant	97.039		593,382	-	-	-
Total U.S. Department of Homeland Security			<u>646,661</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Health and Human Services</u>						
Provider Relief Fund	93.498		195,944	-	-	-
Passed-through N.C. Department of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074		59,237	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Programs	93.116		27,433	-	-	-
Family Planning Services	93.217		82,500	-	-	-
Immunization Grants	93.268		35,576	-	-	-
COVID-19 - Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response						
Well-Integrated Screening and Evaluation for Women Across the Nation (Wisewomen)	93.436		25,816	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal Organizations	93.898		44,089	-	-	-
Preventive Health Services Sexually Transmitted Disease Control Grants	93.977		58	-	-	-
Preventive Health and Health Services Block Grant	93.991		30,921	-	-	-
Maternal and Child Health Services Block Grant	93.994		95,995	16,028	-	-
Passed-through Triangle J Council of Governments						
Division of Aging and Adult Services:						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044		82,678	4,863	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045		316,927	18,643	-	-
Nutrition Services Incentive Program	93.053		46,786	-	-	-
Total Aging Cluster			<u>446,391</u>	<u>23,506</u>	<u>-</u>	<u>-</u>
Preventative Health	93.043		12,979	763	-	-
Family Caregiver Services	93.052		57,753	3,850	-	-

Johnston County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Passed-through N.C. Department of Health and Human Services:						
Division of Social Services						
Temporary Assistance for Needy Families (TANF) Cluster						
Work First	93.558		1,015,833	-	-	1,519,775
Division of Public Health						
Temporary Assistance for Needy Families	93.558		18,254	-	-	-
Total TANF Cluster			<u>1,034,087</u>	<u>-</u>	<u>-</u>	<u>1,519,775</u>
AFDC Payments & Penalties	93.560		(296)	(81)	-	(81)
Family Preservation	93.556		54,870	-	-	-
<u>Foster Care and Adoption Cluster</u>						
Title IV-E Foster Care	93.658		1,008,667	204,684	-	520,543
Foster Care	N/A		342,533	42,033	-	498,077
Adoption Assistance	93.659		84,924	-	-	84,923
IV-E Adoption	N/A		3,068	298	-	3,153
Total Foster Care and Adoption Cluster			<u>1,439,192</u>	<u>247,015</u>	<u>-</u>	<u>1,106,696</u>
Child Support Enforcement	93.563		1,633,849	(939)	-	842,618
Refugee and Entrant Assistance - State Administered Program	93.566		1,568	-	-	-
Low Income Energy Assistance						
Administration	93.568		120,279	-	-	-
Energy Assistance Payments	93.568		671,261	-	-	-
Crisis Intervention Program	93.568		755,496	-	-	-
Total Low-Income Home Energy Assistance			<u>1,547,036</u>	<u>-</u>	<u>-</u>	<u>-</u>
Stephanie Tubbs Jones Child Welfare Services Program	93.645		55,054	-	-	18,351
Chafee Foster Care Independence Program	93.674		53,923	8,387	-	-
SSBG - Other Service and Training	93.667		454,519	-	-	151,506
Division of Social Services:						
SSBG - State Adult Day Care	93.667		59,345	26,245	-	17,953
CPS TANF to SSBG	93.667		38,142	-	-	-
SSBG - State In-Home Services	93.667		19,866	-	-	2,838
Passed-through Triangle J Council of Governments:						
SSBG - In Home Support Services	93.667		26,981	771	-	-
Total Social Service Block Grant			<u>598,853</u>	<u>27,016</u>	<u>-</u>	<u>172,297</u>
Administration for Children and Families						
Passed-through the N.C. Dept. of Health and Human Services						
Subsidized Child Care						
Child Care Development Fund Cluster						
Child Care Development Fund - Administration	93.596		248,374	-	-	-
Total Subsidized Child Care Cluster			<u>248,374</u>	<u>-</u>	<u>-</u>	<u>-</u>
Division of Social Services						
Medical Assistance Program	93.778		6,032,624	24,370	-	2,334,738
State Children's Insurance Program - N.C. Health Choice	93.767		231,798	3,760	-	14,655
Total U.S. Dept. of Health and Human Services			<u>14,189,338</u>	<u>353,675</u>	<u>-</u>	<u>6,009,049</u>
<u>Environmental Protection Agency</u>						
Passed- through Department of Environment and Natural Resources						
Division of Water Resources						
Capitalization Grants for Clean Water State Revolving Loan	66.458	E-SRF-T-2018-469-61	932,270	-	-	-
Capitalization Grants for Clean Water State Revolving Loan	66.458	CS370560-18	1,897,077	-	-	-
Capitalization Grants for Drinking Water State Revolving Loan	66.468	WIF1948	289,775	-	-	-
Total of Drinking Water State Revolving Loan			<u>3,119,122</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>U.S. Dept. of Housing and Urban Development</u>						
Lower Income Housing Assistance Program - Section 8 Housing						
Voucher Program						
CARES Act Funding - Section 8 Housing Voucher Program	14.871		3,919,565	-	-	-
CARES Act Funding - Section 8 Housing Voucher Program	14.871		50,863	-	-	-
Passed-through N.C. Department of Environmental Quality						
Division of Water Infrastructure						
Community Development Block Grants - Infrastructure Fund	14.228		109,790	-	-	-
Total U.S. Dept. of Housing and Urban Development			<u>4,080,218</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Federal Awards			<u>28,783,415</u>	<u>353,675</u>	<u>-</u>	<u>8,138,509</u>

Johnston County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed (Direct &</u> <u>Pass-through</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
State Awards:						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Public Health						
Food & Lodging Fees			-	48,026	-	-
Aid-to Counties			-	121,927	-	-
General Communicable Diseases Control			-	3,757	-	-
Child Health			-	9,123	-	-
HIV STD State			-	12,500	-	-
Gonorrhea Partner Services			-	429	-	-
Healthy Community Activities			-	3,785	-	-
STD Drugs			-	2,151	-	-
Breast and Cervical Cancer Control			-	10,013	-	-
School Nurse Funding Initiative			-	100,000	-	-
PCM for Women Ineligible for Medicaid			-	50,000	-	-
Family Planning-State			-	8,353	-	-
Maternal Health			-	70,653	-	-
Women Health Service Fund			-	13,560	-	-
TB Control			-	68,903	-	-
Total Public Health			-	523,180	-	-
Division of Social Services:						
Energy Assistance			-	19,407	-	-
Non Allocating County Cost			-	-	-	713,839
County Fund Programs			-	-	-	3,603,569
St Child Welfare/CPS/CS			-	281,823	-	-
DCD Smart Start			-	78,684	-	-
AFDC Incentive Program Integrity			-	189	-	-
Work First Non Reimbursable			-	-	-	1,405,441
Extended FC/MAX Non IV-E			-	127,720	-	-
F/C at Risk Maximization			-	12,048	-	5,296
State Foster Care			-	227,212	-	227,210
SFHF Maximization			-	234,356	-	234,356
CSE Disaster Non-Reimbursable			-	-	-	5,264
Total Division of Social Services			-	981,439	-	6,194,975
Pass-through Triangle J Council of Governments						
Division of Aging and Adult Services						
Division of Social Services						
Senior Center General Purpose			-	31,722	-	-
90% State Funds - Access			-	17,054	-	-
90% State Funds - In Home Services			-	296,361	-	-
90% State Funds - Home Delivered Meals			-	150,182	-	-
Total for Division of Social Services			-	495,319	-	-
Total N.C. Dept. of Health and Human Services			-	1,999,938	-	6,194,975
<u>N.C. Dept. of Transportation</u>						
ROAP RGP		36228.22.9.1	-	180,944	-	-
ROAP EDTAP		36220.10.9.1	-	120,616	-	-
ROAP Employment		36236.11.8.1	-	45,580	-	-
Total ROAP Cluster			-	347,140	-	-
Total of N.C. Dept. of Transportation			-	347,140	-	-
<u>N.C. Dept of Military and Veterans Affairs</u>						
Veterans Services						
Total of N.C. Dept of Administration			-	2,182	-	-
<u>N.C. Dept. of Environmental Quality</u>						
Division of Water Infrastructure						
Connect NC Bond		H-SRP-D-17-0101	-	2,047,706	-	-
Connect NC Bond		H-SRP-D-17-0022	-	1,918,158	-	-
Connect NC Bond		H-SRP-D-17-0024	-	1,247,663	-	-
Connect NC Bond		H-SRP-D-17-0025	-	2,156,941	-	-
Connect NC Bond		H-SRP-D-17-0100	-	2,196,669	-	-
Connect NC Bond		H-SRP-D-17-0133	-	137,714	-	-
Connect NC Bond		H-SRP-D-17-0138	-	365,261	-	-
Total of N.C. Dept. of Environmental Quality			-	10,070,112	-	-
<u>N.C. Department of Public Safety</u>						
Juvenile Crime Prevention Programs						
Preparing to Soar Teen Court			-	56,875	56,875	56,875
Johnston County Youth Services			-	225,058	225,058	-
Healthy Choices			-	49,676	49,676	-
Johnston County Juvenile Crime Prevention			-	6,179	6,179	-
Total Juvenile Crime Prevention Programs			-	337,788	337,788	56,875

Johnston County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

<u>Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>State/ Pass-through Grantor's Number</u>	<u>Fed (Direct & Pass-through Expenditures</u>	<u>State Expenditures</u>	<u>Provided to Subrecipients</u>	<u>Local Expenditures</u>
Local Emergency Planning Committee Grant			-	1,000	-	-
Disaster Recovery Act 2017		DRA2017	-	1,861	-	-
Total of N.C. Dept. of Public Safety			-	340,649	337,788	56,875
<u>N.C. Department of Commerce</u>						
Revitalization and Economic Development			-	2,800	-	-
Total N.C. Department of Commerce			-	2,800	-	-
<u>N.C. Department of Agriculture & Consumer Services</u>						
Pesticide Grant			-	6,955	-	-
Total N.C. Department of Agriculture & Consumer Services			-	6,955	-	-
<u>N.C. Department of Public Instruction</u>						
Public School Building Capital Fund-Lottery Proceeds			-	2,049,000	-	-
Total N.C. Department of Public Instruction			-	2,049,000	-	-
Total State Awards			\$ -	\$ 14,818,776	\$ 337,788	\$ 6,251,850
Total Federal and State Awards			\$ 28,783,415	\$ 15,172,451	\$ 337,788	\$ 14,390,359

Notes to the Schedule of Expenditures of Federal and State 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 Johnston County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2020. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the SEFSA presents only a selected portion of the operations of Johnston County, it is not intended to and does not present the financial position, changes in net assets or cash flows of Johnston 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

Johnston 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, Foster Care and Adoption

Note 5: Loans Outstanding

Johnston County had the following loan balances outstanding at June 30, 2020 for loans that the grantor/pass-through grantor has still imposed continuing compliance requirements. Loans outstanding at the beginning of the year and loans made during the year are included in the SEFSA. The balance of loans outstanding at June 30, 2020 consist of:

<u>Program Title</u>	<u>CFDA</u>		<u>Pass-through</u>		<u>Amount Outstanding</u>
	<u>Number</u>	<u>Number</u>	<u>Grantor's Number</u>	<u>Number</u>	
Capitalization Grants for Clean Water State Revolving Loan	66.458		E-SRF-T-2018-469-61		2,220,614
Connect NC Bond	N/A		H-SRP-D-17-0101		1,975,393
Connect NC Bond	N/A		H-SRP-D-17-0022		1,817,137
Connect NC Bond	N/A		H-SRP-D-17-0024		1,125,194
Connect NC Bond	N/A		H-SRP-D-17-0025		2,050,245
Connect NC Bond	N/A		H-SRP-D-17-0100		777,672

Note 6: Benefit Payments Issued by the State

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

<u>Program Title</u>	<u>CFDA No.</u>	<u>Federal</u>	<u>State</u>
Special Supplemental Nutrition Program for Women Infant and Children	10.557	\$ 3,159,999	\$ -
Supplemental Nutrition Assistance Program	10.551	36,286,874	-
Temporary Assistance for Needy Families	93.558	740,674	67,605
Adoption Assistance	93.659	648,848	147,044
Medical Assistance Program	93.778	175,013,102	77,196,530
Children's Health Insurance Program	93.767	6,229,312	468,264
Child Welfare Services Adoption	N/A	-	334,628
SAA/SAD HB 1030	N/A	-	34
SC/SA Domiciliary Care	N/A	-	990,354

Johnston County, North Carolina
Schedule of Expenditures of Federal and State Awards
For The Fiscal Year Ended June 30, 2020

<u>Grantor/Pass-through</u> <u>Grantor/Program Title</u>	<u>Federal</u> <u>CFDA</u> <u>Number</u>	<u>State/</u> <u>Pass-through</u> <u>Grantor's</u> <u>Number</u>	<u>Fed (Direct &</u> <u>Pass-through</u> <u>Expenditures</u>	<u>State</u> <u>Expenditures</u>	<u>Provided</u> <u>to</u> <u>Subrecipients</u>	<u>Local</u> <u>Expenditures</u>
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Note 6: Coronavirus Relief Funds

Johnston County received \$3,656,014 of funding from the Coronavirus Relief Fund (21.019) and is scheduled to receive \$4,062,840 in July 2020. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Johnston County, at the discretion of the County. Municipalities are to have a plan to spend these funds by September 1, 2020, or any funds received are to be returned to the County. Counties and municipalities are liable to the State for funds not spent in accordance with US Dept. of Treasury, the granting agency, guidelines. According to the Office of State Budget and Management, the State's pass-through agency, municipalities are considered subrecipients of the Counties. However, under state statute, municipalities are liable to the State, not the County, for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.