

# ONSLOW COUNTY NORTH CAROLINA



Discovery Gardens

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

*For the Fiscal Year Ended  
June 30, 2020*

ONSLOW COUNTY  
NORTH CAROLINA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended  
June 30, 2020

Submitted to

THE BOARD OF COMMISSIONERS

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

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## INTRODUCTORY SECTION

ONLSOW COUNTY, NORTH CAROLINA

LIST OF PRINCIPAL OFFICERS

June 30, 2020

BOARD OF COMMISSIONERS

Royce Bennett

Jack Bright, Chairman

Paul Buchanan, Vice Chairman

Timothy Foster

Robin Knapp

Mark Price

William Shanahan III

COUNTY OFFICIALS

Sharon Russell, County Manager

Brenda Reece, Finance Officer





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Onslow County  
North Carolina**

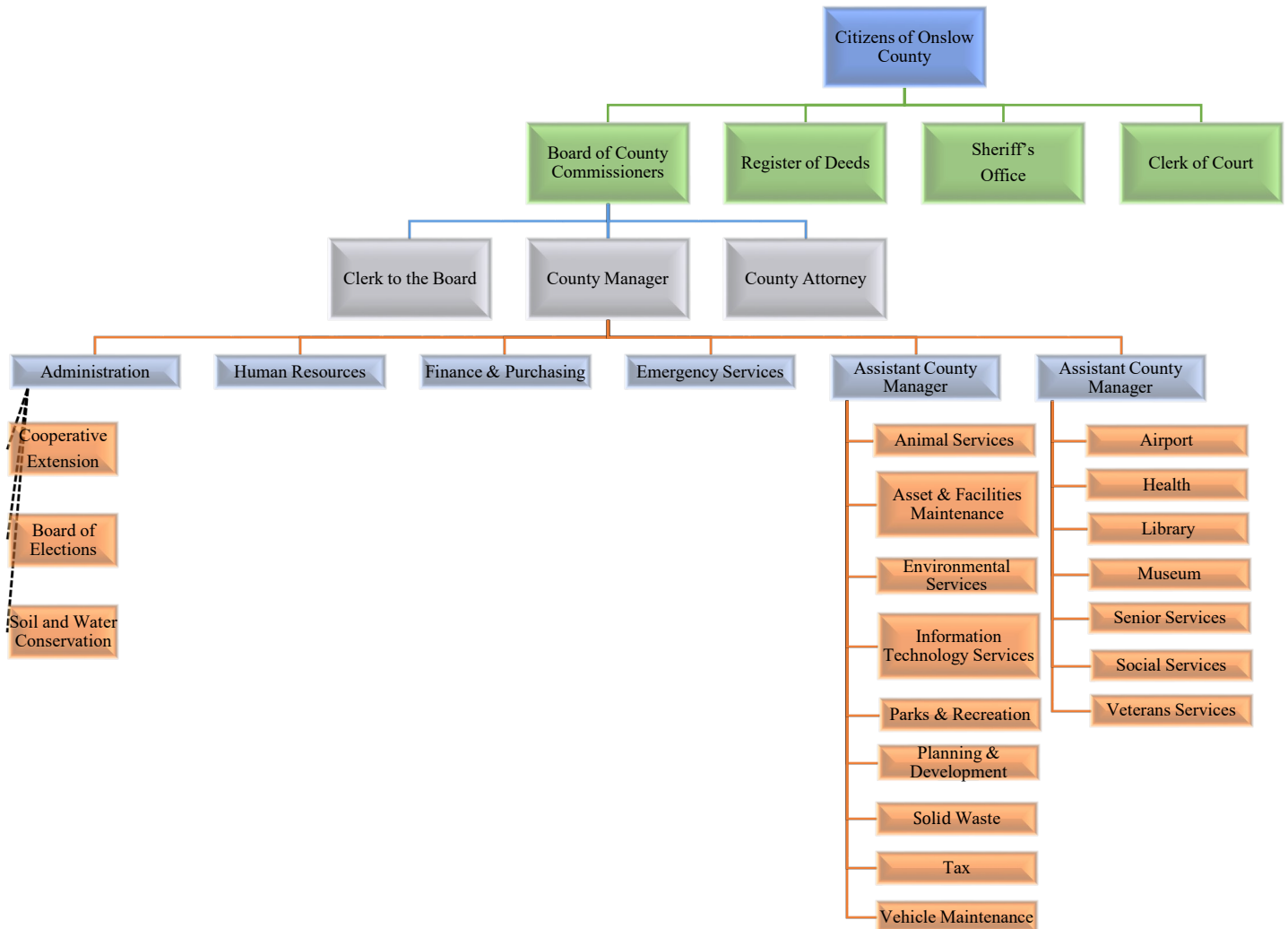
For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

June 30, 2019

*Christopher P. Morill*

Executive Director/CEO

# County of Onslow Organizational Chart





The Board of County  
Commissioners Onslow County,  
North Carolina

March 8, 2021

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Onslow County for the fiscal year ended June 30, 2020.

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

A

s management, we attest that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Elliot Davis, PLLC, a firm of licensed certified public accountants have audited Onslow County's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of Onslow County for the fiscal year ended June 30, 2020, are free of material misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that Onslow County's financial statements for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

#### Profile of the County

Onslow County was formed in 1734 from a part of New Hanover County. The County is located in southeastern North Carolina and is bordered by Pender County to the south, Duplin County to the west, Lenoir and Jones counties to the northwest and north, and the Atlantic Ocean to the east. The County has a flat, gently rolling terrain, which slopes from an altitude of 63 feet at the town of Richlands to sea level and covers a total of 767 square miles

encompassing approximately 484,000 acres. About 143,000 acres comprise the Camp Lejeune Marine Corps Base and New River Marine Corps Air Station, owned by the federal government.

There are six municipalities within the County, the largest being the City of Jacksonville, which serves as the County seat. The County has a commissioner-manager form of government. The seven members of the Board of Commissioners are elected on a partisan basis for two and four-year staggered terms, which in 2024 changes to all four-year terms. Commissioners hold policy-making and legislative authority. They are also responsible for adopting the budget and appointing the county manager. The manager is responsible for implementing policies, managing daily operations, and appointing department heads.

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

The annual budget serves as the foundation for Onslow County's financial planning and control. All agencies of Onslow County are required to submit requests for appropriation to Onslow County's manager on or before April 15 of each year. Onslow County's manager uses these requests as the starting point for developing a proposed budget. The County manager then presents this proposed budget to the Board of Commissioners for review prior to June 1. The Commissioners are required to hold public hearings on the proposed budget and to adopt a final budget no later than June 30. The appropriated budget is prepared by fund and department and adopted by function.

As allowed by state law the Board has authorized the County Manager to transfer monies from one appropriation to another within the same funds, subject to limitations and procedures as it may authorize. Department heads may request transfers of appropriations within a department, which are subject to approval of the County Manager. The County Manager may transfer amounts between objects of expenditures and revenues within a function without limitation. She may transfer amounts up to \$100,000 between functions of the same fund but she may not transfer amounts between funds without action of the Board of Commissioners except for the sole purpose of funding salary and benefit adjustments consistent with the Onslow County Personnel Policy.

Any budgetary adjustment that increases or decreases the amount appropriated must be approved by the Board of Commissioners. Budget-to-actual comparisons are provided in a report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the basic financial statements for governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report. Also included in the governmental fund subsection are project-length budget-to-actual comparisons for each governmental fund for which a project-length budget has been adopted (i.e., the Community Development and Grant Project special revenue funds and the capital projects funds).

### **Factors Affecting Financial Condition**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which Onslow County operates.

### **Local Economy**

FY20 Construction activity in Onslow County included 1,066 new units of residential construction and 695 permits issued for work on commercial buildings. The value of all permits issued during FY20 was \$273,076,353. FY20 permits included two schools and an apartment complex. FY19 permits amounted to about \$161 million.

Agriculture remains a major economic factor in the County with cash receipts for farm marketing and government payments in 2019 estimated at \$117,821,088. Four major crops include corn, soybeans, wheat and cotton at a combined total of \$19,007,421. The livestock industry continues to play a dominant role in farm income with a combined total of \$94,247,781. Poultry and pork production account for the majority of this.

The latest seafood dockside value figures available from the Division of Marine Fisheries in Morehead City are for 2019 at \$5.2 million.

Timber sales within the County are also a significant industry with the County's many acres of woodlands. There are approximately 348,293 acres of timberland. The estimated income for stumpage (price paid to the timber owner for standing timber) for 2019 was \$7.2 million. For the same period the estimated income for delivered timber (price paid to the timber buyer upon delivery of the timber to the mill) was \$14.1million.

### **Military**

Camp Lejeune is the largest Marine Corps installation on the East Coast and occupies 246 square miles (143,439 acres). For the federal fiscal year 2019, the Marine Corps estimated that Camp Lejeune and New River Air Station contributed \$4.4 billion to the local economy of the County and surrounding areas in the form of annual payroll to military, civilian employees and retirees, material, supply and service contracts, healthcare for service members and families and on base construction.

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

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

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

The County's bases benefitted from Base Realignment and Closing Commission ("BRAC") recommendations, which were approved in 2005. Several units have been relocated to Camp Lejeune and New River Air Station since 2005 and the infrastructure of the bases has been extensively upgraded with a combined \$3.53 billion worth of military construction since the fiscal year ended June 30, 2008. This growth in the bases has brought approximately 11,500 new jobs for active duty service members and civilian employees to the area. Most recently, contracts worth \$32 million were awarded as part of the post Florence rebuild. These contracts will provide for the design of 14 major headquarter facilities estimated at \$225 million, two training facilities and a storage facility estimated at \$325 million, a movable bridge and railroad rebuild estimated at \$175 million, \$400 million in replacements of other headquarters and facilities and various buildings at Marine Corps Air Station New River worth an estimated \$475 million in construction. Together, the contracts with design will involve \$1.6 billion in construction, design and implementation. More than 350 jobs are to last 5 years or more and 600 construction positions are likely.

The Special Operations Command, which reports directly to Central Command, is expected to grow considerably over the next few years as the role of highly specialized clandestine operations in the U.S. military's activities increases. Currently, Camp Lejeune's military population remains stable at approximately 45,000 and is expected to remain at this number for the foreseeable future. An equal number of family members live on and off the bases.

### **Other Items**

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

The unemployment rate for Onslow County as of June 30, 2020, was 7.5 percent which is equal to the rate for North Carolina. Economic development recruiting efforts are being focused on telecommunications "back office" type of companies, communications equipment, inbound logistic centers, assembly-light manufacturing industries, industries that are suppliers to the military, and marine trades such as boat building. With a large military dependent population, these industries are well suited for the existing workforce.

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

In 2014, the County completed the construction of the Onslow County Government Center at the Burton Industrial Park. The Government Center is a three-story building and annex of approximately 89,000 square feet to house various County departments, a storage building of approximately 10000 square feet, approximately 490 parking spaces, sewage disposal facilities and appurtenant facilities. The County borrowed \$20.7 million to fund the entire project.

### **Airport**

The County-owned and operated Albert J. Ellis Airport (the "Airport") is an FAA Class I certificated Part 139 commercial service airport that features a 7,100' x 150' paved and lighted runway with all-weather capability including a CAT I instrument landing system and modern GPS/LPV approaches. In 2021 the Airport celebrated 50 years of continuous operation and airline service. A recent Aviation Economic Impact Study by NC State and N.C. Department of Transportation indicated that the Airport contributes \$565,810,000 annually to the state and local economy. That includes a combined personal income of \$124,990,000 from 3,460 jobs connected to the Airport. The economic activity generates an estimated \$19,984,000 in state and local taxes helping to lower property and income taxes for others.

The Airport is currently served by two airlines, American Airlines and Delta Air Lines. American Airlines provides daily flights to their hub in Charlotte and Delta Air Lines offers daily flights to their Atlanta hub. This schedule is slightly reduced as a result of the pandemic and more flights are likely when travel demand returns. Most flights are on regional jet aircraft with 50, 70 or 90 seats. More than 330,000 passengers used the Airport in CY2019. The Airport has undertaken a significant redevelopment program to replace facilities and remove existing constraints to continued growth. Aviation services such as fuel sales, maintenance, flight instruction and aircraft rentals are provided under an airport lease to a Fixed Based Operator, currently Skyport. The Airport is an enterprise fund and typically generates revenues in excess of operational expenses and net income is dedicated to future Airport-related capital expenditures and held as an operational reserve.

The Airport has embarked on an award-winning multi-phase redevelopment program that began in FY11 with the construction of a new sanitary sewer connection. In FY13 construction of the program's centerpiece project began. A new 67,000 sf two-story replacement passenger terminal building featuring additional room for airlines and passenger growth, covered loading bridges and efficient building systems. There is now a new terminal facility, a new corporate aviation facility, air traffic control tower, hangars, rental car facilities and related support buildings.

The projects were primarily funded by federal and state grants and user fees with Airport revenues providing the required local match. The Airport continues to undertake projects to maintain and enhance its infrastructure to better serve the growing region well into the future.

#### Water and Sewer

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

#### Long-Term Financial Plan

The County operates a Subtitle D landfill, which has an estimated useful life until approximately 2043. For the fiscal year ended June 30, 2020, the landfill accepted over 140,184 tons of waste, including construction and demolition debris, into the Subtitle D facility. The landfill also accepted 3,333 tons of land clearing and inert debris material. All this waste was generated within the County since the landfill facility is not presently permitted to accept waste from outside the County borders. The County also transports solid waste from 10 common collection locations located remotely throughout the County. Camp Lejeune is responsible for the disposal of its own solid waste and is not permitted to bring any waste to the County landfill.

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

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

In 2012, the County engaged Enerdyne to develop a landfill gas to energy project. Enerdyne determined there was sufficient landfill gas and completed installation of all necessary infrastructure, including piping, landfill gas extraction wells, control systems and electricity generator in late 2013. Enerdyne operates the system at no cost to the County and sells any electricity generated to Duke Energy and shares the revenue with the County. For the fiscal year ended June 30, 2020 (unaudited), revenues from the system were approximately \$66,040.80.

#### County Items

Year-to-year certainty in county budgeting rests, in part, on determining the funding level necessary for public education. In FY 20 financial support for the K-12 public school system amounts to 27.78% of the General Fund budget of the county. Viewed in light of property tax revenues, 44.92C of the current 70.5C tax rate funds the school system in accordance with the adopted funding formula.

Counties in North Carolina are mandated to fund school systems in three areas: "current expense" or operational funding; annual capital funding; and capital construction. With over 3.6 million heated square feet of buildings,

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

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

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

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

### **Risk Management**

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

### **Other Post Employment Benefits**

Onslow County also provides post-retirement health care benefits for retirees who participate in the North Carolina Local Governmental Employees' Retirement System (System) and retire with full or reduced benefits from the County with at least ten years of continuous service who were hired prior to July 1, 2009. The County pays the full cost of coverage for these benefits. In addition, retirees can purchase coverage for their dependents at the County's group rates. This benefit ends at the employees' 55th birthday. As of June 30, 2019, 146 retirees are receiving post-retirement health benefits. For the fiscal year ended June 30, 2020, the County made payments for post-retirement health benefit premiums of \$928,519.

To evaluate the impact of meeting the reporting requirements of GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the County obtained an actuarial valuation of its OPEB liability based on data for December 31, 2019. The actuarial valuation quantified an unfunded liability of \$20,124,773. The valuation was completed using a 3.89 percent discount rate.

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

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

### **Awards and Acknowledgements**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Onslow County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. In order to be awarded a Certificate of Achievement, Onslow County published an easily readable and efficiently organized financial report, whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.



Onslow County will be submitting the 2020 CAFR to the GFOA.

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to Onslow County, North Carolina for its annual budget for the fiscal year beginning July 1, 2019. This is the twelfth (12th) consecutive year we have received this award. In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan, and as a communications device.

This award is valid for a period of one year only. We believe our 2020 current budget continues to conform to program requirements, and we will submit it to the GFOA to determine its eligibility for another award.

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

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

Sincerely,



Sharon Russell  
County Manager



Brenda Reece Finance Officer

## FINANCIAL SECTION

## **Independent Auditor's Report**

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Onslow County, North Carolina (the "County") as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

## **Opinions**

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

## **Other Matters**

### ***Required Supplementary Information***

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

### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of Onslow County, North Carolina. The combining and individual fund statements, budget and actual comparisons, comparative schedule of capital assets by source, schedule of governmental capital assets and changes in capital assets by function and activity, schedule of ad valorem taxes receivable, analysis of current tax levy and secondary market disclosures, schedule of cash and investment balances, schedule of interfund transactions, calculation of debt service coverage ratio, introductory section, statistical section, as well as the accompanying Schedule of Expenditures of Federal and State Awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the *State Single Audit Implementation Act* are presented for purposes of additional analysis and are not a required part of the basic financial statements.

### ***Other Matters, Continued***

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

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

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

Raleigh, North Carolina  
March 8, 2021

## Management's Discussion and Analysis

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

Fiscal year 2020 was a unique and challenging year due to the COVID-19 pandemic. Due to the Governor's Executive order, many staff were required to work from home. New and creative processes were developed to continue to serve the citizens of Onslow County during this challenging time. The fiscal impact of the pandemic is still being identified with charges for services being impacted the most. In April 2020, Congress and the President approved the Coronavirus Aid, Relief and Economic Security (CARES) Act. The County received approximately \$3.47 million of the Coronavirus Relief Funds from the CARES Act. These funds are to be used for necessary expenditures due to the public health emergency with respect to COVID-19, expenditures not accounted for in the budget most recently approved as of March 27, 2020, and were incurred during the period beginning March 1 and ending on December 30, 2020. The County developed a funding plan that allowed the County to ensure the funds are being spent appropriately. For public facilities that remain open to the public, the County implemented social distancing and health screenings. A portion of this funding was also shared with our municipal partners.

### Financial Highlights for Onslow County, North Carolina for the Year Ended June 30, 2020

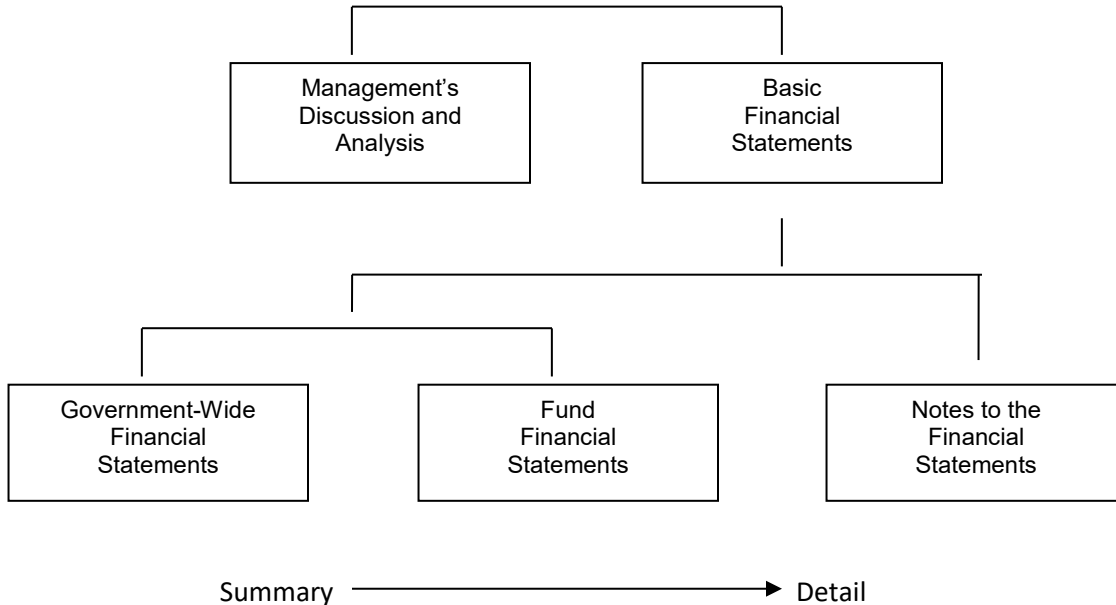
- The assets and deferred outflows of resources of Onslow County exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$77,488,942. (*net position*).
- The government's total net position increased by \$7,560,359. (See Exhibit 2)
- As of the close of the current fiscal year, Onslow County's governmental funds reported combined ending fund balances of \$146,426,341, a net increase of \$59,758,933 in comparison at the end of the prior fiscal year. The main factor for this increase is the bond proceeds received for the school construction projects. The general fund showed an increase of \$12,564,356 in fund balance. Approximately 12.71% of the total general fund balance or \$11,407,297 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$11,407,297 or 5.58% of total general fund expenditures for the fiscal year.
- Onslow County's bond ratings were upgraded in February 2020 to the following:

Moody's	Aa1
Standard & Poor's	AA

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Onslow County's basic financial statements. The County's basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the County through the use of government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of Onslow County.

## Required Components of the Annual Financial Report



### Basic Financial Statements

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

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

The next section of the basic financial statements is the **notes to the financial statements**. The notes provide information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds and internal service funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes also can be found in this part of the statements.

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

### Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities, 2) business-type activities, and 3) component units. The governmental activities include most of the County's basic services such as education, public safety, human services, parks and recreation, and general government services. Property taxes and state and federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. The solid waste function along with the airport are reported as business-type activities for Onslow County. The final category is the component units. Onslow County Hospital is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 99 years. The County appoints the board of trustees for the hospital and has previously issued debt on its behalf; however, there is no outstanding county issued debt on behalf of the hospital at this time. The ABC Board is legally separate from the County; however, the County exercises control over the Board by appointing its members. The ABC Board is also required to distribute its profits to the County.

The government-wide financial statements are on Exhibits 1 and 2 of this report.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the County's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Onslow County, like all other governmental entities in North Carolina, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the General Statutes or the County's budget ordinance. All of the funds of Onslow County can be divided into three categories: governmental funds, proprietary funds, and fiduciary and agency 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 financial resources available to finance the County's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Onslow County adopts an annual budget for its General Fund, as required by the North Carolina General Statutes. The budget is a legally adopted document that incorporates input from the citizens of the County, the management of the County, and the decisions of the Board about which services to provide and how to pay for them. It also authorizes the County to obtain funds from identified sources to finance these current period activities. The budgetary statement provided for the General Fund demonstrates how well the County complied with the budget ordinance and whether 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 results.

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

**Fiduciary and Agency Funds** – Fiduciary and Agency funds are used to account for assets the County holds on behalf of others. The County has seven agency funds that include a fund used to account for taxes collected for and remitted to other municipalities within the County, funds held by Onslow County Human Services on behalf of clients, and fines and forfeitures that are collected from citizens and disbursed to the school system under North Carolina law.

**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.

**Other Information** – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Onslow County’s progress in funding its obligation to provide pension benefits to its employees.

### **Government-Wide Financial Analysis**

The assets and deferred outflows of resources of Onslow County exceeded liabilities and deferred inflows of resources by \$77,488,942 as of June 30, 2020. One portion of Onslow County’s net position reflects the County’s net investment in capital assets (e.g. land, buildings, vehicles, and equipment), less any related debt still outstanding that was issued to acquire those items. Onslow County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Onslow County’s investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

**ONslow COUNTY'S NET POSITION**

		<b>Governmental Activities</b>	
		<b>2020</b>	<b>2019</b>
Current Assets	\$	161,365,845	\$ 100,715,710
Land, Improvements and construction in progress		15,727,903	15,669,986
Capital assets net of depreciation		126,436,204	130,474,802
Total assets		<u>303,529,952</u>	<u>246,860,498</u>
Deferred outflows of resources		21,848,537	24,648,625
Long-term liabilities		314,337,935	268,810,662
Other liabilities		14,191,194	11,527,119
Total liabilities		<u>328,529,129</u>	<u>280,337,781</u>
Deferred inflows of resources		5,169,215	3,994,657
Net assets			
Investment in capital assets, net of related debt		85,246,277	50,192,124
Restricted		130,186,871	43,091,160
Unrestricted		(223,753,003)	(106,106,599)
Total net position	\$	<u><u>(8,319,855)</u></u>	<u><u>(12,823,315)</u></u>
		<b>Business-type Activities</b>	
		<b>2020</b>	<b>2019</b>
Current Assets	\$	33,279,605	\$ 31,145,779
Land, Improvements and construction in progress		2,552,059	2,380,445
Capital assets net of depreciation		69,041,200	68,392,409
Total assets		<u>104,872,864</u>	<u>101,918,633</u>
Deferred outflows of resources		481,347	507,872
Long-term liabilities		17,384,382	16,230,007
Other liabilities		1,929,833	3,399,878
Total liabilities		<u>19,314,215</u>	<u>19,629,885</u>
Deferred inflows of resources		231,199	44,722
Net assets			
Net investment in capital assets		71,593,259	70,579,752
Restricted		-	-
Unrestricted		14,215,538	12,172,146
Total net position	\$	<u><u>85,808,797</u></u>	<u><u>82,751,898</u></u>
		<b>Total</b>	
		<b>2020</b>	<b>2019</b>
Current Assets	\$	194,645,450	\$ 131,861,489
Land, Improvements and construction in progress		18,279,962	18,050,431
Capital assets net of depreciation		195,477,404	198,867,211
Total assets		<u>408,402,816</u>	<u>348,779,131</u>
Deferred outflows of resources		22,329,884	25,156,497
Long-term liabilities		331,722,317	285,040,669
Other liabilities		16,121,027	14,926,997
Total liabilities		<u>347,843,344</u>	<u>299,967,666</u>
Deferred inflows of resources		5,400,414	4,039,379
Net assets			
Net investment in capital assets		156,839,536	120,771,876
Restricted		130,186,871	43,091,160
Unrestricted		(209,537,465)	(93,934,453)
Total net position	\$	<u><u>77,488,942</u></u>	<u><u>69,928,583</u></u>

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

Property taxes are a major source of revenue for the County. The overall collection rate for the current year taxes was 98.96 percent. The fiscal year 2020 tax rate was \$0.705 cents per \$100 valuation, which is well below the state legal limit of \$1.50.

Sales taxes are another major revenue source for the County. For fiscal year 2020, sales taxes receipts were \$6.869 million more than the County's budgeted estimate of \$47.421 million.

Additionally, the County's bonded debt per capita decreased from \$224 to \$194.

#### ONSLOW COUNTY'S CHANGE IN NET POSITION

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Revenues		
Program revenues		
Charges for service	\$ 13,833,088	\$ 12,516,585
Operating grants & contributions	36,308,226	37,709,333
Capital grants & contributions	3,101,197	8,995,694
General revenues		
Property taxes	102,111,111	101,817,468
Other taxes	60,678,422	57,190,811
Grants & contributions not restricted to specific programs	-	-
Other	1,826,219	1,890,884
Total revenues	<u>217,858,263</u>	<u>220,120,775</u>
Expenses		
General government	35,917,688	41,439,497
Public safety	55,183,584	48,915,138
Transportation	556,315	334,593
Economic development	5,576,290	4,359,635
Human services	39,881,010	39,083,017
Environmental protection	515,714	459,241
Cultural & recreational	5,183,550	4,736,706
Education	67,784,613	66,461,235
Interest on long term debt	3,583,856	3,336,187
Total expenses	<u>214,182,621</u>	<u>209,125,249</u>
Change in net position before transfers	3,675,642	10,995,526
Transfers	<u>827,818</u>	<u>574,342</u>
Change in net position	4,503,460	11,569,868
Net position, July 1	(12,823,315)	(24,184,404)
Prior restatements	-	(208,779)
Net position, June 30	<u>\$ (8,319,855)</u>	<u>\$ (12,823,315)</u>

		<b>Business-type Activities</b>	
		<b>2020</b>	<b>2019</b>
<b>Revenues</b>			
Program revenues			
Charges for service	\$	11,013,375	\$ 13,922,729
Operating grants & contributions		-	-
Capital grants & contributions		4,077,088	6,299,494
General revenues			
Property taxes		-	-
Other taxes		799,448	953,032
Grants & contributions not restricted to specific programs		62,166	27,271
Other		27,202	5,101
Total revenues		15,979,279	21,207,627
<b>Expenses</b>			
Solid Waste		6,279,990	5,557,599
Airport		5,814,572	4,584,741
Total expenses		12,094,562	10,142,340
Change in net position before transfers		3,884,717	11,065,287
Transfers		(827,818)	(574,342)
Change in net position		3,056,899	10,490,945
Net position, July 1		82,751,898	73,004,350
Prior restatement		-	(743,397)
Net position, June 30	\$	85,808,797	\$ 82,751,898
		<b>Total</b>	
		<b>2020</b>	<b>2019</b>
<b>Revenues</b>			
Program revenues			
Charges for service	\$	24,846,463	\$ 26,439,314
Operating grants & contributions		36,308,226	37,709,333
Capital grants & contributions		7,178,285	15,295,188
General revenues			
Property taxes		102,111,111	101,817,468
Other taxes		61,477,870	58,143,843
Grants & contributions not restricted to specific programs		62,166	27,271
Other		1,853,421	1,895,985
Total revenues		233,837,542	241,328,402
<b>Expenses</b>			
General government		35,917,688	41,439,497
Public safety		55,183,584	48,915,138
Transportation		556,315	334,593
Economic development		5,576,290	4,359,635
Human services		39,881,010	39,083,017
Environmental protection		515,714	459,241
Cultural & recreational		5,183,550	4,736,706
Education		67,784,613	66,461,235
Interest on long term debt		3,583,856	3,336,187
Solid Waste		6,279,990	5,557,599
Airport		5,814,572	4,584,741
Total expenses		226,277,183	219,267,589
Change in net position before transfers		7,560,359	22,060,813
Transfers		-	-
Change in net position		7,560,359	22,060,813
Net position, July 1		69,928,583	48,819,946
Prior restatement		-	(952,176)
Net position, June 30	\$	77,488,942	\$ 69,928,583

**Governmental activities.** Governmental activities increased the County's net position by \$4.5 million.

Sales tax revenues funded \$54.290 million of the Onslow County government activities. Property taxes and operating grants also provided a high source of revenue at \$101.8 million and \$27.9 million respectively.

**Business-type activities.** Business-type activities decreased Onslow County's net position by \$3.05 million primarily due to increase in landfill closure and post closure.

### **Financial Analysis of the County's Funds**

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

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

The General Fund is the chief operating fund of Onslow County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$11.41 million, with a total fund balance of \$89.8 million. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 5.58 percent of total General Fund expenditures, while total general fund balance represents 43.9 percent of that same amount.

At June 30, 2020, the governmental funds of Onslow County reported a combined fund balance of \$146.4 million, for a \$59.7 million increase compared to last year. The main factor for this increase is due to bond proceeds received for school construction projects.

**General Fund Budgetary Highlights.** During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services.

For the fiscal year, the General Fund fund balance had a net increase of \$12.564 million or 13.99%. The county is conservative in its budget estimates. This can be seen as our revenues were \$9.632 million more than our budget estimate. Our expenditures were less than budgeted by approximately \$11.235 million.

A review of actual revenues verses expenditures shows that the revenues exceeded expenditures by \$10.393 million. After transfers to and from other funds, our net revenues over expenditures were \$8.043 million.

The actual operating revenues for the General Fund were more than the budgeted amount by \$9.632 million. This was mainly due to sales tax, restricted intergovernmental revenues and other taxes & licenses collected were more than estimates by \$6.869 million, \$1.430 million and \$1.204 million respectively.

The major variance from our budgeted expenditures was in the Human Services area where our expenditures were \$5.712 million less than estimated. Expenditures for social service programs were \$4.4 million under budget. Expenditures for Health programs were \$1.04 million under budget.

Public Safety expenditures were \$1.708 million under budget. The Sheriff's office expenditures were \$966,610 less than what was budgeted. Emergency Service expenditures were \$601,134 less than what was budgeted.

General governmental expenditures were \$2.028 million under budget. Of this amount, \$175,004 is Information Technology Systems expenditures, and \$121,387 is Facilities and Maintenance expenditures. Non-departmental expenditures were \$869,292 less than what was budgeted.

**Proprietary Funds.** Onslow County's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The net position of the Solid Waste Fund at the end of the fiscal year amounted to \$24.883 million. The total increase in net position for the Solid Waste Fund was \$1.75 million. Total net position of the Airport is \$60.926 million, the total increase in net position for the Airport Fund was \$1.306 million.

#### **Special Revenue Funds**

Special Revenue Funds of the County cover such items as Emergency 911 fees, Register of Deeds Automation funds, and grant projects. These activities show total revenues for fiscal year 2020 of \$952,371 and total expenditures of \$725,200. The Grant Project fund accounted for 56.15% of the revenues. The Emergency 911 and Grant Project fund accounted for 81.2% of the expenditures.

The fund balance for the special revenue funds is \$1.567 million. This is a net increase of \$227,171 from the prior year.

#### **Capital Project Funds**

The Capital Project fund accounts for funds used for new school construction and funds used for industrial and economic development. For fiscal year 2020 the total revenues of these funds were \$1.217 million while expenditures were \$20.572 million.

#### **Capital Asset and Debt Administration**

**Capital Assets** Onslow County's investment in capital assets for its governmental and business type activities as of June 30, 2020, totals \$213.7 million (net of accumulated depreciation). These assets include buildings, land, machinery and equipment, park facilities, and vehicles.

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

- Courthouse
- West Central Elementary School
- New Southern Elementary School

# **ONslow COUNTY'S CAPITAL ASSETS**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 14,036,171	\$ 13,889,868
Buildings & systems	142,413,725	141,317,953
Improvements	25,801,312	24,226,893
Equipment	27,325,038	26,879,769
Vehicles	12,215,602	11,558,028
Heavy Equipment	338,488	270,244
Construction in progress	1,691,732	1,780,118
Subtotal	223,822,068	219,922,873
Less accumulated depreciation	81,657,961	73,778,085
Total	\$ 142,164,107	\$ 146,144,788

	<b>Business-type Activities</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 2,154,975	\$ 2,154,975
Buildings & systems	38,235,563	38,227,641
Improvements	58,719,706	56,934,043
Equipment	6,948,783	5,998,428
Vehicles	2,030,290	2,054,825
Heavy Equipment	4,847,826	4,175,470
Construction in progress	397,084	225,470
Subtotal	113,334,227	109,770,852
Less accumulated depreciation	41,740,968	38,997,998
Total	\$ 71,593,259	\$ 70,772,854

	<b>Total</b>	
	<b>2020</b>	<b>2019</b>
Land	\$ 16,191,146	\$ 16,044,843
Buildings & systems	180,649,288	179,545,594
Improvements	84,521,018	81,160,936
Equipment	34,273,821	32,878,197
Vehicles	14,245,892	13,612,853
Heavy Equipment	5,186,314	4,445,714
Construction in progress	2,088,816	2,005,588
Subtotal	337,156,295	329,693,725
Less accumulated depreciation	123,398,929	112,776,083
Total	\$ 213,757,366	\$ 216,917,642

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

**Long-term Debt.** As of June 30, 2020, Onslow County had total general obligation bonded debt outstanding of \$38.770 million all of which is debt backed by the full faith and credit of the County.

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

**ONSLow COUNTY'S OUTSTANDING DEBT**

	<b>Governmental Activities</b>	
	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 38,770,000	\$ 44,440,000
Premium on GO bonds	5,275,847	6,099,464
Installment purchase	3,734,777	4,719,554
Certificates of Participation	30,620,000	34,695,000
Premiums on COP's	2,721,732	3,061,948
Limited Obligation Bonds	161,350,000	113,260,000
Premium on LOBS Debt	23,185,241	12,432,565
<b>Total</b>	<b>\$ 265,657,597</b>	<b>\$ 218,708,531</b>

	<b>Business-type Activities</b>	
	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ -	\$ -
Premium on GO bonds	-	-
Certificates of Participation	-	-
Premium on COP's	-	-
Installment purchase	-	-
Limited Obligation Bonds	-	-
Premium on LOBS Debt	-	-
Special obligation bonds	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

	<b>Total</b>	
	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 38,770,000	\$ 44,440,000
Premium on GO bonds	5,275,847	6,099,464
Installment purchase	3,734,777	4,719,554
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Limited Obligation Bonds	161,350,000	113,260,000
Premium on LOBS Debt	23,185,241	12,432,565
Special obligation bonds	-	-
<b>Total</b>	<b>\$ 265,657,597</b>	<b>\$ 218,708,531</b>



Onslow County's total debt had an increase of \$46.9 million during the current fiscal year.

As mentioned in the financial highlights section of this document, Onslow County maintains an Aa1 bond rating from Moody's Investor Service and AA rating from Standard and Poor's Corporation. This bond rating is a clear indication of the sound financial condition of Onslow County.

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8% of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Onslow County is \$871.7 million.

Additional information regarding Onslow County's long-term debt can be found in Note II (7) on page 80 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

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

- The unemployment rate (seasonally adjusted) for the county as of June 30, 2020 is 7.5%, which was the same as the state average.<sup>1</sup>
- The 2017 property revaluation resulted in an overall increase of about 1.87% in real property values.
- Our population has continued to increase as it has over the past few years. Per the state demographics website estimates our current population is at 207,252. Onslow County is the 12<sup>th</sup> largest county out of 100 in NC. The county seat, Jacksonville is the 13<sup>th</sup> largest city in NC.<sup>2</sup>
- The County continues to become a retail center with taxable sales of \$2.422 billion in FY 2020, this is an increase of \$43.855 million over last year.

### **Budget Highlights for the Fiscal Year Ending June 30, 2020**

**Governmental Activities.** The County approved a \$215.3 million general fund budget. This represents a \$8.5 million or 4.11% increase from the amended budget for Fiscal Year 2020. There was an increase in the Board of Education current expense in the amount of \$2.9 million.

Property tax revenue estimates are based on a tax rate of \$0.7050 per \$100 assessed valuation. This is the same tax rate as Fiscal Year 2019. The projected collection rate was 98.9%. It is estimated that property tax revenue for FY 20-21 will be \$106.4 million or 49.41% of the general fund budget.

Year-to-year certainty in county budgeting rests, in part, on determining the funding level necessary for public education. In fiscal year 2021 financial support for the K-12 public school system amounts to 27.75% of the General Fund budget of the county. Viewed in light of property tax revenues, 47.24¢ of the current 70.5¢ tax rate funds the school system.

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<sup>1</sup> From NC Department of Commerce, Labor and Economic Analysis.  
<https://d4.nccommerce.com/LausSelection.aspx>

<sup>2</sup> Office of State Demographer, [www.osbm.nc.gov](http://www.osbm.nc.gov)

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

With over 3.6 million heated square feet of buildings, hundreds of acres of property, and a large bus fleet, the school system’s annual capital needs are great. Onslow County’s proposed and future budgets increase funding to the school system in this area. The capital budget for fiscal year 2021 increased by \$300,000 over what was budgeted for fiscal year 2020.

To balance the general fund budget the county appropriated \$11.5 million in fund balance for fiscal year 2021. This practice, of appropriating fund balance, is common. In fiscal year 2019 \$13.1 million was appropriated to cover the expenditures over revenues and other funding sources. The County had an increase in fund balance by \$12.564 million for fiscal year 2020. The county feels that that there will be a small increase in fund balance in fiscal year 2021.

There are several County facilities that are in need of major renovation or replacement. We have continued to refine our capital improvement program to provide for orderly construction and funding of these projects. In fiscal year 2020 we have continued the funding of a capital reserve fund to cover some of these costs and to provide funds to cover future debt payments without the need for massive changes in the tax rate due to the issuance of debt to fund some of the projects.

**Business-type Activities.** The County operates two business type activities, which is our Solid Waste and Airport Enterprise fund. For fiscal year 2021 the Solid Waste Fund budget is \$7.5 million. For fiscal year 2021 the Airport Fund budget is \$3.8 million. Both funds are fully funded through revenues and reserves of the respective funds and are not dependent on the General Fund for support.

### **Requests for Information**

This report is designed to provide an overview of the County’s finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Onslow County Finance Office, 234 Northwest Corridor Boulevard, Jacksonville, North Carolina 28540.

## BASIC FINANCIAL STATEMENTS

	Primary Government			Component Units	
	Governmental Activities	Business-type Activities	Total	Onslow County Hospital Authority	Onslow County ABC Board
<b>ASSETS</b>					
Cash and cash equivalents	\$ 78,762,130	\$ 32,023,070	\$ 110,785,200	\$ 4,836,156	\$ 3,626,303
Receivables, net	24,751,222	871,909	25,623,131	21,918,821	-
Due from other governments	721,976	183,378	905,354	-	-
Inventories	246,300	371	246,671	4,205,942	1,328,403
Prepaid expenses and other	321,151	200,877	522,028	2,363,171	35,250
Net pension asset - Register of Deeds	401,765	-	401,765	-	-
Restricted assets					
Cash and investments	56,161,301	-	56,161,301	-	-
Assets limited by board			-	13,873,248	-
Other assets	-	-	-	122,060	-
Capital assets:					
Land, improvements, and construction in progress	15,727,903	2,552,059	18,279,962	-	2,539,260
Other capital assets, net of depreciation	126,436,204	69,041,200	195,477,404	66,896,920	4,728,709
Total capital assets	142,164,107	71,593,259	213,757,366	66,896,920	7,267,969
Total assets	303,529,952	104,872,864	408,402,816	114,216,318	12,257,925
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred charges on refunding	6,722,990	-	6,722,990	-	-
Deferred outflows - pensions	13,572,776	399,622	13,972,398	-	402,645
Deferred outflows - OPEB	1,552,771	81,725	1,634,496	2,466,789	25,564
Total deferred outflows	21,848,537	481,347	22,329,884	2,466,789	428,209
<b>LIABILITIES</b>					
Accounts payable, accrued liabilities and unearned revenues	14,139,603	1,929,833	16,069,436	18,070,909	1,721,410
Retainage payable	51,591	-	51,591	-	-
Noncurrent liabilities:					
Due within one year	21,279,593	54,265	21,333,858	2,788,216	-
Due in more than one year	248,070,817	15,628,600	263,699,417	35,697,595	-
Net pension liability - LGERS	22,480,691	695,279	23,175,970	-	511,502
Total pension liability - LEOSSA	3,388,299	-	3,388,299	-	-
OPEB Liability	19,118,535	1,006,238	20,124,773	15,153,534	478,950
Total liabilities	328,529,129	19,314,215	347,843,344	71,710,254	2,711,862
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows - pensions	805,294	13,977	819,271	-	-
Deferred inflows - OPEB	4,127,218	217,222	4,344,440	2,262,526	464,664
Other deferred inflows	236,703	-	236,703	-	-
Total deferred inflows	5,169,215	231,199	5,400,414	2,262,526	464,664
<b>NET POSITION</b>					
Net investment in capital assets	85,246,277	71,593,259	156,839,536	29,681,809	7,267,969
Restricted for:					
Stabilization by State Statute	70,343,027	-	70,343,027	-	-
Register of deeds	399,910	-	399,910	-	-
Health Programs	3,801,793	-	3,801,793	369,921	-
Adoption programs	11,681	-	11,681	-	-
Drug enforcement	602,474	-	602,474	-	-
Occupancy Tax	4,534,560	-	4,534,560	-	-
Economic Development	281,203	-	281,203	-	-
School Construction	49,480,634	-	49,480,634	-	-
Emergency services	731,589	-	731,589	-	-
Capital improvements	-	-	-	-	307,375
Working Capital	-	-	-	-	673,850
Unrestricted	(223,753,003)	14,215,538	(209,537,465)	12,658,597	1,260,414
Total net position	\$ (8,319,855)	\$ 85,808,797	\$ 77,488,942	\$ 42,710,327	\$ 9,509,608

The accompanying notes are an integral part of this statement.

					Net (Expense) Revenue and Changes in Net Position				
Program Revenues					Primary Government			Component Units	
Functions	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Onslow County Hospital Authority	Onslow County ABC Board
Primary government:									
Governmental activities:									
General government	\$ 35,892,558	\$ 4,127,347	\$ 10,635,445	\$ 2,221,199	\$ (18,908,567)	\$ -	\$ (18,908,567)		
Public safety	55,185,894	6,263,772	189,256	-	(48,732,866)	-	(48,732,866)		
Transportation	556,315	-	-	-	(556,315)	-	(556,315)		
Economic and physical development	5,579,280	-	-	-	(5,579,280)	-	(5,579,280)		
Human services	39,905,959	3,079,326	25,496,801	-	(11,329,832)	-	(11,329,832)		
Environmental protection	525,988	-	-	-	(525,988)	-	(525,988)		
Culture and recreation	5,183,532	364,743	-	-	(4,818,789)	-	(4,818,789)		
Education	67,784,613	-	-	879,998	(66,904,615)	-	(66,904,615)		
Interest on debt	3,583,856	-	-	-	(3,583,856)	-	(3,583,856)		
Total governmental activities	214,197,996	13,835,188	36,321,502	3,101,197	(160,940,109)	-	(160,940,109)		
Business-type activities:									
Solid waste	6,279,990	7,935,256	-	51,213	-	1,706,479	1,706,479		
Airport	5,814,572	3,586,509	-	4,025,875	-	1,797,812	1,797,812		
Total business-type activities	12,094,562	11,521,765	-	4,077,088	-	3,504,291	3,504,291		
Total primary government	\$ 226,292,558	\$ 25,356,953	\$ 36,321,502	\$ 7,178,285	(160,940,109)	3,504,291	(157,435,818)		
Component units:									
Onslow County Hospital Authority	150,811,218	148,578,726	-	308,865				\$ (1,923,627)	\$ -
Onslow County ABC Board	16,830,217	17,520,102	-	-				-	689,885
Total component units	\$ 167,641,435	\$ 166,098,828	\$ -	\$ 308,865				(1,923,627)	689,885

<b>General revenues:</b>									
Property taxes, levied for general purposes	102,111,111	-	102,111,111	-	-				
Local option sales taxes	54,290,940	-	54,290,940	-	-				
Other taxes and licenses	6,387,482	-	6,387,482	-	-				
Investment earnings, unrestricted	1,270,205	353,224	1,623,429	-	-				4,295
Miscellaneous, unrestricted	556,013	27,202	583,215	-	-			1,487,211	754
Total general revenues and special items	164,615,751	380,426	164,996,177	-	-			1,487,211	5,049
Transfers	827,818	(827,818)	-	-	-			-	-
Change in net position	4,503,460	3,056,899	7,560,359	-	-			(436,416)	694,934
Net position - beginning	(12,823,315)	82,751,898	69,928,583	-	-			43,146,713	8,814,674
Net position - ending	\$ (8,319,855)	\$ 85,808,797	\$ 77,488,942	-	-			\$ 42,710,297	\$ 9,509,608

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

	Major			Nonmajor	Total
	General Fund	Capital Project Fund	School Construction Fund	Other Governmental Funds	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 74,556,385	\$ 877,946	\$ 754,593	\$ 2,573,206	\$ 78,762,130
Receivables, net	24,723,872	2,495	23,516	1,339	24,751,222
Due from other governments	577,068	40,913	83,955	20,040	721,976
Inventories	246,300	-	-	-	246,300
Prepaid expenditures	321,151	-	-	-	321,151
Restricted assets					
Cash and investments	5,531	6,675,136	49,480,634	-	56,161,301
<b>Total assets</b>	<b>\$ 100,430,307</b>	<b>\$ 7,596,490</b>	<b>\$ 50,342,698</b>	<b>\$ 2,594,585</b>	<b>\$ 160,964,080</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts payable and accrued liabilities	7,977,249	239,815	2,582,115	58,206	10,857,385
Unearned revenues	-	35,099	-	968,418	1,003,517
<b>Total liabilities</b>	<b>7,977,249</b>	<b>274,914</b>	<b>2,582,115</b>	<b>1,026,624</b>	<b>11,860,902</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>2,676,837</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,676,837</b>
Fund balances:					
Nonspendable					
Inventory and prepaids	567,451	-	-	-	567,451
Restricted					
Stabilization by State Statute	26,637,053	3,228,076	40,234,087	243,811	70,343,027
Register of Deeds	-	-	-	399,910	399,910
Health Programs	3,801,793	-	-	-	3,801,793
Adoption Programs	11,681	-	-	-	11,681
Drug Enforcement	602,474	-	-	-	602,474
Occupancy Tax	4,534,560	-	-	-	4,534,560
Economic Development	281,203	-	-	-	281,203
School Construction	-	-	49,480,634	-	49,480,634
Emergency Services	-	-	-	731,589	731,589
Capital projects	5,531	6,675,136	-	-	6,680,667
Committed					
Capital Improvements	28,293,942	-	-	-	28,293,942
Other Employee Benefits	1,922	-	-	-	1,922
Workers' Compensation Insurance	343,390	-	-	-	343,390
Community Assistance	-	-	-	37,504	37,504
LEO Separation Allowance	1,180,505	-	-	-	1,180,505
Assigned					
Subsequent year's expenditures	12,107,419	-	-	399,679	12,507,098
Unassigned	11,407,297	(2,581,636)	(41,954,138)	(244,532)	(33,373,009)
<b>Total fund balances</b>	<b>89,776,221</b>	<b>7,321,576</b>	<b>47,760,583</b>	<b>1,567,961</b>	<b>146,426,341</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 100,430,307</b>	<b>\$ 7,596,490</b>	<b>\$ 50,342,698</b>	<b>\$ 2,594,585</b>	<b>\$ 160,964,080</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	\$ 142,164,107
Net pension asset - Register of Deeds	401,765
Deferred outflows related to pensions	13,572,776
Deferred inflows related to pensions	(805,294)
Deferred outflows related to OPEB	1,552,771
Deferred inflows related to OPEB	(4,127,218)
Charges related to advance refunding bond issue	6,722,990
Deferred inflows of resources related to unavailable revenues	
Taxes	2,032,550
Other	407,584

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

Retainage payable	(51,591)
Compensated Absences	(3,692,813)
Net pension liability LGERS	(22,480,691)
Net pension liability LEOSSA	(3,388,299)
Total OPEB Liability	(19,118,535)
Accrued Interest	(2,278,701)
Long-term Debt	(265,657,597)
Net position of governmental activities	<u>\$ (8,319,855)</u>

The accompanying notes are an integral part of this statement.

EXHIBIT 4  
Onslow County, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2020

	<b>Major</b>			<b>Nonmajor</b>	<b>Total</b>
	<b>General Fund</b>	<b>Capital Project Fund</b>	<b>School Construction Fund</b>	<b>Other Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>					
Ad valorem taxes	\$ 101,896,530	\$ -	\$ -	\$ -	\$ 101,896,530
Local option sales taxes	54,290,940	-	-	-	54,290,940
Other taxes and licenses	4,213,636	-	-	-	4,213,636
Unrestricted intergovernmental	2,173,846	-	-	-	2,173,846
Restricted intergovernmental	37,967,502	40,421	879,998	-	38,887,921
Permits and fees	3,727,897	-	-	-	3,727,897
Sales and services	9,734,666	-	-	-	9,734,666
E-911 fees	-	-	-	247,416	247,416
Grant revenue	-	-	-	534,778	534,778
Investment earnings	952,865	55,902	241,426	20,012	1,270,205
Miscellaneous	808,155	-	-	150,165	958,320
Total revenues	215,766,037	96,323	1,121,424	952,371	217,936,155
<b>EXPENDITURES</b>					
Current:					
General government	27,374,748	-	-	115,067	27,489,815
Public safety	39,748,268	-	-	179,136	39,927,404
Transportation	314,252	-	-	-	314,252
Economic and physical development	2,666,655	-	-	-	2,666,655
Human services	37,507,766	-	-	-	37,507,766
Environmental protection	452,156	-	-	-	452,156
Cultural and recreational	4,432,383	-	-	-	4,432,383
Intergovernmental					
Education	76,889,017	-	-	-	76,889,017
Capital projects	2,330,743	2,674,628	17,897,439	430,997	23,333,807
Debt service:					
Principal	8,655,373	-	-	-	8,655,373
Interest and other charges	4,134,873	-	-	-	4,134,873
Total expenditures	204,506,234	2,674,628	17,897,439	725,200	225,803,501
Excess (deficiency) of revenues over expenditures	11,259,803	(2,578,305)	(16,776,015)	227,171	(7,867,346)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	1,131,288	(303,470)	-	-	827,818
Proceeds from issuance of debt	-	3,532,572	63,092,624	-	66,625,196
Payment to refunded bond escrow agent	-	-	-	-	-
Sale of capital assets	173,265	-	-	-	173,265
(uses)	1,304,553	3,229,102	63,092,624	-	67,626,279
Net change in fund balance	12,564,356	650,797	46,316,609	227,171	59,758,933
Fund balances-beginning	77,211,865	6,670,779	1,443,974	1,340,790	86,667,408
Fund balances-ending	\$ 89,776,221	\$ 7,321,576	\$ 47,760,583	\$ 1,567,961	\$ 146,426,341

The accompanying notes are an integral part of this statement.

EXHIBIT 4  
Onslow County, North Carolina  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Funds**  
For the Fiscal Year Ended June 30, 2020  
Continued

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

Net changes in fund balances - total governmental funds		\$ 59,758,933
Governmental funds report capital outlays as expenditures. However, in the Statement and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital outlay expenditures recorded as assets	5,226,213	
Depreciation expense	(8,631,322)	
Basis in assets transferred from Solid Waste Fund	13,094	
Basis in capital assets that were retired	<u>(588,666)</u>	(3,980,681)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds		
		339,790
Expenses related to compensated absences, other post-employment benefits, net pension obligation, OPEB and pension expense that do not require current financial resources and are not reported as expenditures in the governmental funds statement.		
		(3,990,229)
The change in accrued interest on long-term debt reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported in the governmental funds.		
		(681,127)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issues, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Principle payments on long-term debt	17,759,777	
Proceeds from issuance of debt	(66,625,196)	
Increase in retainage payable	690,049	
Amortized loss on defeasance of debt	(684,209)	
Amortization of bond premium	<u>1,916,353</u>	(46,943,226)
Total changes in net position of governmental activities		<u>\$ 4,503,460</u>

The accompanying notes are an integral part of this statement.



EXHIBIT 5  
Onslow 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

	<b>General Fund</b>			<b>Variance With Final - Positive (Negative)</b>
	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	
<b>REVENUES</b>				
Ad valorem taxes	\$ 102,284,462	\$ 102,284,462	\$ 101,896,530	\$ (387,932)
Local option sales taxes	47,421,642	47,421,642	54,290,940	6,869,298
Other taxes and licenses	2,982,127	3,009,127	4,213,636	1,204,509
Unrestricted intergovernmental	2,175,000	2,175,000	2,173,846	(1,154)
Restricted intergovernmental	23,102,844	24,407,133	25,837,098	1,429,965
Permits and fees	2,890,965	2,895,107	3,727,897	832,790
Sales and services	9,999,755	10,119,512	9,734,666	(384,846)
Investment earnings	670,000	670,000	510,402	(159,598)
Miscellaneous	141,457	348,890	577,399	228,509
Total revenues	191,668,252	193,330,873	202,962,414	9,631,541
<b>EXPENDITURES</b>				
Current:				
General government	17,837,086	18,257,547	16,229,142	2,028,405
Public safety	42,308,581	42,989,484	41,282,882	1,706,602
Transportation	273,784	314,252	314,252	-
Economic and physical development	3,051,718	3,030,278	2,620,042	410,236
Human services	42,670,257	43,234,933	37,522,706	5,712,227
Environmental protection	473,715	483,876	452,156	31,720
Cultural and recreational	4,623,882	4,686,681	4,468,030	218,651
Intergovernmental:				
Education	76,142,338	78,016,240	76,889,017	1,127,223
Debt service:				
Principal	8,655,373	8,655,373	8,655,373	-
Interest and other charges	4,128,960	4,135,057	4,134,873	184
Total expenditures	200,165,694	203,803,721	192,568,473	11,235,248
Revenues over (under) expenditures	(8,497,442)	(10,472,848)	10,393,941	(1,603,707)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from (to) other funds	(1,960,228)	(2,536,466)	(2,523,880)	12,586
Proceeds from sale of capital assets	150,000	150,000	173,265	23,265
Total other financing sources and uses	(1,810,228)	(2,386,466)	(2,350,615)	35,851
Revenues and other financing sources over uses	(10,307,670)	(12,859,314)	8,043,326	(1,567,856)
Appropriated fund balance	12,187,670	12,859,314	-	-
Net change in fund balance	\$ 1,880,000	-	\$ 8,043,326	\$ (1,567,856)
Fund balances - beginning			45,656,592	
Fund balances-ending			\$ 53,699,918	
Legally budgeted Self Insurance, Burton Industrial Park, FSA Special Account, Reserve, Revaluation and Capital Improvement Funds are consolidated into the General Fund for reporting purposes				
Restricted intergovernmental			\$ 12,130,404	
Investment earnings			442,463	
Other revenues			230,756	
Transfers (to) from General Fund			3,655,168	
Expenditures			(11,937,761)	
Fund balance, beginning			31,555,273	
Fund balance, ending (Exhibit 4)			\$ 89,776,221	

The accompanying notes are an integral part of this statement.

	Solid Waste	Airport	Total
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 26,688,924	\$ 5,334,146	\$ 32,023,070
Receivables, net	689,930	181,979	871,909
Due from other governments	136,204	47,174	183,378
Inventories	371	-	371
Prepays	14,664	186,213	200,877
Total current assets	27,530,093	5,749,512	33,279,605
Noncurrent assets:			
Capital assets:			
Land and construction in progress	1,681,165	870,894	2,552,059
Buildings, improvements, and equipment	37,111,989	71,639,889	108,751,878
Vehicles and motorized equipment	727,327	1,302,963	2,030,290
Less accumulated depreciation	(25,124,445)	(16,616,523)	(41,740,968)
Total capital assets	14,396,036	57,197,223	71,593,259
Total noncurrent assets	14,396,036	57,197,223	71,593,259
Total assets	41,926,129	62,946,735	104,872,864
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows - LGERS	266,415	133,207	399,622
Deferred outflows - OPEB	49,035	32,690	81,725
Total deferred outflows	315,450	165,897	481,347
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable and accrued liabilities	590,058	197,535	787,593
Unearned revenues	-	1,142,240	1,142,240
Compensated absences	96,041	121,018	217,059
Total current liabilities	686,099	1,460,793	2,146,892
Noncurrent liabilities:			
Accrued landfill closure and postclosure care costs	15,465,806	-	15,465,806
Net pension liability LGERS	463,519	231,760	695,279
OPEB obligation	603,743	402,495	1,006,238
Total noncurrent liabilities	16,533,068	634,255	17,167,323
Total liabilities	17,219,167	2,095,048	19,314,215
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows - LGERS	9,318	4,659	13,977
Deferred inflows - OPEB	130,333	86,889	217,222
Total deferred inflows	139,651	91,548	231,199
<b>NET POSITION</b>			
Net investment in capital assets	14,396,036	57,197,223	71,593,259
Unrestricted	10,486,725	3,728,813	14,215,538
Total net position	\$ 24,882,761	\$ 60,926,036	\$ 85,808,797

The accompanying notes are an integral part of this statement.

EXHIBIT 7  
Onslow County, North Carolina  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
For the Fiscal Year Ended June 30, 2020

	Solid Waste	Airport	Total
<b>OPERATING REVENUES</b>			
Charges for services	\$ 6,835,123	\$ 2,582,463	\$ 9,417,586
Other operating revenues	1,100,133	1,004,046	2,104,179
Total operating revenues	7,935,256	3,586,509	11,521,765
<b>OPERATING EXPENSES</b>			
Administration	617,000	706,069	1,323,069
Facility operations	2,195,705	2,444,726	4,640,431
Recycling	390,312	-	390,312
Electronics recycling	11,799	-	11,799
Refuse site	603,128	-	603,128
Keep Onslow Beautiful	6,272	-	6,272
White goods	130,069	-	130,069
Landfill closure and postclosure	772,372	-	772,372
Environmental compliance	246,759	-	246,759
Depreciation	1,306,574	2,663,777	3,970,351
Total operating expenses	6,279,990	5,814,572	12,094,562
Operating income (loss)	1,655,266	(2,228,063)	(572,797)
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Sale of capital assets	-	27,202	27,202
Governmental grants	51,213	4,025,875	4,077,088
Interest and investment revenue	300,444	52,780	353,224
Total nonoperating revenue (expenses)	351,657	4,105,857	4,457,514
Income (loss) before transfers	2,006,923	1,877,794	3,884,717
Transfers from (to) other funds	(256,197)	(571,621)	(827,818)
Change in net position	1,750,726	1,306,173	3,056,899
Total net position, beginning	23,132,035	59,619,863	82,751,898
Total net position, ending	\$ 24,882,761	\$ 60,926,036	\$ 85,808,797

The accompanying notes are an integral part of this statement.

**Proprietary Funds**  
**Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2020

	Solid Waste	Airport	Total
<b>Cash flows from operating activities:</b>			
Cash received from customers	\$ 6,662,854	\$ 3,109,454	\$ 9,772,308
Cash paid for goods and services	(2,511,294)	(2,406,431)	(4,917,725)
Cash paid to employees for services	(1,242,980)	(1,494,987)	(2,737,967)
Other operating revenue	1,273,353	1,073,573	2,346,926
Net cash provided by operating activities	4,181,933	281,609	4,463,542
<b>Cash flows from noncapital financing activities:</b>			
Transfers from (to) other funds	(256,197)	(571,621)	(827,818)
Amounts received from advances to other funds	-	-	-
Net cash provided by noncapital financing activities	(256,197)	(571,621)	(827,818)
<b>Cash flows from capital and related financing activities:</b>			
Capital contributions	-	-	-
Disposal taxes	-	-	-
Capital grants	51,213	4,025,875	4,077,088
Passenger facility charges	-	-	-
Contract facility charges	-	-	-
Proceeds from sale of capital assets	0	31,667	31,667
Acquisition of capital assets	(1,919,529)	(3,068,794)	(4,988,323)
Net cash used by capital and related financing activities	(1,868,316)	988,748	(879,568)
<b>Cash flows from investing activities:</b>			
Interest on investments	300,444	52,780	353,224
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,357,864</b>	<b>751,516</b>	<b>3,109,380</b>
Cash and cash equivalents, July 1	24,331,060	4,582,630	28,913,690
Cash and cash equivalents, June 30	\$ 26,688,924	\$ 5,334,146	\$ 32,023,070

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

	Solid Waste	Airport	Total
Operating income (loss)	\$ 1,655,266	\$ (2,228,063)	\$ (572,797)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities:			
Depreciation	1,306,574	2,663,777	3,970,351
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(172,269)	904,134	731,865
(Increase) decrease in advances from (to) other governments	173,220	69,527	242,747
(Increase) decrease in prepaid items	(2,321)	3,263	942
(Increase) decrease in deferred outflows	23,131	3,394	26,525
Increase (decrease) in accounts payable and accrued liabilities	142,845	(1,042,645)	(899,800)
Increase (decrease) in unearned revenues	-	(377,143)	(377,143)
Increase (decrease) in pension liability	55,481	27,741	83,222
Increase (decrease) in deferred inflows	109,836	76,641	186,477
Increase (decrease) in accrued landfill costs	772,372	-	772,372
Increase (decrease) in accrued OPEB obligation	119,856	160,553	280,409
Increase (decrease) in accrued vacation pay	(2,058)	20,430	18,372
Total adjustments	2,526,667	2,509,672	5,036,339
Net cash provided by (used in) operating activities	\$ 4,181,933	\$ 281,609	\$ 4,463,542

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

\$ - \$ - \$ -

The accompanying notes are an integral part of this statement.

EXHIBIT 9  
Onslow County, North Carolina  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
June 30, 2020

	<b>Agency Funds</b>
<hr/>	
<b>Assets</b>	
Cash and cash equivalents	\$ 666,104
Total assets	<u>\$ 666,104</u>
<hr/>	
<b>Liabilities</b>	
Liabilities:	
Miscellaneous liabilities	\$ 612,229
Intergovernmental payable	53,875
Total liabilities	<u>\$ 666,104</u>
<hr/>	

The accompanying notes are an integral part of this statement.

The accompanying notes are an integral part of this statement.

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE I. Summary of Significant Accounting Policies**

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

**A. Reporting Entity**

The County, which is governed by a five-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units; legally separate entities for which the County is financially accountable. Onslow County Industrial Facility and Pollution Control Financing Authority (the Authority) exists to issue and service revenue bond debt of private businesses for economic development purposes. The Authority has no financial transactions or account balances; therefore, it is not presented in the combined financial statements. The Onslow County Hospital Authority (the Hospital), which has a September 30 year-end, is presented as if it were a proprietary fund. The Onslow County ABC Board (the Board), which has a June 30 year-end, is presented as if it were a proprietary fund.

Component Unit	Reporting Method	Criteria for Inclusion	For Separate Financial Statements
Onslow County Industrial Facility and Pollution Control Financing Authority	Discrete	The Authority is governed by a seven-member board of commissioners that is appointed by the County commissioners. The County can remove any commissioner of the Authority with or without cause.	None issued
Onslow County Hospital Authority	Discrete	The Hospital is a public hospital operated by a not-for-profit corporation, which has leased the hospital facilities from the County until September 30, 2056. The County appoints the board of trustees for the Hospital. The County has also issued general obligation debt on behalf of the hospital.	Onslow County Hospital Authority 317 Western Boulevard Jacksonville, NC 28540
Onslow County ABC Board	Discrete	The members of the ABC Board's governing board are appointed by the County. The ABC Board is required by State statute to distribute its surpluses to the General Fund of the County.	Onslow County ABC Board 409 Center Street Jacksonville, NC 28540

**NOTE I. Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation, Basis of Accounting**

**Basis of Presentation**

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

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

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

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

The County reports the following major governmental funds:

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

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

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

**NOTE I. Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation, Basis of Accounting, continued**

**Basis of Presentation, continued**

The County reports the following major enterprise funds:

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

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

The County reports the following fund types:

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

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

**Measurement Focus, Basis of Accounting**

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



**NOTE I. Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation, Basis of Accounting, continued**

**Measurement Focus, Basis of Accounting, continued**

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

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

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

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

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

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

**NOTE I. Summary of Significant Accounting Policies, continued**

**B. Basis of Presentation, Basis of Accounting, continued**

**Measurement Focus, Basis of Accounting, continued**

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

**C. Budgetary Data**

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

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

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

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

**NOTE I. Summary of Significant Accounting Policies, continued**

**C. Budgetary Data, continued**

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

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

**1. Deposits and Investments**

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

State law [G.S. 159-30(c)] authorizes the County, the Hospital, and the ABC Board to invest in obligations of the United States or obligations fully guaranteed both as to principal and interest by the United States; obligations of the State of North Carolina; bonds and notes of any North Carolina local government or public authority; obligations of certain non-guaranteed federal agencies; certain high quality issues of commercial paper and bankers' acceptances and the North Carolina Capital Management Trust (NCCMT). The County, the Hospital and the ABC Board's investments are general reported at fair value. The NCCMT Government Portfolio, a SEC-registered (2a-7) money market mutual fund, is measured at fair value. The NCCMT Term Portfolio is a bond fund, has no rating and is measured at fair value. As of June 30, 2020, the 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.

In accordance with State law, the County, the Hospital and the ABC Board has invested in securities which are callable, and which provide for periodic interest rate increases in specific increments until maturity. These investments are reported at fair value as determined by quoted market prices.

**2. Cash and Cash Equivalents**

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

**NOTE I. Summary of Significant Accounting Policies, continued**

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

**3. Restricted Assets**

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

Governmental Activities			
General Fund	Unexpended loans and bond proceeds	\$	5,531
Capital Projects Fund	Unexpended loans and bond proceeds		6,675,136
School Construction Fund	Unexpended loans and bond proceeds		49,480,634
Total restricted cash		\$	<u>56,161,301</u>

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

**4. Ad Valorem Taxes Receivable**

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies annual ad valorem taxes on real and personal property on July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1 each year. Personal property values are determined annually, while real estate values are based on the rates adopted during the last countywide revaluation, which was effective January 1, 2018.

**5. Allowance for Doubtful Accounts**

Allowances for doubtful accounts are maintained on all types of receivables that historically experience uncollectable amounts. Allowances are based on collection experience and management evaluation of the current status of existing receivables.

**6. Inventory and Prepaid items**

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

**NOTE I. Summary of Significant Accounting Policies, continued**

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

**6. Inventory and Prepaid items, continued**

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

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

**7. Capital Assets**

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. All other purchased or constructed capital assets are reported at cost or estimated historical cost. The County has established capitalization thresholds of \$1,500 for technological equipment and \$5,000 for all other capital items. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

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

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

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

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

**NOTE I. Summary of Significant Accounting Policies, continued**

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

**7. Capital Assets, continued**

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

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

**8. Deferred Outflows/Inflows of Resources**

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

**9. Long-term Obligations**

In the government-wide financial statements and in the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premium and discounts are deferred and amortized over the life of the bonds using the straight-line method that approximates the effective interest method. Bonds payable are reported net of the applicable bond premiums or discount. Bond issuance costs, except for prepaid insurance costs, are expensed in the reporting period in which they are incurred. Prepaid insurance costs are expenses over the life of the debt.

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

**10. Compensated Absences**

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

**NOTE I. Summary of Significant Accounting Policies, continued**

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

**10. Compensated Absences, continued**

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

**11. Net Position/Fund Balances**

**Net Position**

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

**Fund Balances**

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

The governmental fund types classify fund balance as follows:

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

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

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

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

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

Restricted for Health Programs - portion of fund balance to be used to pay Health Program costs.

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

**NOTE I. Summary of Significant Accounting Policies, continued**

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

**11. Net Position/Fund Balances, continued**

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

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

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

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

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

Restricted for Capital improvements – portion of fund balance that can be used only for capital improvements per G.S. 18B-805(d).

Restricted for Working Capital – portion of fund balance that is restricted by the North Carolina Alcoholic Beverage Control Commission.

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

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

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

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

Committed for Community Assistance - portion of fund balance to be used for community assistance.

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



**NOTE I. Summary of Significant Accounting Policies, continued**

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

**11. Net Position/Fund Balances, continued**

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

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

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

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

**12. Defined Benefit Pension Plans**

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

**13. Stewardship, Compliance, and Accountability**

*Deficit Fund Balance*

As of June 30, 2020, the Grant Project Fund reported a negative fund balance of \$(37,592). In the year ended June 30, 2021 the County will fund the Grant Project Fund through transfers from the General Fund.

**NOTE II. Detail Notes on All Funds**

**A. Assets**

**1. Deposits**

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

However, the State Treasurer of North Carolina enforces strict standards of financial stability for each depository that collateralizes public deposits under the Pooling Method. The State Treasurer enforces standards of minimum capitalization for all Pooling Method financial institutions. The County, ABC Board, and the Hospital rely on the State Treasurer to monitor those financial institutions. The County analyzes the financial soundness of any other financial institution used by the County. The County complies with the provisions of G.S. 159-31 when designating official depositories and verifying that deposits are properly secured. The County, ABC Board, and the Hospital have no formal policies regarding custodial credit risk for deposits.

At June 30, 2020, the carrying amount of the County's deposits was \$73,053,716, and the bank balance was \$74,034,545. Of the bank balance, \$500,000 was covered by federal depository insurance and the remainder was covered by collateral held under the Pooling Method. At June 30, 2020, the County had \$11,277 cash on hand.

At June 30, 2020, the carrying amount of deposits for Onslow County ABC Board was \$3,097,249 and the bank balance was \$3,564,744. Of the bank balance, \$250,000 was covered by federal depository insurance and the balance of \$3,314,744 was collateralized by institutions using the Pooling Method.

At September 30, 2019, the Hospital's deposits had a carrying amount of approximately \$4,836,000, and a bank balance of \$6,787,000. There is Federal Depository Corporation insurance of \$500,000 that is applicable to the bank balance as of September 30, 2019. The remaining balance was covered by collateral held under the Pooling Method.

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**2. Investments**

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

<b>Investment Type</b>	<b>Cost</b>	<b>Fair Value</b>	<b>Valuation Measurement Method</b>	<b>Less than 6 Months</b>
Commercial paper:				
Wells Fargo Securities	\$ 4,991,816	\$ 4,993,792	Fair Value - Level 2	\$ 4,993,792
NC Cash Management Trust- Government Portfolio	83,203,724	83,203,724	Fair Value - Level 1	83,203,724
NC Cash Management Trust-Term Portfolio	1,336,674	1,336,674	Fair Value - Level 1	1,336,674
NC Cash Management Trust-Term Portfolio (Held through US Bank)	5,015,399	5,015,399	Fair Value - Level 1	5,015,399
	<u>\$ 94,547,612</u>	<u>\$ 94,549,588</u>		<u>\$ 94,549,588</u>

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

All investments are measured using the market approach: using prices and other relevant information generated by market transactions involving identical or comparable assets or group of assets. Level of fair value hierarchy: Level 1: Debt securities valued using directly observable, quoted prices (unadjusted) in active markets for identical assets. Level 2: Debt securities are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

*Credit Risk:* The County limits investments to the provisions of G.S. 159-30 and restricts the purchase of securities to the highest possible ratings whenever particular types of securities are rated. State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSRO's). As of June 30, 2020, the County's investments in commercial paper were rated P1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a rating of AAAM by Standard & Poor's as of June 30, 2020. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended. The County's investments in US Agencies (Federal Home Loan Bank) are rated AAA by Standard and Poor's and Aaa by Moody's Investors Service.

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**2. Investments, continued**

*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 has no policy on custodial credit risk. The County utilizes a third party custodial agent for book entry transactions, all of which shall be a trust department authorized to do trust work in North Carolina who has an account with the Federal Reserve. Certificated securities shall be in the custody of the Director of Finance.

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

At September 30, 2019, the Hospital had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities			Allocation Percentage
		Less Than 1 Year	1 to 5 Years	6 to 10 Years	
Cash and Cash equivalents	\$ 2,001,472	\$ 2,001,472	\$ -	\$ -	14%
Short Term bond index fund	3,550,308	81,657	3,401,195	67,456	26%
Federal Agency Obligations	4,868,006	1,758,060	2,274,657	835,289	35%
US Treasury Notes	1,494,675	-	1,494,675	-	11%
Total liquid funds and interest	<u>\$ 11,914,461</u>	<u>\$ 3,841,189</u>	<u>\$ 7,170,527</u>	<u>\$ 902,745</u>	
Equities					
US Equity Securities	\$ 1,273,512				9%
Foregin Equity Securities	315,354				2%
Other	369,921				3%
Total equities	<u>1,958,787</u>				
Total fair value	<u>\$ 13,873,248</u>				<u>100%</u>

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

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

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**2. Investments, continued**

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

Allowable Instruments:

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

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

Credit Quality:

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

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

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

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

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**2. Investments, continued**

*Concentration of Credit Risk:* In accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*, the Authority's investments are categorized by investment type. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes could materially affect amounts reported in the financial statements.

To the extent available, the Authority's investments are recorded at fair value. GASB Statement No. 72 Fair Value Measurement and Application, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Hospital had \$13,873,248 of its Board designated assets, limited as to use, invested with Vanguard, as a mix of equity and fixed investment securities.

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

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

<u>Year Levied</u>	<u>Tax</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 1,085,903	\$ 355,633	\$ 1,441,536
2017	1,088,829	258,597	1,347,425
2018	1,356,302	200,055	1,556,357
2019	1,350,023	77,626	1,427,649
	<u>\$ 4,881,057</u>	<u>\$ 891,911</u>	<u>\$ 5,772,968</u>

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**4. Receivables**

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

	<b>Accounts</b>	<b>Property Taxes</b>	<b>Total</b>
Governmental Activities:			
General	\$ 42,971,061	\$ 3,559,982	\$ 46,531,043
Capital projects fund	2,495	-	2,495
School construction fund	23,516	-	23,516
Other Governmental	1,339	-	1,339
Total Receivables	42,998,411	3,559,982	46,558,393
Allowance for Doubtful Accounts	(20,279,744)	(1,527,427)	(21,807,171)
Total Governmental Activities	<u>\$ 22,718,667</u>	<u>\$ 2,032,555</u>	<u>\$ 24,751,222</u>
Business-type Activities:			
Solid Waste	\$ 914,434	\$ -	\$ 914,434
Airport	181,979	-	181,979
Total Receivables	1,096,413	-	1,096,413
Allowance for Doubtful Accounts	(224,504)	-	(224,504)
Total for Business-Type Activities	<u>\$ 871,909</u>	<u>\$ -</u>	<u>\$ 871,909</u>

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

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Sales tax refunds	\$ 721,976	\$ 183,378
Total	<u>\$ 721,976</u>	<u>\$ 183,378</u>

The Hospital's accounts receivable are presented net of the allowance for uncollectible accounts of \$58,897,479.

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets**

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

	<b>Beginning Balances</b>	<b>Increases</b>	<b>Decreases and Adjustments</b>	<b>Transfers</b>	<b>Ending Balances</b>
<b>Governmental Activities:</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 13,889,868	\$ 665,569	\$ (519,266)	\$ -	\$ 14,036,171
Construction in progress	1,780,118	2,856,062	(2,944,448)	-	1,691,732
Total non-depreciable capital assets	<u>15,669,986</u>	<u>3,521,631</u>	<u>(3,463,714)</u>	<u>-</u>	<u>15,727,903</u>
<b>Depreciable Capital Assets:</b>					
Buildings	141,317,953	1,095,772	-	-	142,413,725
Improvements	24,226,893	1,574,419	-	-	25,801,312
Equipment	20,714,890	316,031	(24,781)	-	21,006,140
Computer Equipment	6,164,879	292,774	(138,755)	-	6,318,898
Vehicles	11,558,028	1,363,690	(731,443)	25,327	12,215,602
Heavy Equipment	270,244	6,344	-	61,900	338,488
Total depreciable capital assets	<u>204,252,887</u>	<u>4,649,030</u>	<u>(894,979)</u>	<u>87,227</u>	<u>208,094,165</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	38,437,857	4,144,399	-	-	42,582,256
Improvements	12,218,927	1,072,115	-	-	13,291,042
Equipment	9,524,034	1,244,860	(23,626)	-	10,745,268
Computer Equipment	5,541,360	664,055	(131,429)	-	6,073,986
Vehicles	7,878,626	1,483,888	(670,524)	25,327	8,717,317
Heavy Equipment	177,281	22,005	-	48,806	248,092
Total accumulated depreciation	<u>73,778,085</u>	<u>8,631,322</u>	<u>(825,579)</u>	<u>74,133</u>	<u>81,657,961</u>
<b>Total depreciable capital assets, net</b>	<u>130,474,802</u>				<u>126,436,204</u>
<b>Governmental Activity</b>					
<b>Capital Assets, Net</b>	<u>\$ 146,144,788</u>				<u>\$ 142,164,107</u>

Capital projects reported on Exhibit 4 includes \$17,897,439 related to school improvements and construction for assets that are not included in the County's capital assets.



Onslow County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets, continued**

**Primary Government**

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

Governmental activities:

General government	\$ 2,572,681
Public Safety	4,475,451
Economic and physical development	186,889
Human services	1,003,288
Cultural and recreational	358,049
Environmental Protection	34,964
Total depreciation expense - governmental activities	<u>\$ 8,631,322</u>

	Beginning Balances	Increases	Decreases	Transfers	Ending Balances
<b><u>Business-type activities:</u></b>					
<b>Solid Waste</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 1,284,081	\$ -	\$ -	\$ -	\$ 1,284,081
Construction in progress	-	397,084	-	-	397,084
Total capital assets not being depreciated	<u>1,284,081</u>	<u>397,084</u>	<u>-</u>	<u>-</u>	<u>1,681,165</u>
<b>Depreciable Capital Assets:</b>					
Buildings	2,213,018	-	-	-	2,213,018
Improvements	29,348,393	29,673	-	-	29,378,066
Equipment	332,109	477,175	(7,019)	-	802,265
Computer equipment	8,612	-	-	-	8,612
Vehicles	756,251	15,275	(44,018)	(180)	727,327
Heavy Equipment	4,001,967	1,015,511	(245,550)	(61,900)	4,710,028
Total capital assets being depreciated	<u>36,660,350</u>	<u>1,537,634</u>	<u>(296,587)</u>	<u>(62,080)</u>	<u>37,839,316</u>
<b>Less Accumulated Depreciation:</b>					
Buildings	2,114,963	5,740	-	-	2,120,703
Improvements	18,447,168	844,776	-	-	19,291,944
Equipment	211,169	72,908	(7,019)	-	277,058
Computer Equipment	4,953	1,255	-	-	6,208
Vehicles	752,799	7,006	(44,018)	(180)	715,607
Heavy Equipment	2,630,298	376,983	(245,550)	(48,806)	2,712,925
Total accumulated depreciation	<u>24,161,350</u>	<u>1,308,668</u>	<u>(296,587)</u>	<u>(48,986)</u>	<u>25,124,445</u>
<b>Total capital assets being depreciated, net</b>	<u>12,499,000</u>				<u>12,714,871</u>
<b>Solid Waste capital assets, net</b>	<u>\$ 13,783,081</u>				<u>\$ 14,396,036</u>

Onslow County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets, continued**

	Beginning Balances	Increases	Decreases & Adjustments	Transfers	Ending Balances
<b><u>Business-type activities:</u></b>					
<b>Airport</b>					
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 870,894	\$ -	\$ -	\$ -	\$ 870,894
Construction in progress	225,470	-	(225,470)	-	-
Total capital assets not being depreciated	1,096,364	-	(225,470)	-	870,894
<b>Depreciable Capital Assets:</b>					
Buildings	36,014,623	7,922	-	-	36,022,545
Improvements	27,585,650	2,575,804	(819,814)	-	29,341,640
Equipment	5,612,965	487,898	(7,699)	-	6,093,164
Computer equipment	44,742	-	-	-	44,742
Vehicles	1,298,574	29,536	-	(25,147)	1,302,963
Heavy Equipment	173,503	-	(35,705)	-	137,798
Total capital assets being depreciated	70,730,057	3,101,160	(863,218)	(25,147)	72,942,852
<b>Less Accumulated Depreciation:</b>					
Buildings	3,172,538	1,177,229	-	-	4,349,767
Improvements	9,669,583	1,085,080	(815,349)	-	9,939,314
Equipment	583,283	368,612	(7,699)	-	944,196
Computer Equipment	37,655	7,072	-	-	44,727
Vehicles	1,234,503	22,282	-	(25,147)	1,231,638
Heavy Equipment	139,086	3,500	(35,705)	-	106,881
Total accumulated depreciation	14,836,648	2,663,775	(858,753)	(25,147)	16,616,523
<b>Total capital assets being depreciated, net</b>	<b>55,893,409</b>				<b>56,326,329</b>
<b>Airport capital assets, net</b>	<b>\$ 56,989,773</b>				<b>\$ 57,197,223</b>

**Business-type activities**

Depreciation expense was charged to function/programs of the business type activities as follows:

Business-type activities	
Solid Waste	\$ 1,308,669
Airport	2,663,777
Total depreciation expense - business-type activities	<u>\$ 3,972,446</u>

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets, continued**

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

The County has active construction projects at June 30, 2020. These projects include airport upgrades, recreational and tourism related facilities, economic development projects and general facility needs. At year-end, the County's commitments with contractors are as follows:

<b>Project</b>	<b>Budget</b>	<b>Spent-to-date</b>	<b>Remaining Commitment</b>
Tax Office Software	\$ 1,255,000	\$ 1,182,749	\$ 72,251
Discovery Gardens	1,180,390	1,051,574	128,816
Sylvester House Preservation	100,000	16,600	83,400
Courthouse	20,000,000	19,545,057	454,943
Crisis Center	2,025,888	1,794,909	230,979
Beach Access Repairs	709,000	336,496	372,504
Animal Shelter Expansion	4,255,000	1,287,045	2,967,955
	<u>\$ 29,525,278</u>	<u>\$ 25,214,430</u>	<u>\$ 4,310,848</u>

**Enterprise Fund Commitments**

<b>Project</b>	<b>Budget</b>	<b>Spent-to-date</b>	<b>Remaining Commitment</b>
Landfill Improvement Projects	\$ 1,172,000	\$ 483,182	\$ 688,818
Convenience Site Projects	275,000	136,476	138,524
Landfill Expansion Phase 5	325,000	137,273	187,727
	<u>\$ 1,772,000</u>	<u>\$ 756,931</u>	<u>\$ 1,015,069</u>

**School Fund Commitment**

<b>Project</b>	<b>Budget</b>	<b>Spent-to-date</b>	<b>Remaining Commitment</b>
Regional Skills Training Center	\$ 24,038,557	\$ 22,153,893	\$ 1,884,664
Richlands Elementary School	12,792,910	10,365,976	2,426,934
West Central Elementary School	30,275,683	7,616,471	22,659,212
New Southern Elementary School	32,459,154	11,006,171	21,452,983
	<u>\$ 99,566,304</u>	<u>\$ 51,142,511</u>	<u>\$ 48,423,793</u>

Onslow County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets, continued**

**Discretely presented component units**

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

	Beginning Balances	Increases	Transfers	Decreases	Ending Balances
<b>Non-Depreciable Capital Assets:</b>					
Land	\$ 2,454,553	\$ -	\$ -	\$ -	\$ 2,454,553
Construction in progress	2,065,532	84,707	-	2,065,532	84,707
Total capital assets not being depreciated	4,520,085	84,707	-	2,065,532	2,539,260
<b>Depreciable Capital Assets:</b>					
Buildings	3,957,230	2,017,831	-	-	5,975,061
Furniture/Equipment	961,930	198,721	-	-	1,160,651
Vehicles	131,582	54,830	-	-	186,412
Leasehold improvements	394,402	-	-	-	394,402
Total capital assets being depreciated	5,445,144	2,271,382	-	-	7,716,526
<b>Less Accumulated Depreciation:</b>					
Buildings	1,680,075	180,776	-	-	1,860,851
Furniture/Equipment	752,411	67,662	-	-	820,073
Vehicles	111,457	26,523	-	-	137,980
Leasehold improvements	152,511	16,402	-	-	168,913
Total accumulated depreciation	2,696,454	291,363	-	-	2,987,817
<b>Total capital assets being depreciated, net</b>	<u>2,748,690</u>				<u>4,728,709</u>
<b>ABC Board capital assets, net</b>	<u>\$ 7,268,775</u>				<u>\$ 7,267,969</u>

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**A. Assets, continued**

**5. Capital Assets, continued**

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

	Beginning Balances	Transfers/ Additions	Transfers/ Decreases	Ending Balances
<b>Non-Depreciable Capital Assets:</b>				
Land	\$ 4,629,518	\$ -	\$ -	\$ 4,629,518
Construction in progress	3,272,486	304,448	(253,871)	3,323,063
Total capital assets not being depreciated	7,902,004	304,448	(253,871)	7,952,581
<b>Depreciable Capital Assets:</b>				
Land improvements	1,040,282	-	-	1,040,282
Buildings and improvements	84,377,542	114,485	(108,194)	84,383,833
Equipment	80,663,592	405,061	(346,827)	80,721,826
Total capital assets being depreciated	166,081,416	519,546	(455,021)	166,145,941
<b>Less Accumulated Depreciation:</b>	100,272,327	7,523,713	(594,438)	107,201,602
<b>Hospital capital assets, net</b>	<u>\$ 73,711,093</u>			<u>\$ 66,896,920</u>

**B. Liabilities**

**1. Payables**

Payables at June 30, 2020 were as follows:

	Vendors	Salaries & Benefits	Customer Deposits	Other	Total
<b>Governmental Activities:</b>					
General	\$ 1,402,134	\$ 3,600,228	\$ 1,983,051	\$ 991,836	\$ 7,977,249
Capital projects fund	239,815	-	-	-	239,815
School construction fund	2,582,115	-	-	-	2,582,115
Other Governmental Activities	58,206	-	-	-	58,206
Total Governmental Activities	<u>\$ 4,282,270</u>	<u>\$ 3,600,228</u>	<u>\$ 1,983,051</u>	<u>\$ 991,836</u>	<u>\$ 10,857,385</u>
<b>Business-Type Activities:</b>					
Solid Waste	\$ 525,282	\$ 62,721	\$ -	\$ 2,055	\$ 590,058
Airport	130,726	67,213	-	(404)	197,535
Total Business-Type Activities	<u>\$ 656,008</u>	<u>\$ 129,934</u>	<u>\$ -</u>	<u>\$ 1,651</u>	<u>\$ 787,593</u>

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations**

**a. Local Government Employee's Retirement System**

Plan Description: Onslow County and the ABC Board are participating employers in the statewide Local Governmental Employees Retirement System (LGERS), a cost-sharing multiple-employer defined benefit pension plan administered by the State of North Carolina. LGERS membership is comprised of general employees and local law enforcement officers (LEOs) of participating local government entities. Article 3 of G.S. Chapter 128 assigns the authority to establish and amend benefit provisions to the North Carolina General Assembly. Management of the plan is vested in the LGERS Board of Trustees, which consists of 13 members - nine appointed by the Governor, one appointed by the state Senate, one appointed by the State House of Representatives, and the State Treasurer and State Superintendent, who serve as ex-officio members. The Local Governmental Employees' Retirement System is included in the Comprehensive Annual Financial Report (CAFR) for the State of North Carolina. The State's CAFR includes financial statements and required supplementary information for LGERS. That report may be obtained by writing to the Office of the State Controller, 1410 Mail Service Center Road, Raleigh Carolina 27699-1410, or by calling (919) 981-5454 or at [www.osc.nc.gov](http://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 benefits at age 50 with 20 years of creditable service or at age 60 with five years of creditable service (age 55 for firefighters). Survivor benefits are available to eligible beneficiaries of members who die while in active service or within 180 days of their last day of service and who have either completed 20 years of creditable service regardless of age (15 years of creditable service for firefighters and rescue squad members who are killed in the line of duty) or have completed five years of service and have reached age 60. Eligible beneficiaries may elect to receive a monthly Survivor's Alternate Benefit for life or a return of the member's contributions. The plan does not provide for automatic post-retirement benefit increases. Increases are contingent upon actuarial gains of the plan.

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

Contributions: Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. Plan members are required to contribute six percent of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's and ABC Board's contractually required contribution rate for the year ended June 30, 2020 was 9.70% for law enforcement officers and 8.95% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the benefits earned by employees during the year. Contributions to the pension plan from the County were \$4,880,188 for the year ended June 30, 2020. Contributions to the pension plan by the ABC Board were \$163,819 for the year ended June 30, 2020.

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

**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 \$23,175,970 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 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 LGERS employers, actuarially determined. At June 30, 2020, the County's proportion was .84865% which was a decrease of .01134% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$10,382,351. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 3,968,313	\$ -
Changes of assumptions	3,777,299	-
Net difference between projected and actual earnings on pension plan investments	565,294	-
Changes in proportion and difference between County contributions and proportionate share of contributions	129,653	465,920
County contributions subsequent to the measurement date	4,880,188	-
Total	<u>\$ 13,320,747</u>	<u>\$ 465,920</u>

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

\$4,880,188 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	\$ 4,075,657
2022	1,225,701
2023	2,127,081
2024	546,200
2025	-
Thereafter	-
	<u>\$ 7,974,639</u>

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

Actuarial Assumptions:

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

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

The actuarial assumptions used in the December 31, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

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



**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

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

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Fixed income	29.0%	1.4%
Global equity	42.0%	5.3%
Real estate	8.0%	4.3%
Alternatives	8.0%	8.9%
Credit	7.0%	6.0%
Inflation protection	6.0%	4.0%
Total	<u>100.0%</u>	

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

Sensitivity of the County's proportionate share of the net pension as set to changes in the discount rate: The following represents the County's proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the County's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<u>1% Decrease (6.0%)</u>	<u>Discount (7.0%)</u>	<u>1% Increase (8.0%)</u>
County's proportionate share of the net pension liability (asset)	\$ 53,007,680	\$ 23,175,970	\$ (1,620,226)

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

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

At June 30, 2020, the Board reported a liability of \$511,502 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 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 Board's proportion of the net pension asset was based on a projection of the Board's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2020, the Board's proportion was .01873% which was an increase of .00118% from its proportion measured as of June 30, 2019.

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

For the year ended June 30, 2020, the Board recognized pension expense of \$248,577. At June 30, 2020, the Board reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 87,582	\$ -
Changes of assumptions	83,366	-
Net difference between projected and actual earnings on pension plan investments	12,476	-
Changes in proportion and difference between County contributions and proportionate share of contributions	55,402	-
County contributions subsequent to the measurement date	163,819	-
Total	<u>\$ 402,645</u>	<u>\$ -</u>

\$163,819 reported as deferred outflows of resources related to pensions resulting from Board contributions subsequent to the measurement date will be recognized as an increase of the net pension liability in the year ended June 30, 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	\$ 109,934
2022	46,032
2023	61,503
2024	21,357
2025	-
Thereafter	-
	<u>\$ 238,826</u>

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**a. Local Government Employee's Retirement System, continued**

Sensitivity of the Board's proportionate share of the net pension as set to changes in the discount rate: The following represents the Board's proportionate share of the net pension asset calculated using the discount rate of 7.0 percent, as well as what the Board's proportionate share of the net pension asset or net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	<b>1% Decrease (6.0%)</b>	<b>Discount (7.0%)</b>	<b>1% Increase (8.0%)</b>
Board's proportionate share of the net pension liability (asset)	\$ 1,169,898	\$ 511,502	\$ (35,759)

**b. Law Enforcement Officers' Special Separation Allowance**

**1. Plan Description**

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

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

Inactive members currently receiving benefits	24
Active members	139
	<u>163</u>

A separate report was not issued for the plan.

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**b. Law Enforcement Officers' Special Separation Allowance, continued**

**2. Summary of Significant Accounting Policies**

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

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

**3. Actuarial Assumptions**

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

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

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

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

**4. Contributions**

The County is required by Article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the amounts necessary to cover the benefits earned on a pay as you go basis through appropriations made in the General Fund operating budget. There were no contributions made by employees. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. Administration costs of the Separation Allowance are financed through investment earnings. The County paid \$277,822 as benefits came due for the reporting period.

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**b. Law Enforcement Officers' Special Separation Allowance, continued**

At June 30, 2020, the County reported a total pension liability of \$3,388,299. 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 \$340,764.

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 203,652	\$ 227,177
Changes of assumptions	175,725	103,353
Benefit payments and plan administrative expenses made subsequent to the measurement date	214,151	-
Total	<u>\$ 593,528</u>	<u>\$ 330,530</u>

\$214,151 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:

<b>Year Ending June 30</b>	<b>Amount</b>
2021	\$ 41,572
2022	41,572
2023	7,040
2024	(30,813)
2025	(10,524)
Thereafter	-
Total	<u>\$ 48,847</u>

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**b. Law Enforcement Officers' Special Separation Allowance, continued**

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total pension liability	\$ 3,668,514	\$ 3,388,299	\$ 3,133,996

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

	<u>2020</u>
Beginning balance	\$ 3,570,068
Service cost	173,561
Interest on the total pension liability	124,499
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	(279,886)
Changes of assumptions or other inputs	99,597
Benefit payments	(299,540)
Ending balance of the total pension liability	<u>\$ 3,388,299</u>

Changes in assumptions: Change of assumptions and other inputs reflect a change in the discount rate from 3.64 percent at December 30, 2018 (measurement date) to 3.36 percent at December 31, 2019 (measurement date).

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

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

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

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

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

Funding Policy: Article 12E of G.S. Chapter 143 requires the County to contribute each month an amount equal to five percent of each officer's salary, and all amounts contributed are vested immediately. Also, the law enforcement officers may make voluntary contributions to the plan. Contributions for the year ended June 30, 2020 were \$680,992 which consisted of \$384,026 from the County and \$296,966 from the law enforcement officers and other employees.

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

The County has chosen to extend the supplemental retirement income plan (401K) to non-law enforcement employees. The county contributes an amount equal ranging from .5% to 1% of all gross earnings for qualified permanent full-time and part-time employees, and additionally matches the employee contribution up to a total from 2% to 4% of gross earnings depending on employment date. Contributions for the year ended June 30, 2020 were \$2,605,771, which consisted of \$1,160,778 from the County and \$1,444,993 from employees.

**e. Deferred Compensation Plan**

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

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

**f. Registers of Deeds' Supplemental Pension Fund**

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



**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**f. Registers of Deeds' Supplemental Pension Fund, continued**

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

Contributions: Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contributions. The actuarially determined contribution this year and for the foreseeable future is zero. Register of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$21,681 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 \$401,765 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2019. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2018. The total pension liability was then rolled forward to the measurement date of June 30, 2019 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension asset was based on the County's share of contributions to the pension plan, relative to contributions to the pension plan of all participating RODSPF employers. At June 30, 2020, the County's proportion was 2.03508% which was a decrease of .22253% from its proportion measured as of June 30, 2019.

For the year ended June 30, 2020, the County recognized pension expense of \$36,966. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 19,374
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments	4,111	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	32,331	3,448
County contributions subsequent to the measurement date	21,681	-
<b>Total</b>	<b>\$ 58,123</b>	<b>\$ 22,822</b>

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**f. Registers of Deeds' Supplemental Pension Fund, continued**

\$21,681 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 Ending June 30	Amount
2021	\$ (485)
2022	14,745
2023	7,297
2024	(7,937)
2025	-
Thereafter	-
Total	<u>\$ 13,620</u>

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

Actuarial Assumptions:

Inflation	3.0 percent
Salary increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment rate of return	3.75 percent, net of pension plan investment expense, Including inflation

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

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**f. Registers of Deeds' Supplemental Pension Fund, continued**

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

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2020 asset liability and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.0%. All rates of return and inflation are annualized.

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

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

	<b>1% Decrease (2.75%)</b>	<b>Discount Rate (3.75%)</b>	<b>1% Increase (4.75%)</b>
County's proportionate share of the net pension (asset)	\$ 27,067	\$ (401,765)	\$ 9,899

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.

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

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

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

	<u>LGERS</u>	<u>ROD</u>	<u>LEOSSA</u>	<u>TOTAL</u>
Proportionate Share of Net Pension Liability (Asset)	\$ 23,175,970	\$ (401,765)	\$ -	\$ 22,774,205
Proportion of the Net Pension Liability (Asset)	0.8487%	-2.0351%	-	-
Total Pension Liability	-	-	3,388,299	3,388,299
Pension Expense	10,382,351	36,966	3,125,301	13,544,618

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>
<b><u>Deferred Outflows of Resources</u></b>				
Differences between expected and actual experience	\$ 3,968,313	\$ -	\$ 203,652	\$ 4,171,965
Change of assumptions	3,777,299	-	175,725	3,953,024
Net difference between projected and actual earnings on pensions plan investments	565,294	4,111	-	569,405
Changes in proportion and differences between County contributions and proportionate share of contributions	129,653	32,331	-	161,984
County contributions (LGERS, ROD)/benefit payments and administration costs (LEOSSA) subsequent to the measurement date	4,880,188	21,681	214,151	5,116,020
<b><u>Deferred Inflows of Resources</u></b>				
Differences between expected and actual experience	\$ -	\$ 19,374	\$ 227,177	\$ 246,551
Change of assumptions	-	-	103,353	103,353
Changes in proportion and differences between County contributions and proportionate share of contributions	465,920	3,448	-	469,368

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**h. Other Post-Employment Benefits (OPEB)**

*Healthcare benefits*

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

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

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

Retired members	146
Active members:	<u>281</u>
Total	<u><u>427</u></u>

**Total OPEB Liability**

The County's total OPEB liability of \$20,124,773 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.

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

Inflation	2.50%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Salary increases, including inflation	3.50-7.75%
Municipal Bond Index	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare Medical and Prescription Drug	7.00% for 2019 decreasing to an ultimate rate of 4.50% by 2026

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**h. Other Post-Employment Benefits (OPEB), continued**

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**

<b>Balance at July 1, 2019</b>	\$ 24,194,368
Service Cost	643,834
Interest	913,999
Difference between expected and actual experience	(4,700,472)
Changes of assumptions or other inputs	482,979
Benefit payments	<u>(1,409,935)</u>
Net changes	<u>(4,069,595)</u>
<b>Balance at June 30, 2020</b>	<u><u>\$ 20,124,773</u></u>

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

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

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014.

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

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>2.50%</b>	<b>3.50%</b>	<b>4.50%</b>
Total OPEB Liability	\$ 21,418,777	\$ 20,124,773	\$ 18,923,357

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

	<b>1% Decrease</b>	<b>Healthcare Cost</b>	<b>1% Increase</b>
		<b>Trend</b>	
Total OPEB Liability	\$ 18,703,011	\$ 20,124,773	\$ 21,717,713

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**h. Other Post-Employment Benefits (OPEB), continued**

**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 \$167,509. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and	\$ 148,811	\$ 3,721,946
Changes of assumption or other inputs	359,138	622,494
County contributions subsequent to the measurement date	1,126,547	-
Total	<u>\$ 1,634,496</u>	<u>\$ 4,344,440</u>

\$1,126,547 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	\$ (1,401,959)
2022	(1,349,613)
2023	(1,084,919)
2024	-
2025	-
Thereafter	-
	<u>\$ (3,836,491)</u>

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**i. 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.

**j. Healthcare Benefits - Onslow County ABC Board**

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

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

Membership of the HCB Plan consisted of the following at June 30, 2019, the date of the latest actuarial valuation:

**Total OPEB Liability**

The Board's total OPEB liability of \$478,950 was measured as of June 30, 2019 and was determined by an actuarial valuation as of that date.



**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**j. Healthcare Benefits - Onslow County ABC Board, continued**

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

Inflation	2.50%
Real Wage Growth	1.00%
Wage Inflation	3.50%
Salary increases, including inflation	3.50-7.75%
Municipal Bond Index	
Prior Measurement Date	3.89%
Measurement Date	3.50%
Health Care Cost Trends	
Pre-Medicare	7.0% for 2019 decreasing to an ultimate rate of 4.50% by 2026

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

**Changes in the Total OPEB Liability**

<b>Balance at June 30, 2018</b>	\$ 873,656
Service Cost	8,865
Interest	33,531
Difference between expected and actual experience	(416,703)
Changes of assumptions or other inputs	3,177
Benefit payments	(23,576)
Net changes	(394,706)
<b>Balance at June 30, 2019</b>	<u><u>\$ 478,950</u></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 mortality tables, with adjustments for LGERS experience and generational mortality improvements using Scale MP-2015.

The demographic actuarial assumptions for retirement, disability incidence, withdrawal, and salary increases used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period January 2010 through December 2014, adopted by LGERS.

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**j. Healthcare Benefits - Onslow County ABC Board, continued**

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

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>2.50%</b>	<b>3.50%</b>	<b>4.50%</b>
Total OPEB Liability	\$ 535,246	\$ 478,950	\$ 430,945

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

	<b>1% Decrease</b>	<b>Healthcare Cost Trend</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 423,320	\$ 478,950	\$ 547,423

**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 (\$12,602). At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Difference between expected and actual experience	\$ -	\$ 373,360
Changes of assumption or other inputs	2,824	91,304
County contributions subsequent to the measurement date	22,740	-
Total	<u>\$ 25,564</u>	<u>\$ 464,664</u>

\$22,740 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:

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**j. Healthcare Benefits - Onslow County ABC Board, continued**

Year Ended June 30:		
2021	\$	(54,998)
2022		(54,998)
2023		(54,998)
2024		(54,998)
2025		(54,998)
Thereafter		(186,850)
	\$	<u>(461,840)</u>

**k. Healthcare Benefits - Onslow County Hospital Authority**

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

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

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

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

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

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

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**k. Healthcare Benefits - Onslow County Hospital Authority, continued**

Effective October 1, 2018, actives hired on or after October 1, 2009 are not eligible for benefits. The following is a summary of the participants in the OPEB program as of September 30, 2019:

	<u>Hired after</u>	<u>Hired Before</u>
Active	368	322
Retirees	153	131
Total	<u>521</u>	<u>453</u>

Total OPEB Liability: The Authority's total net OPEB liability of \$15,153,534 was measured as of September 30, 2019 and was determined by an actuarial valuation as of September 30, 2019. The Authority's total net OPEB liability as of \$12,321,192 was measured as of September 30, 2018 and was determined by an actuarial valuation as of the same date.

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

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

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

	<u>2019</u>	<u>2018</u>
Discount Rate	2.66%	4.18%
Salary increases, including inflation	2.50%	2.50%
Mortality:	3.50%	3.50%
Base Table	RP-2014	RP-2014
Projected Scale	MP-2018	MP-2017
Medical Trend Rates:		
Pre-65 Medical		
Initial Trend Rate	6.30%	4.40%
Ultimate Trend Rate	3.90%	4.00%
Year Rate Reaches Ultimate Trend	2082	2089
Post-65 Medical		
Initial Trend Rate	6.30%	4.40%
Ultimate Trend Rate	3.90%	4.00%
Year Rate Reaches Ultimate Trend	2082	2089

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**k. Healthcare Benefits - Onslow County Hospital Authority, continued**

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

	<u>2019</u>
<b>Balance at Beginning of Year</b>	\$ 12,321,192
Service Cost	129,706
Interest	499,057
Effect of plan changes	-
Changes of assumptions or other inputs	3,237,661
Benefit payments	<u>(1,034,082)</u>
Net changes	<u>2,832,342</u>
<b>Balance at End of Year</b>	<u><u>\$ 15,153,534</u></u>

At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 314,489	\$ -
Changes of assumption or other inputs	2,152,300	2,262,526
County contributions subsequent to the measurement date	-	-
Total	<u><u>\$ 2,466,789</u></u>	<u><u>\$ 2,262,526</u></u>

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

<b>Year Ended June 30:</b>	
2020	\$ (125,389)
2021	(125,389)
2022	300,868
2023	<u>154,173</u>
	<u><u>\$ 204,263</u></u>

Sensitivity of the total OPEB liability to changes in the discount rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66 percent) or 1-percentage-point higher (3.66 percent) than the current discount rate:

**NOTE II. Detail Notes on All Funds, continued**

**2. Pension Plan Obligations, continued**

**k. Healthcare Benefits - Onslow County Hospital Authority, continued**

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>1.66%</b>	<b>2.66%</b>	<b>3.66%</b>
Total OPEB Liability	\$ 17,671,125	\$ 15,153,534	\$ 13,184,518

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

		<b>Healthcare Cost</b>	
	<b>1% Decrease</b>	<b>Trend</b>	<b>1% Increase</b>
Total OPEB Liability	\$ 13,077,533	\$ 15,153,534	\$ 17,784,462

**I. Onslow County Hospital Authority Retirement Plan**

The Authority offers a voluntary 403(b) retirement savings plan that is available to all employees. Participants are fully vested in all funds they contribute to the plan. The Authority matches 50% of each employee's contribution up to a maximum of 3% of eligible earnings. Employees do not become vested in the Authority's matching contribution until the completion of five years of employment involving a minimum of 1,000 hours of service in each year. Employees become 100% vested in the Authority's matching contribution to the plan upon completion of the fifth year of employment. The Hospital recognized expense for contributions and plan fees totaling approximately \$665,000 for the year ended September 30, 2019.

During the fiscal year 2015, the Authority began making supplemental nonmatching contributions to the 403(b) retirement savings plan on behalf of employees with two or more years of service. Employees with more than two but less than 10 years of service receive a nonmatching contribution of 2% of eligible earnings. Employees with 10 or more years of service receive a nonmatching contribution of 3% of eligible earnings. This supplemental contribution was implemented to supplement the overall employee benefits program as a result of the termination of the pension plan during the year. The Authority recognized expense for nonmatching contributions related to fiscal year 2019 of \$1,596,000 for the year ended September 30, 2019. Accrued expenses as of September 30, 2019, include approximately \$793,000 related to these supplemental nonmatching contributions. Further, the fiduciary fund made supplemental contributions of \$806,000 to the plan during the year ended September 30, 2019.

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

State and federal laws and regulations require the County to place a final cover on its two landfill facilities when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date.

**NOTE II. Detail Notes on All Funds, continued**

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

The \$15,465,806 reported as landfill closure and post-closure care liability at June 30, 2020 represents a cumulative amount reported to date based on the percentage used of the total estimated capacity of all county landfills. The County will recognize the remaining estimated cost of closure and post-closure care as the remaining estimated capacity is filled. All of the above amounts are based on what it would cost to perform all closure and post-closure care in 2020. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. Onslow County closed one facility in the fiscal year ended 1998. As of June 30, 2020, the estimated post-closure care liability for the closed landfill amounted to \$604,840.

The County has met the requirements of a local government financial test that is one option under State and federal laws and regulations that help determine if a unit is financially able to meet closure and post-closure care requirements. The County is not currently required to fund the estimated closure costs of this facility based upon its present financial stability. As of June 30, 2020, the County has used approximately 85.73% of its landfill currently in operation.

**4. Deferred Outflows and Inflows of Resources**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Charge on refunding of debt	\$ 6,722,990	\$ -
Difference between expected and actual experience	4,320,776	3,968,497
Change of assumptions pension and OPEB plans	4,312,162	725,846
Difference between projected and actual investment earnings pension plans	569,405	-
Change in proportion and difference between employer contributions and proportionate share of contributions pension plans	161,984	469,368
Contributions to pension plans in current fiscal year	4,901,869	-
Benefit payments made for LEOSA subsequent to measurement date	214,151	-
Benefit payments made for OPEB subsequent to measurement date	1,126,547	-
Prepaid taxes not yet earned (General)	-	236,703
Total	<u>\$ 22,329,884</u>	<u>\$ 5,400,414</u>

**5. Risk Management**

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

**NOTE II. Detail Notes on All Funds, continued**

**5. Risk Management, continued**

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

The County is self-insured for its employee health insurance. The plan is administered by Blue Cross Blue Shield of NC. There is a specific stop loss of \$100,000 per covered employee/dependent and an aggregate stop loss of 125% of expected net paid claims. Blue Cross Blue Shield underwrites the reinsurance policies for the specific and aggregate stop-loss coverage. The County pays 100% of the premium for employees only coverage for those employees who participate in an annual health risk assessment and the employees pay 100% of the premium for dependent coverage. Additionally, those employees who do not participate in the health risk assessment pay \$50 monthly of the employee coverage. The plan is self-sustaining through premiums. The estimated liability for claims is based on all known claims filed as of June 30, 2020, as determined by the plan administrator and includes an estimate for claims incurred but not reported.

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

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

<b>Fiscal Year</b>	<b>Liability For</b>			<b>Liability for</b>
<b>Ending June 30</b>	<b>Claims-</b>	<b>Net Fees</b>	<b>Paid Claims</b>	<b>Claims - End of</b>
	<b>Beginning of</b>	<b>Credited</b>	<b>and Charges</b>	<b>Year</b>
	<b>Year</b>			
2018	152,535	8,517,438	8,937,339	572,436
2019	572,436	8,342,769	8,530,650	760,317
2020	760,317	8,542,487	8,550,708	768,538

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

<b>Fiscal Year</b>	<b>Liability For</b>			<b>Liability for</b>
<b>Ending June 30</b>	<b>Claims-</b>	<b>Net Fees</b>	<b>Paid Claims</b>	<b>Claims - End of</b>
	<b>Beginning of</b>	<b>Credited</b>	<b>and Charges</b>	<b>Year</b>
	<b>Year</b>			
2018	351	401,400	402,910	1,861
2019	1,861	468,593	467,138	406
2020	406	596,615	596,284	75

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



**NOTE II. Detail Notes on All Funds, continued**

**5. Risk Management, continued**

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

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

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

**6. Claims and Judgments**

At June 30, 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.

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

**7. Long-Term Obligations**

**a. Installment Purchase**

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

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**a. Installment Purchase, continued**

The County's installment purchase obligations payable at June 30, 2020 are comprised of the following:

800 MHZ Radio Equipment executed October 8, 2013 for a 7 year period at 1.88% with yearly payments of \$434,777 plus interest beginning October 8, 2014	\$ 434,777
Maintenance Building Coastal Carolina Community College and Demolition of the Old Jail Facility executed October 8, 2013 for a 12 year period at 2.56% with yearly payments of \$550,000 plus interest beginning October 8, 2014 through October 2026	3,300,000
	<u>\$ 3,734,777</u>

Installment purchase debt service requirements to maturity are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Amount</u>
2021	\$ 984,777	\$ 92,654	\$ 1,077,431
2022	550,000	70,400	620,400
2023	550,000	56,320	606,320
2024	550,000	42,240	592,240
2025	550,000	42,240	592,240
2026-2028	550,000	14,080	564,080
Total minimum lease payments	<u>\$ 3,734,777</u>	<u>\$ 317,934</u>	<u>4,052,711</u>
Amount representing interest			317,934
Present value of net minimum lease payments			<u>\$ 3,734,777</u>

**b. Certificates of Participation**

Through Onslow County Facilities Company we have issued the following  
Certificate of Participation Contracts:

Series 2015 Advanced Refunding COPS

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

Payments are due in December and June with interest from 2.00% to 5.00% maturing October 2027	\$ 21,740,000
Premium on bonds issued	2,721,731

Series 2008 Justice Complex COPS for Jail and Sheriff Administration

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

Payments are due in December and June with interest at 3.50% maturing June 2028	8,880,000
	<u>\$ 33,341,731</u>

Onslow County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**b. Certificates of Participation, continued**

Debt service requirements to maturity are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2021	\$ 4,050,000	\$ 340,216	\$ 1,324,300
2022	4,045,000	340,216	1,138,575
2023	4,040,000	340,216	953,100
2024	4,020,000	340,216	768,250
2025	4,020,000	340,216	583,900
2026-2028	10,445,000	1,020,649	726,475
	<u>\$ 30,620,000</u>	<u>\$ 2,721,731</u>	<u>\$ 5,494,600</u>

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**c. Limited Obligation Bonds**

The following limited obligation bonds have been issued:

Series 2012A Limited Obligation Bonds for 800 MHZ, Sneads Ferry Library/Environmental Center & Government Center.

Total issue of \$30,035,000. Payments are due in December and June with interest from 1.49% to 3.17% maturing June 2033	\$ 27,800,000
Premium on bonds issued	1,803,338

Series 2015 Limited Obligation Bonds for Dixon Middle School, Consolidated Human Service Building & Vehicle Maintenance Building

Total issue of \$46,965,000 Payments are due in December and June with interest from 1.10% to 3.86%	39,140,000
Premium on bonds issued	4,184,408

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

Premium on bonds issued	39,290,000
	5,692,299

Series 2019 Limited Obligation Bonds for New Southern Elementary School and Animal Control renovations and additions Total issue of \$30,005,000.

Payments are due in December and June with interest from 1.29% to 2.49%	30,005,000
Premium on bonds issued	6,028,222

Series 2020 Limited Obligation Bonds for West Central Elementary School

Total issue of \$25,115,000. Payments are due in December and June with interest from 1.29% to 2.49%	25,115,000
Premium on bonds issued	5,476,974
	\$ 184,535,241

Onslow County, North Carolina  
Notes to the Financial Statements  
For the Fiscal Year Ended June 30, 2020

**7. Long-Term Obligations, continued**

**c. Limited Obligation Bonds, continued**

Debt service requirements to maturity are as follows:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2021	7,195,000	1,327,780	7,090,913
2022	7,195,000	1,327,780	6,515,269
2023	10,100,000	1,327,780	6,144,019
2024	10,090,000	1,327,780	5,714,119
2025	10,450,000	1,327,780	5,311,569
2026-2030	50,445,000	6,638,899	19,583,980
2031-2035	46,100,000	6,361,462	8,701,250
2036-2040	19,775,000	3,545,980	1,514,075
Total	<u>\$ 161,350,000</u>	<u>\$ 23,185,241</u>	<u>\$ 60,575,194</u>

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**d. General Obligation Indebtedness**

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

The County's general obligation bonds payable at June 30, 2020 are comprised of the following individual issues and serviced by the General Fund:

\$ 33,325,000 School Refunding Bonds Series 2013	
Payments are due December and June through 2026	
with interest from 3.00% to 5.00%	\$ 19,645,000
Premium on bond issue	2,888,789
\$ 22,870,000 School Refunding Bonds Series 2015	
Payments are due October and April through 2027	
no principal payments the first three years	
with interest from 3.00% to 5.00%	19,125,000
Premium on bonds issued	2,387,060
Carrying value of bonds	<u>\$ 44,045,849</u>

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

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Premium</u>	<u>Interest</u>
2021	5,635,000	823,617	1,704,300
2022	5,625,000	823,617	1,441,525
2023	5,630,000	823,617	1,160,150
2024	5,650,000	823,617	878,150
2025	5,645,000	823,617	614,575
2026-2028	10,585,000	1,157,764	553,375
	<u>\$ 38,770,000</u>	<u>\$ 5,275,849</u>	<u>\$ 6,352,075</u>

At June 30, 2020, Onslow County has no bonds authorized but unissued and a legal debt margin of approximately \$871,701,223.

Debt related to Capital Activities: Of the total Governmental Activities debt listed only \$103,234,177 related to assets the County holds title. Restricted cash related to this debt amounts to \$5,427,872.

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**e. Long-Term Obligation Activity**

The following is a summary of changes in the County's long-term debt obligations for the fiscal year ended June 30, 2020:

	Balance June 30, 2019	Increases	Decreases	Balance June 30, 2020	Current Portion of Balances
<u>Governmental Activities</u>					
Direct Placement General obligation debt	\$ 44,440,000	\$ -	\$ 5,670,000	\$ 38,770,000	\$ 5,635,000
Premium on GO debt	6,099,464	-	823,617	5,275,847	823,617
Direct Placement Installment Purchase	4,719,554	-	984,777	3,734,777	984,777
Certificates of Participation	34,695,000	-	4,075,000	30,620,000	4,050,000
Premium on COP's	3,061,948	-	340,216	2,721,732	340,216
Limited Obligation Bonds	113,260,000	55,120,000	7,030,000	161,350,000	7,195,000
Premium on LOBS Debt	12,432,565	11,505,196	752,520	23,185,241	1,327,780
Net OPEB liability	23,468,537	-	4,350,002	19,118,535	-
Compensated absences	3,273,679	3,692,813	3,273,679	3,692,813	923,203
Net pension liability (LEOSSA)	3,570,068	-	181,769	3,388,299	-
Net pension liability (LGRS)	19,789,847	2,690,844	-	22,480,691	-
Total	\$ 268,810,662	\$ 73,008,853	\$ 27,481,580	\$ 314,337,935	\$ 21,279,593
<u>Business-type activities</u>					
Accrued landfill closure cost	14,693,434	772,372		\$ 15,465,806	\$ -
Total OPEB liability	725,831	280,407		1,006,238	-
Compensated absences	198,687	23,493	5,122	217,058	54,265
Net pension liability (LGRS)	612,057	83,222		695,279	-
Total	\$16,230,009	\$1,159,494	\$5,122	\$17,384,381	\$54,265

**f. Hospital Long-Term Debt**

A summary of long-term debt at September 30, 2019 is as follows:

FHA Insured Mortgage Bank Loan, including interest at 3.1% through March 2036 secured by a first lien on the Hospital's leasehold interest in the Hospital property owned by Onslow County	\$ 35,801,916
Other	1,413,195
Total	<u>\$ 37,215,111</u>

During 2006, the Hospital issued a \$58,100,000 FHA insured Mortgage Revenue Bond ("2006 HUD Revenue Bond") to finance the cost of expanding and constructing the Hospital, and to redeem the existing 1998 Revenue Bond. The Hospital constructed a new Emergency Department and Surgical Pavilion adjacent to the existing hospital facility as Phase I of its long range plan to develop a replacement hospital.

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

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**f. Hospital Long-Term Debt, continued**

In March 2016, the Hospital obtained approval from the Department of Housing and Urban Development (HUD) to proceed with a transaction to defease the 2006 HUD Revenue Bond. Accordingly, in May 2016, the Authority obtained a mortgage bank loan in the amount of \$42,417,244. The interest rate at September 30, 2016, was 3.1%. The net proceeds of this new financing arrangement were principally used to fund an escrow account in the amount of \$45,733,053 for the advance refunding of \$44,655,000 of outstanding borrowing related to the 2006 HUD Revenue Bond. The Hospital made \$4,290,000 of principal payments during 2016 prior to the defeasance. The 2006 HUD Revenue Bond was defeased. This reduced the Hospital's interest rate from approximately 5% to a fixed rate of 3.1%. The Hospital maintains the HUD insurance on the new mortgage loan. The mortgage loan is secured by a first lien on the Authority's leasehold interest in the property and original buildings; the improvements thereon; and certain fixtures, equipment, and personal property of the Authority. The Authority is required to maintain specified financial qualitative covenants. The Authority complied with these covenants as of and for the year ended September 30, 2019, however is taking the necessary actions in accordance with the loan agreements. As such, management believes these aspects of noncompliance were cured subsequent to September 30, 2019.

The Hospital's debt service requirements for outstanding long-term debt as of September 30, 2019, (over the next five years and in five-year increments thereafter), are as follows:

<b>Year Ending September 30</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2020	2,788,216	1,114,829	3,903,045
2021	2,876,233	1,026,813	3,903,046
2022	2,315,271	944,528	3,259,799
2023	2,327,915	873,406	3,201,321
2024	2,401,114	800,207	3,201,321
2025-2029	13,186,707	2,819,898	16,006,605
2030-2033	11,319,655	685,299	12,004,954
Total	<u>\$ 37,215,111</u>	<u>\$ 8,264,980</u>	<u>\$ 45,480,091</u>

A summary of changes in debt during 2019 is as follows:

	<b>September 30, 2018</b>	<b>Additions</b>	<b>Payments</b>	<b>September 30, 2019</b>
FHA Insured Mortgage Loan	\$ 37,858,678	\$ -	\$ 2,056,762	\$ 35,801,916
Other	2,258,349	3,000,000	3,845,154	1,413,195
	<u>\$ 40,117,027</u>	<u>\$ 3,000,000</u>	<u>\$ 5,901,916</u>	<u>\$ 37,215,111</u>



**NOTE II. Detail Notes on All Funds, continued**

**7. Long-Term Obligations, continued**

**g. Component Unit Term Debt**

Onslow County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed as well as letters of credit and are payable solely from payments received from the private businesses served by the bond issuance. Neither the County, the Authority, the State, nor any political subdivision thereof is obligated in any manner for the repayment of bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020 there were no outstanding bonds.

**C. Interfund Balances and Activity**

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

Operating Transfer From/To Other Funds		Purpose
From the General Fund		
Economic Development Fund	\$ 200,000	Annual Contribution of Tourism funds for Waterway Maintenance
Capital Project Fund	100,000	Transfer for Discovery Gardens Project
From the Economic Development Funds		
Burton Park Funds	1,333,472	Close projects and transfer unspent funds
From the Capital Project Fund		
Economic Development Funds	1,133,472	Close projects and transfer unspent funds
Burton Park Funds	24,998	Close projects and transfer unspent funds
From the Reserve Funds		
Capital Project Fund	755,000	Transfer of capital reserve funds for animal services expansion project
From the Airport Fund		
General Fund	571,621	Indirect costs and debt service
From the Solid Waste Fund		
General Fund	256,197	Indirect costs
	<u>\$ 4,374,760</u>	

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

**D. Net Investment in Capital Assets**

Net investment in capital assets for governmental activities at June 30, 2020 is computed as follows:

Capital assets, net of accumulated depreciation		\$ 142,164,107
Deferred amount on refunding		6,722,990
Less Capital Debt		
Gross long-term debt	\$ (265,657,597)	
Retainage payable	(51,591)	
School debt related to assets to which the County does not capitalize	137,662,491	
Premium on school debt	8,244,576	
Unexpended bond proceeds	56,161,301	
School portion deferred amount on refunding		(63,640,820)
Net investment in capital assets		<u>\$ 85,246,277</u>

**E. Fund Balance**

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

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

**Onslow County, North Carolina**  
**Notes to the Financial Statements**  
**For the Fiscal Year Ended June 30, 2020**

**NOTE II. Detail Notes on All Funds, continued**

<b>Total Fund Balance - General Fund</b>	<b><u>\$ 89,776,221</u></b>
Less:	
Inventory and prepaids	\$ 567,451
Stabilization by State Statute	26,637,053
Health Programs	3,801,793
Adoption Programs	11,681
Drug Enforcement	602,474
Occupancy Tax	4,534,560
Economic Development	281,203
Capital projects	5,531
Capital Improvements	28,293,942
Other Employee Benefits	1,922
Workers' Compensation Insurance	343,390
Appropriated Fund Balance	12,107,419
LEO Separation Allowance	1,180,505
Remaining Fund Balance	<b><u><u>\$ 11,407,297</u></u></b>

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

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

	General Fund	Capital Projects Fund	School Construction Fund	Non-major Funds	Airport Fund	Solid Waste Fund
Encumbrances	\$ 1,336,113	\$ 3,184,668	\$ 40,126,616	\$ 222,431	\$ 525,754	\$ 431,604

**NOTE III. Joint Ventures**

The County, in conjunction with the State of North Carolina and the Onslow County Board of Education, participates in a joint venture to operate the Coastal Carolina Community College. Each of the three participants appoints four members of the thirteen-member board of trustees of the community college. The president of the community college's student government serves as an ex officio nonvoting member of the community college's board of trustees. The community college is included as a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the community college and also provides some financial support for the community college's operations. In addition to providing annual appropriations for the facilities, the County periodically issues general obligation bonds to provide financing for new and restructured facilities. The County has an ongoing financial responsibility for the community college because of the statutory responsibilities to provide funding for the community college's facilities. The County contributed \$4,441,555 and \$1,919,207 to the community college for operating and capital purposes, respectively, during the fiscal year ended June 30, 2020. The participating governments do not have any equity interest in the joint venture; therefore, no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the community college may be obtained from the community college's administrative offices at 444 Western Boulevard, Jacksonville, NC 28546.

The County in conjunction with the City of Jacksonville and the Town of Richlands, Swansboro, Holly Ridge, and North Topsail Beach, participates in a joint venture to operate the Onslow County Water and Sewer Authority. The County and the City each appoint two members of the nine-member board with each town appointing one member each. The participating governments do not have any equity interest in the joint venture; therefore no equity interest has been reflected in the County's financial statements at June 30, 2020. Complete financial statements for the Authority may be obtained from the Authority's administrative offices at 232 Georgetown Road, Jacksonville, NC, 28546.

**NOTE IV. Jointly Governed Organization**

The County, in conjunction with eight other counties and sixty-two municipalities, established the Eastern Carolina Council of Governments (Council). The participating governments established the Council to coordinate various funding received from Federal and State agencies. Each participating government appoints one member to the Council's governing board. The County paid membership fees of \$23,597 to the Council during the fiscal year ended June 30, 2020. The County was the sub recipient of various grants totaling \$794,984 from the U.S. Department of Health and Human Services.

**NOTE V. Summary Disclosure of Significant Commitments and Contingencies**

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

**NOTE VI. Subsequent Event**

Management has evaluated subsequent events through March 8, 2021, the date on which the financial statements were available to be issued.

On October 29, 2020, the County refinanced its 2008 Justice Complex Certificate of Participation held at PNC Bank to adjust the interest rate from 3.5% to 1.58%. The estimated net present value savings is \$655,817.

The 2019 novel coronavirus ("COVID-19") has adversely affected, and may continue to adversely affect economic activity globally, nationally and locally. It is unknown the extent to which COVID-19 may spread, may have a destabilizing effect on financial and economic activity and may increasingly have the potential to negatively impact the County's and its customers' costs, tourism to the County, and the U.S. economy. These conditions could adversely affect the County's business, financial condition, and results of operations. Further, COVID-19 may result in health or other government authorities requiring the closure of some of the County's operations or other businesses of the County's customers and suppliers, which could significantly disrupt the County's operations and the operations of the County's customers. The extent of the adverse impact of the COVID-19 outbreak on the County cannot be predicted at this time.

## REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

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

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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Beginning balance	\$ 3,570,068	\$ 3,509,954	\$ 3,071,164	\$ 3,059,849
Service cost	173,561	184,320	156,081	163,718
Interest on the total pension liability	124,499	106,421	113,817	105,825
Difference between expected and actual experience	(279,886)	182,393	201,476	-
Changes of assumptions or other inputs	99,597	(128,623)	212,511	(67,108)
Benefit payments	(299,540)	(284,397)	(245,095)	(191,120)
Ending balance of the total pension liability	<u>\$ 3,388,299</u>	<u>\$ 3,570,068</u>	<u>\$ 3,509,954</u>	<u>\$ 3,071,164</u>

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

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total pension liability	\$ 3,388,299	\$ 3,570,068	\$ 3,509,954	\$ 3,071,164
Covered payroll	7,504,605	7,397,093	6,975,465	6,623,826
Total pension liability as a percentage of covered payroll	45.15%	48.26%	50.32%	46.37%

Note to the schedules:

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

This schedule is intended to show information for ten years and additional year's information will be displayed as it becomes available.



SCHEDULE 3  
Onslow County, North Carolina  
**Schedule of Changes in the Total OPEB Liability and Related Ratios**  
**Last Three Fiscal Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>			
Service cost	\$ 643,834	\$ 659,925	\$ 703,391
Interest	913,999	861,254	745,709
Differences between expected and actual experience	(4,700,472)	(405,245)	438,701
Changes of assumptions	482,979	(533,433)	(955,325)
Benefit payments	(1,409,935)	(1,151,240)	(1,873,600)
<b>Net change in total OPEB liability</b>	(4,069,595)	(568,739)	(941,124)
<b>Total OPEB liability - beginning</b>	24,194,368	24,763,107	25,704,231
<b>Total OPEB liability - ending</b>	<u>\$ 20,124,773</u>	<u>\$ 24,194,368</u>	<u>\$ 24,763,107</u>
 <b>Covered payroll</b>	 14,195,330	 9,348,638	 9,348,638
<b>Total OPEB liability as a percentage of covered payroll</b>	 141.77%	 258.80%	 264.88%

**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>
2018	3.56%
2019	3.89%
2020	3.50%

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

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
County's proportion of the net pension liability (asset) %	0.849%	0.860%	0.842%	0.779%	0.778%	0.722%	0.747%
County's proportionate share of the net pension liability (asset) \$	\$ 23,175,970	\$ 20,401,904	\$ 12,864,344	\$ 16,522,378	\$ 3,491,809	\$ (4,255,843)	\$ 9,000,602
County's covered payroll	\$ 45,490,652	\$ 50,837,090	\$ 49,949,756	\$ 42,225,701	\$ 38,191,416	\$ 37,331,335	\$ 37,331,335
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.95%	40.13%	25.75%	39.13%	9.14%	-11.40%	24.11%
Plan fiduciary net position as a percentage of the total pension liability **	90.86%	91.63%	94.18%	91.47%	98.09%	102.64%	94.35%

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

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

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

SCHEDULE 5  
Onslow County, North Carolina  
**Schedule of County Contributions**  
**Local Government Employees' Retirement System**  
**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>
Contractually required contribution	\$ 4,880,188	\$ 4,166,706	\$ 3,968,672	\$ 3,671,074	\$ 3,143,116	\$ 2,700,127	\$ 2,639,887
Contributions in relation to the contractually required contribution	4,880,188	4,166,706	3,968,672	3,671,074	3,143,116	2,700,127	2,639,887
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered payroll	\$53,760,107	\$45,490,652	\$50,837,090	\$49,949,756	\$42,225,701	\$38,191,416	\$37,331,335
Contributions as a percentage of covered payroll	9.08%	9.16%	7.81%	7.35%	7.44%	7.07%	7.07%

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

SCHEDULE 6  
Onslow County, North Carolina  
**Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)**  
**Registers of Deed's Supplemental Pension Fund**  
**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 proportion of the net pension liability (asset) %	2.035%	2.258%	2.210%	2.283%	2.283%	2.283%	2.454%
County's proportionate share of the net pension liability (asset) \$	\$ (401,765)	\$ (373,928)	\$ (377,192)	\$ (415,405)	\$ (529,157)	\$ (516,372)	\$ (524,266)
County's covered payroll	\$ 288,792	\$ 284,081	\$ 263,098	\$ 263,098	\$ 263,098	\$ 269,519	\$ 269,519
County's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	-139.12%	-131.63%	-143.37%	-157.89%	-201.13%	-191.59%	-194.52%
Plan fiduciary net position as a percentage of the total pension liability	164.11%	153.31%	153.77%	160.17%	197.29%	193.88%	94.35%

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

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

SCHEDULE 7  
Onslow County, North Carolina  
**Schedule of County Contributions**  
**Registers of Deeds' Supplemental Pension Fund**  
Last Seven Fiscal Years

	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 21,681	\$ 19,343	\$ 19,320	\$ 19,207	\$ 18,272	\$ 18,601	\$ 19,055
Contributions in relation to the contractually required contribution	21,681	19,343	19,320	19,207	18,272	18,601	19,055
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's covered payroll	\$ 294,435	\$ 288,792	\$ 284,081	\$ 263,098	\$ 263,098	\$ 263,098	\$ 269,519
Contributions as a percentage of covered payroll	7.36%	6.70%	6.80%	7.30%	6.94%	7.07%	7.07%

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

## **COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

### **GENERAL FUNDS**

The General Fund is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

	General Fund	Workers Comp Fund	Burton Industrial Park	Benefit Fund	Reserve	Disaster Contingency Fund	Capital Improvement	LEO Separation	Health Insurance Fund	Revaluation Fund	Totals
<b>ASSETS</b>											
Cash and investments	\$ 39,143,067	\$ 533,466	\$ 1,551,165	\$ 485,945	\$ 26,374,460	\$ 3,439,781	\$ 1,005,720	\$ 1,180,505	\$ 764,102	\$ 78,174	\$ 74,556,385
Accounts receivable, net	22,823,510	-	-	-	-	1,861,521	36	-	38,805	-	24,723,872
Due from other governments	546,899	-	62	-	-	-	30,107	-	-	-	577,068
Inventories	246,300	-	-	-	-	-	-	-	-	-	246,300
Prepaid expenditures	321,151	-	-	-	-	-	-	-	-	-	321,151
Restricted assets:											
Cash and investments	5,531	-	-	-	-	-	-	-	-	-	5,531
<b>Total assets</b>	<b>\$ 63,086,458</b>	<b>\$ 533,466</b>	<b>\$ 1,551,227</b>	<b>\$ 485,945</b>	<b>\$ 26,374,460</b>	<b>\$ 5,301,302</b>	<b>\$ 1,035,863</b>	<b>\$ 1,180,505</b>	<b>\$ 802,907</b>	<b>\$ 78,174</b>	<b>\$ 100,430,307</b>
<b>LIABILITIES AND FUND BALANCE</b>											
Liabilities:											
Accounts payable and accrued liabilities	\$ 6,713,590	\$ 76	\$ 2,659	\$ 484,023	\$ -	\$ -	\$ 546	\$ -	\$ 773,438	\$ 2,917	\$ 7,977,249
<b>Total liabilities</b>	<b>6,713,590</b>	<b>76</b>	<b>2,659</b>	<b>484,023</b>	<b>-</b>	<b>-</b>	<b>546</b>	<b>-</b>	<b>773,438</b>	<b>2,917</b>	<b>7,977,249</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>2,672,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,887</b>	<b>-</b>	<b>2,676,837</b>
Fund balances:											
Nonspendable											
Inventory and prepaids	567,451	-	-	-	-	-	-	-	-	-	567,451
Restricted											
Stabilization by State Statute	24,462,624	-	19,062	-	-	1,861,521	254,017	-	38,805	1,024	26,637,053
Health programs	3,801,793	-	-	-	-	-	-	-	-	-	3,801,793
Adoption programs	11,681	-	-	-	-	-	-	-	-	-	11,681
Drug enforcement	602,474	-	-	-	-	-	-	-	-	-	602,474
Occupancy Tax	4,534,560	-	-	-	-	-	-	-	-	-	4,534,560
Economic Development	281,203	-	-	-	-	-	-	-	-	-	281,203
Capital Projects	5,531	-	-	-	-	-	-	-	-	-	5,531
Committed											
Capital Improvements	-	-	1,464,939	-	26,047,703	-	781,300	-	-	-	28,293,942
Other Employee Benefits	-	-	-	1,922	-	-	-	-	-	-	1,922
LEO Separation Allowance	-	-	-	-	-	-	-	1,180,505	-	-	1,180,505
Workers' Compensation Insurance	-	343,390	-	-	-	-	-	-	-	-	343,390
Assigned											
Subsequent year expenditures	11,526,095	190,000	64,567	-	326,757	-	-	-	-	-	12,107,419
Unassigned	7,906,506	-	-	-	-	3,439,781	-	-	(13,223)	74,233	11,407,297
<b>Total fund balance</b>	<b>53,699,918</b>	<b>533,390</b>	<b>1,548,568</b>	<b>1,922</b>	<b>26,374,460</b>	<b>5,301,302</b>	<b>1,035,317</b>	<b>1,180,505</b>	<b>25,582</b>	<b>75,257</b>	<b>89,776,221</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 63,086,458</b>	<b>\$ 533,466</b>	<b>\$ 1,551,227</b>	<b>\$ 485,945</b>	<b>\$ 26,374,460</b>	<b>\$ 5,301,302</b>	<b>\$ 1,035,863</b>	<b>\$ 1,180,505</b>	<b>\$ 802,907</b>	<b>\$ 78,174</b>	<b>\$ 100,430,307</b>

SCHEDULE 9  
Onslow County, North Carolina  
**GENERAL FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
June 30, 2020

	General	Workers Comp Fund	Burton Industrial Park	Benefit Fund	Reserve		Capital Improvement	LEO Special Separation	Health Insurance Fund	Revaluation Fund	Totals
Revenues:											
Ad valorem taxes	\$ 101,896,530	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,896,530
Local option sales taxes	54,290,940	-	-	-	-	-	-	-	-	-	54,290,940
Other taxes and licenses	4,213,636	-	-	-	-	-	-	-	-	-	4,213,636
Unrestricted intergovernmental	2,173,846	-	-	-	-	-	-	-	-	-	2,173,846
Restricted intergovernmental	25,837,098	-	-	-	1,646,000	1,861,521	32,531	132,316	8,458,036	-	37,967,502
Permits and fees	3,727,897	-	-	-	-	-	-	-	-	-	3,727,897
Sales and services	9,734,666	-	-	-	-	-	-	-	-	-	9,734,666
Investment earning	510,402	4,682	45,311	-	330,305	31,833	11,026	11,437	7,614	255	952,865
Other revenues	577,399	48,652	-	-	-	-	-	-	182,104	-	808,155
Total revenues	202,962,414	53,334	45,311	-	1,976,305	1,893,354	43,557	143,753	8,647,754	255	215,766,037
Expenditures											
General government	16,128,847	755,208	-	-	-	-	-	-	10,404,619	86,074	27,374,748
Public safety	39,748,268	-	-	-	-	-	-	-	-	-	39,748,268
Transportation	314,252	-	-	-	-	-	-	-	-	-	314,252
Economic and physical development	2,620,042	-	46,613	-	-	-	-	-	-	-	2,666,655
Human Services	37,507,766	-	-	-	-	-	-	-	-	-	37,507,766
Environmental protection	452,156	-	-	-	-	-	-	-	-	-	452,156
Cultural and recreational	4,432,383	-	-	-	-	-	-	-	-	-	4,432,383
Intergovernmental											
Education	76,889,017	-	-	-	-	-	-	-	-	-	76,889,017
Capital Projects	1,685,496	-	-	-	-	-	645,247	-	-	-	2,330,743
Debt service:											
Principal	8,655,373	-	-	-	-	-	-	-	-	-	8,655,373
Interest and other charges	4,134,873	-	-	-	-	-	-	-	-	-	4,134,873
Total expenditures	192,568,473	755,208	46,613	-	-	-	645,247	-	10,404,619	86,074	204,506,234
Revenues over (under) expenditures	10,393,941	(701,874)	(1,302)	-	1,976,305	1,893,354	(601,690)	143,753	(1,756,865)	(85,819)	11,259,803
Other financing sources:											
Sale of fixed assets	173,265	-	-	-	-	-	-	-	-	-	173,265
Transfers from (to) other funds	(2,523,880)	600,000	1,333,472	-	(436,131)	-	689,325	-	1,352,252	116,250	1,131,288
Total other financing sources	(2,350,615)	600,000	1,333,472	-	(436,131)	-	689,325	-	1,352,252	116,250	1,304,553
Revenues and other financing sources over (under) expenditures	8,043,326	(101,874)	1,332,170	-	1,540,174	1,893,354	87,635	143,753	(404,613)	30,431	12,564,356
FUND BALANCES, beginning of year	45,656,592	635,264	216,398	1,922	24,834,286	3,407,948	947,682	1,036,752	430,195	44,826	77,211,865
FUND BALANCES, end of year	\$ 53,699,918	\$ 533,390	\$ 1,548,568	\$ 1,922	\$ 26,374,460	\$ 5,301,302	\$ 1,035,317	\$ 1,180,505	\$ 25,582	\$ 75,257	\$ 89,776,221



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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Ad valorem taxes:				
Taxes	\$ 101,684,462	\$ 101,495,693		\$ 101,360,368
Penalties and interest	600,000	400,837		548,848
Total	102,284,462	101,896,530	(387,932)	101,909,216
Local option sales taxes:				
Article 39 one percent	13,755,146	16,595,464		15,460,256
Article 40 one-half of one percent	11,971,376	12,517,158		12,284,314
Article 42 one-half of one percent	9,333,720	10,688,502		9,671,030
Article 44 one-half of one percent	807,346	856,040		795,142
Article 46 one-half of one percent	5,554,054	6,294,729		6,054,440
Medicaid Hold Harmless	6,000,000	7,339,047		6,286,563
Total	47,421,642	54,290,940	6,869,298	50,551,745
Other taxes and licenses:				
Deed stamp excise tax	1,025,701	1,468,730		1,201,852
Motor vehicles taxes	340,000	436,436		434,077
Occupancy and tourism tax	1,638,426	2,300,450		2,722,027
Privilege licenses	5,000	8,020		10,175
Total	3,009,127	4,213,636	1,204,509	4,368,131
Unrestricted intergovernmental :				
Beer and wine tax	500,000	497,254		490,552
Cablevision fees	1,000,000	860,083		879,841
ABC profit distribution	675,000	816,509		900,542
Total	2,175,000	2,173,846	(1,154)	2,270,935
Restricted intergovernmental:				
Onslow County ABC Board:				
Law enforcement	60,000	56,940		84,393
Social service	16,110,874	16,948,174		14,193,288
Health department	3,558,312	3,744,767		3,707,625
Mental health	-	-		172,845
Council on Aging	761,115	788,662		766,896
Federal grants	324,874	357,134		1,256,632
State grants	1,183,429	1,394,716		1,309,032
Local grants	1,204,626	1,304,679		505,964
Court facility fees	330,000	283,357		317,615
Library	225,852	222,469		251,039
Youth services	588,051	583,689		512,194
Drug enforcement revenues	60,000	152,511		234,340
Total	24,407,133	25,837,098	1,429,965	23,311,863

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Permits and fees:				
Clerk of Court fees	\$ 295,000	\$ 260,152		\$ 299,054
Building permits and inspection fees	1,224,384	1,794,066		1,351,399
Register of deeds	877,757	1,052,635		924,457
Elections fees	4,142	4,148		-
Environmental Health inspections	375,330	471,243		447,529
Other fees	118,494	145,653		120,683
Total	2,895,107	3,727,897	832,790	3,143,122
Sales and services:				
Rescue Squad	4,009,000	3,979,865		4,221,786
Library fees	141,200	85,393		114,548
Rents and other	349,223	399,450		267,965
Sheriff's department fees	1,277,600	1,697,707		1,510,176
Health department fees	3,396,358	2,527,141		2,097,001
Animal services fees	180,995	213,575		187,105
DSS fees	1,000	(8,095)		17,499
Senior services fees	324,807	560,280		323,317
Recreation fees	439,329	279,350		287,766
Total	10,119,512	9,734,666	(384,846)	9,027,163
Investment earnings	670,000	510,402	(159,598)	769,844
Miscellaneous:				
Other revenues	348,890	577,399	228,509	375,097
Total revenues	193,330,873	202,962,414	9,631,541	195,727,116
Expenditures				
General Government:				
Governing body				
Salaries and employee benefits	248,748	248,484		230,831
Other operating expenditures	132,889	125,201		99,567
Capital Outlay	-	-		-
Total	381,637	373,685	7,952	330,398
Administration:				
Salaries and employee benefits	652,650	648,148		600,402
Other operating expenditures	67,722	47,853		45,433
Capital Outlay	-	-		-
Total	720,372	696,001	24,371	645,835
Elections:				
Salaries and employee benefits	577,802	565,763		454,838
Other operating expenditures	165,705	148,008		180,616
Capital outlay	390,287	-		-
Total	1,133,794	713,771	420,023	635,454

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Finance:				
Salaries and employee benefits	\$ 773,207	\$ 770,909		\$ 759,787
Other operating expenditures	39,593	29,829		33,099
Total	812,800	800,738	12,062	792,886
Legal:				
Other operating expenditures	267,730	241,593		247,963
Total	267,730	241,593	26,137	247,963
Jury selection:				
Salaries and employee benefits	4,300	2,747		355
Other operating expenditures	21,000	11,816		12,684
Total	25,300	14,563	10,737	13,039
Taxes:				
Salaries and employee benefits	1,733,365	1,710,318		1,690,353
Other operating expenditures	813,445	791,226		760,602
Total	2,546,810	2,501,544	45,266	2,450,955
Facilities and maintenance:				
Salaries and employee benefits	1,403,221	1,346,163		1,291,129
Other operating expenditures	591,646	527,317		493,109
Capital outlay	-	-		-
Total	1,994,867	1,873,480	121,387	1,784,238
Communications:				
Salaries and employee benefits	32,034	14,127		117,677
Other operating expenditures	33,753	9,444		41,403
Capital outlay	-	-		-
Total	65,787	23,571	42,216	159,080
Court facilities:				
Other operating expenditures	406,787	355,395	51,392	268,494
Capital outlay	-	-		110,078
Total	406,787	355,395	51,392	378,572
Purchasing:				
Salaries and employee benefits	330,751	321,215		325,003
Other operating expenditures	44,187	34,128		44,908
Capital outlay	-	-		-
Total	374,938	355,343	19,595	369,911
Register of Deeds:				
Salaries and employee benefits	428,123	422,995		406,267
Other operating expenditures	36,316	29,863		32,384
Total	464,439	452,858	11,581	438,651

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Information Technology Systems:				
Salaries and employee benefits	\$ 1,481,779	\$ 1,436,082		\$ 1,423,148
Other operating expenditures	2,090,382	1,966,379		1,885,834
Capital outlay	105,599	100,295		88,078
Total	3,677,760	3,502,756	175,004	3,397,060
Revaluation:				
Salaries and employee benefits	259,995	231,944		214,354
Other operating expenditures	74,842	68,434		64,898
Total	334,837	300,378	34,459	279,252
District Attorney:				
Other operating expenditures	15,900	14,197	1,703	37,114
Probation Office:				
Other operating expenditures	45,380	45,576	(196)	61,588
Public Works Garage:				
Salaries and employee benefits	505,098	516,204		525,206
Other operating expenditures	165,383	113,754		95,345
Capital outlay	-	-		25,421
Total	670,481	629,958	40,523	645,972
Human Resources:				
Salaries and employee benefits	591,357	505,656		545,724
Other operating expenditures	149,620	120,420		128,531
Capital outlay	-	-		-
Total	740,977	626,076	114,901	674,255
Non-departmental:				
Salaries and employee benefits	180,664	164,510		55,837
Professional fees	212,470	189,403		181,439
Other operating expenditures	444,353	467,034		394,054
Insurance	1,125,000	1,119,575		1,028,663
Wellness Clinic	946,100	741,593		986,187
Capital outlay	4,400	-		146,829
Contingency	638,420	-		-
Contributions to municipalities	25,544	25,544		53,843
Total	3,576,951	2,707,659	869,292	2,846,852
Total general government	18,257,547	16,229,142	2,028,405	16,189,075
Public Safety:				
Sheriff:				
Salaries and employee benefits	10,904,384	10,710,487		10,104,005
Other operating expenditures	1,663,886	1,384,454		1,192,336
Capital outlay	762,620	429,843		224,389
Total	13,330,890	12,524,784	806,106	11,520,730

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Sheriff NARC funds	\$ 20,000	\$ 128,120	\$ (108,120)	\$ 45,779
Sheriff's office DWI task force:				
Salaries and employee benefits	218,628	213,960		131,662
Other operating expenditures	59,056	49,452		77,987
Capital outlay	-	-		169,801
Total	277,684	263,412	14,272	379,450
Jail:				
Salaries and employee benefits	6,977,285	6,915,450		6,939,391
Other operating expenditures	2,746,030	2,553,511		2,910,856
Capital outlay	13,144	13,146		-
Total	9,736,459	9,482,107	254,352	9,850,247
Communications:				
Salaries and employee benefits	1,699,772	1,669,224		1,696,022
Other operating expenditures	820,069	794,561		756,920
Capital outlay	121,316	116,014		-
Total	2,641,157	2,579,799	61,358	2,452,942
Emergency management:				
Salaries and employee benefits	447,855	447,109		446,754
Other operating expenditures	161,547	125,048		139,720
Capital outlay	10,000	9,751		-
Total	619,402	581,908	37,494	586,474
Community Paramedic Program:				
Salaries and employee benefits	146,236	118,796		174,156
Operating expenses	61,900	11,075		3,690
Total	208,136	129,871	78,265	177,846
Fire and Rescue Commission:				
Assistance to volunteer fire & rescue	2,895,017	2,895,017		2,882,958
Operating expenses	900	900		22,908
Total	2,895,917	2,895,917	-	2,905,866
Code Enforcement:				
Salaries and employee benefits	721,933	718,133		716,055
Other operating expenditures	143,506	139,620		102,890
Total	865,439	857,753	7,686	818,945
Animal services:				
Salaries and employee benefits	1,205,422	1,132,260		1,071,366
Other operating expenditures	419,756	325,476		372,481
Pet Smart Grant	2,000	-		2
Capital outlay	15,500	15,250		29,595
Total	1,642,678	1,472,986	169,692	1,473,444

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Medical examiner:				
Professional services	\$ 180,000	\$ 238,700	\$ (58,700)	\$ 187,400
Onslow E.M.S.:				
Salaries and employee benefits	6,405,190	6,139,646		6,262,758
Other operating expenditures	1,442,862	1,371,539		1,232,283
Capital outlay	950,689	950,610		701,608
Total	8,798,741	8,461,795	336,946	8,196,649
Emergency Responders:				
Salaries and employee benefits	1,313,982	1,248,569		1,090,304
Assistance to emergency responders	100,000	100,000		123,000
Other operating expenditures	79,766	57,045		72,876
Capital outlay	-	-		-
Total	1,493,748	1,405,614	88,134	1,286,180
Bear Creek Station 2:				
Salaries and employee benefits	100,652	94,485		106,031
Other operating expenditures	100,287	91,430		107,288
Capital outlay	-	-		-
Total	200,939	185,915	15,024	213,319
Freedom Way Station:				
Other operating expenditures	78,294	74,201		-
Total	78,294	74,201	4,093	-
Total public safety	42,989,484	41,282,882	1,706,602	40,095,271
Transportation:				
OUTS grant and county funding	314,252	314,252	-	273,306
Total transportation	314,252	314,252	-	273,306
Economic and Physical Development:				
Tourism:				
Other operating expenditures	676,077	618,310		381,315
Contributions	393,500	194,009		265,282
Contingency	45,229	-		-
Total	1,114,806	812,319	302,487	646,597
Agricultural extension:				
Salaries and employee benefits	67,600	67,647		69,327
Other operating expenditures	84,408	66,277		66,184
Contributions	297,554	311,556		297,716
Total	449,562	445,480	4,082	433,227

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Planning:				
Salaries and employee benefits	\$ 298,016	\$ 226,116		\$ 329,078
Other operating expenditures	38,573	31,855		45,451
Total	336,589	257,971	78,618	374,529
Soil and water conservation:				
Salaries and employee benefits	196,476	198,478		180,275
Other operating expenditures	11,387	9,260		10,318
Capital outlay	19,550	18,993		-
Total	227,413	226,731	682	190,593
Land use management:				
Salaries and employee benefits	703,956	696,533		687,327
Other operating expenditures	97,952	81,008		111,460
Capital outlay	-	-		-
Total	801,908	777,541	24,367	798,787
Contributions	100,000	100,000	-	100,000
Total economic and physical development	3,030,278	2,620,042	410,236	2,543,733
Human Services:				
Consolidated Human Services Admin:				
Salaries and employee benefits	252,988	243,092		227,935
Other operating expenditures	15,081	13,246		14,801
Total Consolidated Human Serv	268,069	256,338	11,731	242,736
Health:				
Administration:				
Salaries and employee benefits	393,086	322,542		407,971
Other operating expenditures	247,362	212,972		187,782
Capital outlay	-	-		12,726
Total	640,448	535,514	104,934	608,479
AIDS Education:				
Salaries and employee benefits	15,496	14,886		14,308
Other operating expenditures	2,863	2,593		2,774
Total	18,359	17,479	880	17,082
Child fatality prevention:				
Other operating expenditures	2,451	1,189		-
Total	2,451	1,189	1,262	-
School nurse funding initiative:				
Other operating expenditures	100,000	100,000		-
Total	100,000	100,000	-	-

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Communicable diseases:				
Salaries and employee benefits	\$ 369,388	\$ 361,982		\$ 327,875
Other operating expenditures	33,149	25,204		26,824
Capital outlay	-	-		-
Total	402,537	387,186	15,351	354,699
Immunization:				
Salaries and employee benefits	350,850	337,953		319,701
Other operating expenditures	291,789	288,486		251,168
Total	642,639	626,439	16,200	570,869
Nutrition Services - breast feeding:				
Salaries and employee benefits	54,692	32,819		34,678
Other operating expenditures	9,381	7,431		8,308
Total	64,073	40,250	23,823	42,986
Nutrition Services - admin:				
Salaries and employee benefits	31,957	32,074		30,941
Other operating expenditures	5,416	4,711		4,894
Total	37,373	36,785	588	35,835
Nutrition Services:				
Salaries and employee benefits	273,447	199,566		197,763
Other operating expenditures	42,138	37,373		35,536
Total	315,585	236,939	78,646	233,299
Nutrition Services - client services:				
Salaries and employee benefits	1,046,707	908,206		909,769
Other operating expenditures	68,754	60,922		71,603
Total	1,115,461	969,128	146,333	981,372
Nutrition Services - breast feeding peer counselor:				
Salaries and employee benefits	81,177	40,632		58,293
Other operating expenditures	-	-		-
Total	81,177	40,632	40,545	58,293
Environmental health:				
Salaries and employee benefits	1,383,044	1,317,030		1,292,659
Other operating expenditures	149,727	138,015		125,587
Capital outlay	-	-		-
Total	1,532,771	1,455,045	77,726	1,418,246
Mosquito abatement:				
Salaries and employee benefits	-	-		42,505
Other operating expenditures	2,000	1,986		178,601
Capital outlay	-	-		110,303
Total	2,000	1,986	14	331,409



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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Bioterrorism - Home Health:				
Salaries and employee benefits	\$ 1,054,105	\$ 946,491		\$ 938,635
Other operating expenditures	1,212,597	1,018,435		1,063,150
Capital outlay	-	-		-
Total	2,266,702	1,964,926	301,776	2,001,785
Bioterrorism - PH Preparedness & Response:				
Salaries and employee benefits	42,731	30,701		-
Other operating expenditures	9,027	6,809		-
Capital outlay	-	-		-
Total	51,758	37,510	14,248	-
Bioterrorism - Crisis Response				
Other operating expenditures	53,221	56,055		-
Capital outlay	-	-		-
Total	53,221	56,055	(2,834)	-
Bioterrorism - Medical Reserve Corps				
Other operating expenditures	3,500	-		-
Capital outlay	-	-		-
Total	3,500	-	3,500	-
Bioterrorism - Hospice				
Salaries and employee benefits	233,848	229,279		-
Other operating expenditures	83,166	76,348		-
Capital outlay	-	-		-
Total	317,014	305,627	11,387	-
Memorial drive facility:				
Other operating expenditures	35,140	20,132		5,929
Contribution	500,000	500,000		-
Total	535,140	520,132	15,008	5,929
Tuberculosis:				
Salaries and employee benefits	135,607	134,209		127,151
Other operating expenditures	7,341	3,803		6,643
Total	142,948	138,012	4,936	133,794
CLAS health equity:				
Other operating expenditures	20,000	7,920		15,721
Total	20,000	7,920	12,080	15,721
Maternal CareCoordination:				
Salaries and employee benefits	380,094	379,724		367,872
Capital outlay	21,683	14,940		18,005
Total	401,777	394,664	7,113	385,877

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020		Variance Positive (Negative)	2019
	Final Budget	Actual		Actual
Maternal health & child health mini grant:				
Other operating expenditures	\$ -	\$ -		\$ 20,677
Total	-	-	-	20,677
Health promotions:				
Salaries and employee benefits	419,362	385,840		348,228
Other operating expenditures	111,183	91,133		72,527
Total	530,545	476,973	53,572	420,755
Opioid quick response team:				
Other operating expenditures	40,485	26,205		51,899
Capital outlay	2,140	2,138		-
Total	42,625	28,343	14,282	51,899
Comprehensive opioid abuse:				
Other operating expenditures	37,995	13,032		-
Total	37,995	13,032	24,963	-
Child health:				
Salaries and employee benefits	124,201	115,844		115,491
Other operating expenditures	13,136	12,142		115,937
Total	137,337	127,986	9,351	231,428
Women's preventive health:				
Salaries and employee benefits	549,890	545,439		471,378
Other operating expenditures	138,715	111,246		97,767
Total	688,605	656,685	31,920	569,145
Child service coordination:				
Salaries and employee benefits	428,686	416,438		421,143
Other operating expenditures	22,972	16,414		20,935
Total	451,658	432,852	18,806	442,078
Maternal health:				
Salaries and employee benefits	665,747	657,945		576,141
Other operating expenditures	43,862	41,914		43,157
Total	709,609	699,859	9,750	619,298
Total health	11,345,308	10,309,148	1,036,160	9,550,955
Social services:				
Administration:				
Salaries and employee benefits	1,455,537	1,399,963		1,301,935
Other operating expenditures	1,001,935	878,361		826,523
Total	2,457,472	2,278,324	179,148	2,128,458

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Day care:				
Salaries and employee benefits	\$ 554,594	\$ 286,060		\$ -
Assistance payments	-	(925)		(2,305)
Other operating expenditures	-	-		533,991
Total	554,594	285,135	269,459	531,686
Public assistance:				
Contributions	747,154	499,550	-	575,518
Total	747,154	499,550	247,604	575,518
Medicaid unit:				
Salaries and employee benefits	6,771,181	6,087,251		5,919,576
Other operating expenditures	65,936	56,336		59,164
Total	6,837,117	6,143,587	693,530	5,978,740
Work first employment services:				
Salaries and employee benefits	481,251	353,197		507,170
Contributions	10,900	58		1,589
Other operating expenditures	121,850	65,408		86,440
Total	614,001	418,663	195,338	595,199
Child support enforcement IV-D:				
Other operating expenditures	1,809,920	1,409,520	400,400	1,384,327
Child protective services:				
Salaries and employee benefits	8,209,600	7,455,562		7,305,767
Contributions	367,294	304,941		329,542
Other operating expenditures	3,789,970	2,280,969		2,875,183
Total	12,366,864	10,041,472	2,325,392	10,510,492
Smart Start adolescent parenting:				
Salaries and employee benefits	-	-		107,944
Other operating expenditures	-	-		59
Total	-	-	-	108,003
PEERS program:				
Salaries and employee benefits	234,183	235,530		215,361
Other operating expenditures	20,165	15,224		5,387
Total	254,348	250,754	3,594	220,748
Parent Education Enhancement:				
Salaries and employee benefits	-	-		65,198
Other operating expenditures	-	-		126
Total	-	-	-	65,324
DSS - Special Children Adoptions:				
Other operating expenditures	11,681	-	11,681	88

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Crisis intervention:				
Operating expenditures	\$ 1,243,997	\$ 1,241,513	\$ 2,484	\$ 1,184,101
Juvenile Detention Site:				
Operating expenditures	147,827	120,549	27,278	104,310
Juvenile Crime Prevention:				
Operating expenditures	4,760	3,669	1,091	4,272
Youth services:				
Salaries and employee benefits	98,831	85,151		36,304
Other operating expenditures	44,185	37,417		56,109
Total	143,016	122,568	20,448	92,413
Restitution program:				
Salaries and employee benefits	201,063	196,842		182,645
Other operating expenditures	48,119	39,772		28,321
Total	249,182	236,614	12,568	210,966
SHARP Program:				
Other operating expenditures	44,670	32,040	12,630	39,895
School Treatment Program:				
Salaries and employee benefits	89,126	88,262		87,242
Other operating expenditures	90,131	75,874		60,711
Total	179,257	164,136	15,121	147,953
Day Services:				
Salaries and employee benefits	92,045	92,292		89,269
Other operating expenditures	22,790	19,936		19,788
Total	114,835	112,228	2,607	109,057
Total social services	27,780,695	23,360,322	4,420,373	23,991,550
Senior Services:				
Administration:				
Salaries and employee benefits	689,018	675,712		719,303
Other operating expenditures	87,996	79,425		81,059
Total	777,014	755,137	21,877	800,362
Adult Day Care:				
Salaries and employee benefits	134,724	134,095		92,300
Other operating expenditures	9,039	6,429		5,588
Total	143,763	140,524	3,239	97,888
Transportation - nutritional:				
Other operating expenditures	199,315	162,209	37,106	194,358

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Transportation - medical:				
Other operating expenditures	\$ 17,000	\$ 17,149	\$ (149)	\$ 17,040
Home Delivered Meals:				
Salaries and employee benefits	48,011	47,823		47,496
Other operating expenditures	101,071	76,463		63,293
Total	149,082	124,286	24,796	110,789
In home chore (IIIB):				
Salaries and employee benefits	892,462	871,731		812,594
Other operating expenditures	70,990	66,931		66,079
Total	963,452	938,662	24,790	878,673
CAP - Chore:				
Salaries and employee benefits	444,959	441,942		383,760
Other operating expenditures	72,136	27,032		56,144
Total	517,095	468,974	48,121	439,904
Title IIID:				
Other operating expenditures	9,467	4,752	4,715	4,681
Congregate meals:				
Salaries and employee benefits	83,236	81,418		77,274
Other operating expenditures	180,420	125,951		142,242
Total	263,656	207,369	56,287	219,516
Senior Center:				
Other operating expenditures	16,881	16,395	486	13,301
Outreach Coordination:				
Other operating expenditures	13,855	13,134	721	8,541
Total senior services	3,070,580	2,848,591	221,989	2,785,053
Veteran's Services:				
Salaries and employee benefits	465,217	453,735		440,171
Other operating expenditures	14,858	9,723		9,397
Total	480,075	463,458	16,617	449,568
Other Human Services:				
Other contributions	290,206	284,849	5,357	720,879
Total human services	43,234,933	37,522,706	5,712,227	37,740,741

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Environmental Protection:				
Vector control:				
Salaries and employee benefits	\$ 271,433	\$ 277,547		\$ 229,736
Other operating expenditures	62,443	45,077		53,511
Capital Outlay	-	-		-
Total	333,876	322,624	11,252	283,247
Contribution to NC Forestry Service	150,000	129,532	20,468	105,880
Total environmental protection	483,876	452,156	31,720	389,127
Cultural and Recreational:				
Recreation and parks:				
Salaries and employee benefits	1,548,817	1,547,238		1,455,224
Other operating expenditures	463,539	392,951		366,464
Capital outlay	36,893	35,647		8,251
Total	2,049,249	1,975,836	73,413	1,829,939
Library:				
Salaries and employee benefits	1,133,886	1,095,129		1,093,197
Other operating expenditures	387,496	357,078		378,962
Capital outlay	-	-		6,290
Total	1,521,382	1,452,207	69,175	1,478,449
Museum:				
Salaries and employee benefits	280,845	273,822		274,723
Other operating expenditures	37,105	28,228		32,885
Total	317,950	302,050	15,900	307,608
Swansboro library:				
Salaries and employee benefits	196,140	196,115		184,614
Other operating expenditures	65,639	55,536		57,764
Capital outlay	-	-		-
Total	261,779	251,651	10,128	242,378
Sneads Ferry library:				
Salaries and employee benefits	205,978	208,650		204,004
Other operating expenditures	98,805	82,241		91,464
Total	304,783	290,891	13,892	295,468
Richlands library:				
Salaries and employee benefits	187,487	157,962		183,342
Other operating expenditures	44,051	37,433		40,685
Capital outlay	-	-		5,252
Total	231,538	195,395	36,143	229,279
Total cultural and recreational	4,686,681	4,468,030	218,651	4,383,121

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Final Budget	Actual	Variance Positive (Negative)	Actual
Education:				
Public schools - current	\$ 53,529,912	\$ 53,529,912		\$ 51,629,912
Public schools - capital outlay	3,000,000	3,000,000		3,000,000
Community colleges - current	4,441,555	4,441,555		4,441,555
Community colleges - capital outlay	2,836,000	1,919,207		2,836,000
Debt service	14,208,773	13,998,343		10,806,135
Total education	78,016,240	76,889,017	1,127,223	72,713,602
Debt service:				
Principal	8,655,373	8,655,373		10,718,761
Interest and fees	4,135,057	4,134,873		4,335,343
Total debt service	12,790,430	12,790,246	184	15,054,104
Total expenditures	203,803,721	192,568,473	11,235,248	189,382,080
Revenues over expenditures	(10,472,848)	10,393,941	(1,603,707)	6,345,036
Other financing sources (uses):				
Sale of fixed assets	150,000	173,265	(23,265)	264,405
Transfers from other funds	2,829,229	2,753,513	75,716	3,249,478
Transfers to other funds	(5,365,695)	(5,277,393)	(88,302)	(6,038,083)
Total	(2,386,466)	(2,350,615)	35,851	(2,524,200)
Revenues and other financing sources over expenditures and other financing uses	(12,859,314)	8,043,326	20,902,640	3,820,836
Appropriated fund balance	12,859,314	-	12,859,314	-
Revenues, other financing sources, and appropriated fund balance under expenditures and other financing uses	<u>\$ -</u>	8,043,326	<u>\$ 33,761,954</u>	3,820,836
Fund balance, beginning		45,656,592		41,835,756
Fund balance, end of year		\$ 53,699,918		45,656,592

SCHEDULE 11  
Onslow County, North Carolina  
**WORKERS COMPENSATION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 4,682	\$ 4,682	\$ 8,535
Other revenues	-	48,652	48,652	21,802
Total revenues	-	53,334	53,334	30,337
Expenditures:				
Workers' compensation fund	790,000	755,208	34,792	616,097
Revenues over (under) expenditures	(790,000)	(701,874)	88,126	(585,760)
Other financing sources (uses):				
Transfers from (to) other funds	600,000	600,000	-	500,000
Total other financing sources (uses)	600,000	600,000	-	500,000
Revenues and other financing sources over expenditures and other uses	(190,000)	(101,874)	88,126	(85,760)
Appropriated fund balance	190,000	-	190,000	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	<u>(101,874)</u>	<u>\$ (101,874)</u>	<u>(85,760)</u>
Fund balance, beginning of year		635,264		721,024
Fund balance, end of year		\$ 533,390		\$ 635,264



SCHEDULE 12  
Onslow County, North Carolina  
**BURTON INDUSTRIAL PARK FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 45,311	\$ 45,311	\$ 3,653
Other revenues	-	-	-	140,000
Total revenues	-	45,311	45,311	143,653
Expenditures:				
Economic and physical development	70,300	46,613	23,687	39,648
Revenues over (under) expenditures	(70,300)	(1,302)	68,998	104,005
Other financing sources (uses):				
Transfers from (to) other funds	-	1,333,472	1,333,472	-
Total other financing sources (uses)	-	1,333,472	1,333,472	(140,000)
Revenues and other financing sources over expenditures and other uses	(70,300)	1,332,170	1,402,470	(35,995)
Appropriated fund balance	70,300	-	-	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	1,332,170	<u>\$ 1,402,470</u>	104,005
Fund balance, beginning of year		216,398		112,393
Fund balance, end of year		\$ 1,548,568		\$ 216,398

**BENEFIT FUND**

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019	
	Budget	Actual	Variance Positive (Negative)	Actual	
Revenues:					
Investment earnings	\$ -	\$ -	\$ -	\$	351
Total revenues	-	-	-	-	351
Revenues over (under) expenditures	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>		351
Fund balance, beginning of year		1,922			1,571
Fund balance, end of year		\$ 1,922		\$	1,922

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted Intergovernmental	\$ 1,646,000	\$ 1,646,000	\$ -	\$ 1,547,239
Investment earnings	-	330,305	330,305	449,976
Total revenues	1,646,000	1,976,305	330,305	1,997,215
Revenues over (under) expenditures	1,646,000	1,976,305	330,305	1,997,215
Other financing sources (uses):				
Transfers from (to) other funds	(436,131)	(436,131)	-	687,813
Total other financing sources (uses)	(436,131)	(436,131)	-	687,813
Revenues and other financing sources over expenditures and other uses	1,209,869	1,540,174	330,305	2,685,028
Appropriated fund balance	(1,209,869)	-	-	-
Revenues, other financing sources and appropriated fund balance over (under) expenditures and other uses	<u>\$ -</u>	1,540,174	<u>\$ 330,305</u>	2,685,028
Fund balance, beginning of year		24,834,286		22,149,258
Fund balance, end of year		\$ 26,374,460		\$ 24,834,286

SCHEDULE 15  
Onslow County, North Carolina  
**DISASTER CONTINGENCY FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	<b>2020</b>			<b>2019</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive</b>	<b>Actual</b>
Revenues:				
Investment earnings	\$ -	\$ 31,833	\$ 31,833	\$ 78,283
Restricted grants	-	1,861,521	1,861,521	5,584,653
Total Revenues	-	1,893,354	1,893,354	5,662,936
Expenditures:				
Contracted services	-	-	-	7,446,181
Revenues over (under) expenditures	-	1,893,354	1,893,354	(1,783,245)
Appropriated Fund Balances	-	-	-	-
Revenues over expenditures	<u>\$ -</u>	1,893,354	<u>\$ 1,893,354</u>	(1,783,245)
Fund balance, beginning of year		3,407,948		5,191,193
Fund balance, end of year		\$ 5,301,302		\$ 3,407,948

SCHEDULE 16  
Onslow County, North Carolina  
**CAPITAL IMPROVEMENTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive	Actual
Revenues:				
Restricted grants	\$ -	\$ 32,531	\$ 32,531	\$ -
Investment earnings	-	11,026	11,026	16,232
Miscellaneous	-	-	-	152,506
Total revenues	-	43,557	43,557	168,738
Expenditures:				
Capital projects				
Roofing	235,000	155,307	79,693	137,399
Parking lots	25,000	10,750	14,250	46,450
Regional park improvements	184,960	56,400	128,560	20,937
HVAC replacement	80,460	62,435	18,025	79,542
Museum improvements	27,950	-	27,950	3,500
Carpet replacements	14,180	14,180	(0)	29,407
Beach access repairs	39,300	2,202	37,098	6,500
Courthouse flooring	30,000	5,564	24,436	-
Summersill improvements	5,534	5,534	-	171,060
Repair parts	-	28	(28)	-
General Improvements	335,100	332,847	2,253	67,851
Total expenditures	977,484	645,247	332,236	562,646
Revenues over (under) expenditures	(977,484)	(601,690)	375,793	(393,908)
Other financing sources (uses):				
Transfer from (to) other Funds	710,360	689,325	(21,035)	483,585
Total other financing sources (uses)	710,360	689,325	(21,035)	483,585
Revenues and other financing sources over (under) expenditures and other financing uses	(267,124)	87,635	354,758	89,677
Appropriated Fund Balance	267,124	-	(267,124)	-
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	87,635	<u>\$ 87,635</u>	89,677
FUND BALANCES, beginning of year		947,682		858,005
FUND BALANCES, end of year		\$ 1,035,317		\$ 947,682

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	<b>2020</b>			<b>2019</b>
	<b>Budget</b>	<b>Actual</b>	<b>Variance Positive (Negative)</b>	<b>Actual</b>
Revenues:				
Restricted Intergovernmental	\$ -	\$ 132,316	\$ 132,316	94,494
Investment earnings	-	11,437	11,437	16,499
Total Revenues	-	143,753	143,753	110,993
Expenditures:				
Public safety	-	-	-	-
Total Expenditures	-	-	-	-
Revenues over (under) expenditures	<u>\$ -</u>	143,753	<u>\$ 143,753</u>	110,993
Fund balance, beginning of year		1,036,752		925,759
Fund balance, end of year		\$ 1,180,505		\$ 1,036,752

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted Intergovernmental	\$ 8,718,020	\$ 8,458,036	\$ (259,984)	\$ 8,321,425
Investment earnings	-	7,614	7,614	26,291
Other Revenues	95,000	182,104	87,104	187,860
Total Revenues	8,813,020	8,647,754	(165,266)	8,535,576
Expenditures:				
Benefits Paid	9,196,625	8,550,707	645,918	8,530,650
Administrative Expenses	1,785,916	1,853,912	(67,996)	1,707,222
Total Expenditures	10,982,541	10,404,619	577,922	10,237,872
Revenues over (under) expenditures	(2,169,521)	(1,756,865)	412,656	(1,702,296)
Other financing sources (uses):				
Transfers from other funds	1,369,521	1,352,252	(17,269)	829,408
Total other financing sources (uses)	1,369,521	1,352,252	(17,269)	829,408
Revenues and other financing sources over (under) expenditures	(800,000)	(404,613)	395,387	(872,888)
Appropriated Fund Balance	800,000	-	(800,000)	-
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	(404,613)	<u>\$ (404,613)</u>	(872,888)
Fund balance, beginning of year		430,195		1,303,083
Fund balance, end of year		\$ 25,582		\$ 430,195

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Investment earnings	\$ -	\$ 255	\$ 255	\$ 266
Total Revenues	-	255	255	266
Expenditures:				
Professional services	110,200	86,074	24,126	110,220
Total Expenditures	110,200	86,074	24,126	110,220
Revenues over (under) expenditures	(110,200)	(85,819)	24,381	(109,954)
Other financing sources (uses):				
Transfers from other funds	116,250	116,250	-	115,000
Total other financing sources (uses)	116,250	116,250	-	115,000
Revenues and other financing sources over (under) expenditures	6,050	30,431	24,381	5,046
Appropriated Fund Balance	(6,050)	-	6,050	-
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	<u>30,431</u>	<u>\$ 30,431</u>	<u>5,046</u>
Fund balance, beginning of year		44,826		39,780
Fund balance, end of year		\$ 75,257		\$ 44,826



## **COMBINING STATEMENTS AND SCHEDULES FOR NON-MAJOR FUNDS**

### **SPECIAL REVENUE FUNDS**

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

Individual Fund Description:

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

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

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

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

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

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

SCHEDULE 20  
Onslow County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**  
For the Fiscal Year Ended June 30, 2020

	Memorial	Emergency Telephone System Fund	Register of Deeds	Grant Project Fund	Community Assistance	Economic Development	Totals
<b>ASSETS</b>							
Cash and investments	\$ 11,910	\$ 1,100,337	\$ 430,130	\$ 962,848	\$ 67,981	\$ -	\$ 2,573,206
Accounts receivable	-	28	829	482	-	-	1,339
Due from other governments	-	12,836	3,559	3,645	-	-	20,040
Total assets	\$ 11,910	\$ 1,113,201	\$ 434,518	\$ 966,975	\$ 67,981	\$ -	\$ 2,594,585
<b>LIABILITIES AND FUND BALANCE</b>							
Liabilities:							
Accounts payable and accrued liabilities	\$ -	\$ 6,930	\$ 1,250	\$ 36,149	\$ 13,877	\$ -	\$ 58,206
Unearned Revenues	-	-	-	968,418	-	-	968,418
Total liabilities	-	6,930	1,250	1,004,567	13,877	-	1,026,624
Fund balances:							
Restricted							
Stabilization by State Statute	-	12,864	12,097	218,850	-	-	243,811
Register of Deeds	-	-	399,910	-	-	-	399,910
Emergency Services	-	731,589	-	-	-	-	731,589
Committed							
Community Assistance	-	-	-	-	37,504	-	37,504
Assigned							
Subsequent year's expenditures	-	361,818	21,261	-	16,600	-	399,679
Unassigned	11,910	-	-	(256,442)	-	-	(244,532)
Total fund balance	11,910	1,106,271	433,268	(37,592)	54,104	-	1,567,961
Total liabilities, deferred inflows of resources and fund balances	\$ 11,910	\$ 1,113,201	\$ 434,518	\$ 966,975	\$ 67,981	\$ -	\$ 2,594,585

SCHEDULE 21  
Onslow County, North Carolina  
**NON-MAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS**  
**COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE**  
For the Fiscal Year Ended June 30, 2020

	Memorial	Emergency Telephone System Fund	Register of Deeds	Grant Project	Community Assistance	Economic Development	Totals
Revenues:							
E-911 fees	\$ -	\$ 247,416	\$ -	\$ -	\$ -	\$ -	\$ 247,416
Grant revenue	-	-	-	534,778	-	-	534,778
Investment earnings	-	13,306	4,961	-	1,745	-	20,012
Other revenues	-	-	123,772	-	26,393	-	150,165
Total revenues	-	260,722	128,733	534,778	28,138	-	952,371
Expenditures							
Operating expenditures	-	98,642	83,760	-	29,846	-	212,248
Equipment maintenance	-	80,494	-	-	-	-	80,494
Capital outlay	-	86,790	21,215	322,992	-	-	430,997
Total expenditures	-	265,926	104,975	322,992	31,307	-	725,200
Revenues over (under) expenditures	-	(5,204)	23,758	211,786	(3,169)	-	227,171
Revenues and other financing sources over (under) expenditures	-	(5,204)	23,758	211,786	(3,169)	-	227,171
FUND BALANCES, beginning of year	11,910	1,111,475	409,510	(249,378)	57,273	-	1,340,790
FUND BALANCES, end of year	\$ 11,910	\$ 1,106,271	\$ 433,268	\$ (37,592)	\$ 54,104	\$ -	\$ 1,567,961

**MEMORIAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Donations	\$ -	\$ -	\$ -	\$ 1,160
Investment earnings	-	-	-	1
Total revenues	-	-	-	1,161
Expenditures:				
General improvements	-	-	-	-
Total expenditures	-	-	-	-
Revenues over (under) expenditures	-	-	-	1,161
Revenue, other financing sources, and appropriated fund balance over (under) expenditures and financing uses	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	1,161
Fund balance, beginning of year		11,910		10,749
Fund balance, end of year		\$ 11,910		\$ 11,910

SCHEDULE 23  
Onslow County, North Carolina  
**EMERGENCY TELEPHONE SYSTEM FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Restricted intergovernmental:				
Wireless E-911 fees	\$ 324,625	\$ 247,416	\$ (77,209)	\$ 378,854
Investment earnings	-	13,306	13,306	20,043
Total revenues	324,625	260,722	(63,903)	398,897
Expenditures:				
Public Safety				
Operating expenditures	185,660	98,642	87,018	160,392
Equipment maintenance	201,683	80,494	121,189	103,165
Capital outlay	85,790	86,790	(1,000)	30,495
Total expenditures	473,133	265,926	207,207	294,052
Revenues over (under) expenditures	(148,508)	(5,204)	143,304	104,845
Fund balance appropriated	148,508	-	(148,508)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	(5,204)	<u>\$ (5,204)</u>	104,845
Fund balance, beginning of year		1,111,475		1,006,630
Fund balance, end of year		\$ 1,106,271		\$ 1,111,475

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

For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues:				
Permits and fees	\$ 80,784	\$ 123,772	\$ 42,988	\$ 106,708
Investment earnings	-	4,961	4,961	7,870
Total revenues	80,784	128,733	47,949	114,578
Expenditures:				
Automation expenditures	90,482	83,760	6,722	66,345
Capital outlay	124,095	21,215	102,880	67,458
Total expenditures	214,577	104,975	109,602	133,803
Revenues over (under) expenditures	(133,793)	23,758	157,551	(19,225)
Appropriated fund balance	133,793	-	(133,793)	-
Revenues and appropriated fund balance over (under) expenditures	<u>\$ -</u>	23,758	<u>\$ 23,758</u>	(19,225)
Fund balance, beginning of year		409,510		428,735
Fund balance, end of year		\$ 433,268		\$ 409,510

**GRANT PROJECT FUND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2020

		Actual			Variance Positive (Negative)
	Project Authorization	Prior Years	Current Year	Total to Date	
Revenues:					
2011 EOC Federal Grant	\$ 115,014	\$ 113,175	\$ -	\$ 113,175	\$ 1,839
2018 Bureau of Justice Assistance Federal Grant	741,512	-	164,864	164,864	576,648
2015 JAG Federal Grant	13,893	13,255	-	13,255	638
2016 JAG Federal Grant	13,235	12,922	-	12,922	313
2017 JAG Federal Grant	11,255	-	11,104	11,104	151
2019 JAG Federal Grant	12,088	-	5,038	5,038	7,050
2017 JAG State Grant	22,776	-	18,460	18,460	4,316
2016 Homeland Security Federal Grant	8,800	7,562	-	7,562	1,238
2017 Homeland Security Federal Grant	40,000	38,535	-	38,535	1,465
2014 JAG Federal Grant	23,099	20,956	-	20,956	2,143
2019 Hazard Mitigation Federal Grant-Acquisition	894,140	-	-	-	894,140
2019 Hazard Mitigation Federal Grant-Demolition	160,636	-	-	-	160,636
2019 Homeland Security Federal Grant-Generator	35,000	-	-	-	35,000
2019 Homeland Security Federal Grant-Shower Trailer	50,500	-	-	-	50,500
CARES Act Grant	1,049,516	-	81,118	81,118	968,398
Stream/Creek Clean Up State Grant	52,617	51,055	-	51,055	1,562
2017 Joint Land Use Study Federal Grant	261,850	-	254,194	254,194	7,656
Regional Park Improvement Grant	400,000	398,833	-	398,833	1,167
Total Revenue	3,905,931	656,293	534,778	1,191,071	2,714,860
Expenditures:					
2011 EOC Federal Grant	115,014	111,801	-	111,801	3,213
2018 Bureau of Justice Assistance Federal Grant	741,512	-	174,061	174,061	567,451
2015 JAG Federal Grant	13,893	13,255	-	13,255	638
2016 JAG Federal Grant	13,235	12,922	-	12,922	313
2017 JAG Federal Grant	11,255	11,104	-	11,104	151
2019 JAG Federal Grant	12,088	-	5,038	5,038	7,050
2017 JAG State Grant	22,776	-	18,460	18,460	4,316
2016 Homeland Security Federal Grant	8,800	8,765	-	8,765	35
2017 Homeland Security Federal Grant	40,000	38,535	-	38,535	1,465
2014 JAG Federal Grant	23,099	20,956	-	20,956	2,143
2019 Hazard Mitigation Federal Grant-Acquisition	894,140	-	28,585	28,585	865,555
2019 Hazard Mitigation Federal Grant-Demolition	160,636	-	-	-	160,636
2019 Homeland Security Federal Grant-Generator	35,000	-	-	-	35,000
2019 Homeland Security Federal Grant-Shower Trailer	50,500	-	-	-	50,500
CARES Act Grant	1,049,516	-	81,099	81,099	968,417
Stream/Creek Clean Up State Grant	52,617	51,055	-	51,055	1,562
2017 Joint Land Use Study Federal Grant	261,850	238,445	15,749	254,194	7,656
Regional Park Improvement Grant	400,000	398,833	-	398,833	1,167
Total Expenditures	3,905,931	905,671	322,992	1,228,663	2,677,268
Revenues over (under) expenditures	\$ -	\$ (249,378)	211,786	\$ (37,592)	\$ 5,392,128
Fund balances, beginning of year			(249,378)		
Fund balances, end of year			\$ (37,592)		

SCHEDULE 26  
Onslow County, North Carolina  
**COMMUNITY ASSISTANCE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020  
With Comparative Amounts for the Fiscal Year Ended June 30, 2019

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Revenues				
Loan repayments	\$ -	\$ 26,368	\$ 26,368	\$ 23,718
Interest on loan payments	-	1,745	1,745	2,290
Miscellaneous Revenue	-	25	25	-
Total revenues	-	28,138	28,138	26,008
Expenditures				
Legal fees	1,575	1,461	114	-
Septic system repair program	34,740	29,846	4,894	14,235
Total Expenditures	36,315	31,307	5,008	14,235
Revenues over (under) expenditures	(36,315)	(3,169)	33,146	11,773
Appropriated fund balance	36,315	-	(36,315)	-
Revenues and appropriated fund balance over (under) expenditures	\$ -	(3,169)	\$ (3,169)	11,773
Fund balances, beginning of year		57,273		45,500
Fund balances, end of year		\$ 54,104		\$ 57,273



SCHEDULE 27  
Onslow County, North Carolina  
**ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
For the Fiscal Year Ended June 30, 2020

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

## **CAPITAL PROJECT FUNDS**

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

Individual Fund Descriptions:

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

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

SCHEDULE 28  
Onslow County, North Carolina  
**SCHOOL CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2020	Prior Years	Current Year	Total to Date	
Revenues							
Restricted intergovernmental:							
State grant	\$ 12,792,910	\$ -	\$ 12,792,910	\$ 9,485,977	\$ 879,998	\$ 10,365,975	\$ (2,426,935)
Investment earnings	92,167	-	92,167	412,283	241,426	653,709	561,542
Total revenues	12,885,077	-	12,885,077	9,898,260	1,121,424	11,019,684	(1,865,393)
Expenditures							
Dixon Middle School	28,086,672	-	28,086,672	28,086,672	-	28,086,672	-
Regional Skills Center	12,792,910	-	12,792,910	9,959,977	405,998	10,365,975	2,426,935
Richlands Elementary School	24,038,557	-	24,038,557	22,058,081	95,812	22,153,893	1,884,664
West Central Elementary School	23,273,263	7,002,420	30,275,683	339,516	7,276,955	7,616,471	22,659,212
New Southern Elementary School	23,741,360	8,717,794	32,459,154	887,496	10,118,674	11,006,170	21,452,984
Total expenditures	111,932,762	15,720,214	127,652,976	61,331,742	17,897,439	79,229,181	48,423,795
Revenues over (under) expenditures	(99,047,685)	(15,720,214)	(114,767,899)	(51,433,482)	(16,776,015)	(68,209,497)	46,558,402
Other financing sources (uses):							
Proceeds from issuance of debt	99,047,685	15,720,214	114,767,899	52,877,456	63,092,624	115,970,080	1,202,181
Total other financing sources (uses)	99,047,685	15,720,214	114,767,899	52,877,456	63,092,624	115,970,080	1,202,181
Revenues and other financing sources over (under) expenditures	\$ -	\$ -	\$ -	\$ 1,443,974	46,316,609	\$ 47,760,583	\$ 47,760,583
FUND BALANCES, beginning of year					1,443,974		
FUND BALANCES, end of year					\$ 47,760,583		

## CAPITAL PROJECT FUND

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

From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization			Actual			Variance Positive (Negative)
	Prior Years	Amendments	June 30, 2020	Prior Years	Current Year	Total to Date	
Revenues:							
Restricted intergovernmental							
State grants	\$ 3,279,540	\$ (678)	\$ 3,278,862	\$ 2,858,724	\$ 40,421	\$ 2,899,145	\$ (379,717)
Local grants	25,491	(25,491)	-	-	-	-	-
Total restricted	3,305,031	(26,169)	3,278,862	2,858,724	40,421	2,899,145	(379,717)
Unrestricted intergovernmental							
Other income	-	-	-	40,574	-	40,574	40,574
Investment earnings	272,408	-	272,408	711,301	55,902	767,203	494,795
Total unrestricted	272,408	-	272,408	751,875	55,902	807,777	535,369
Total revenues	3,577,439	(26,169)	3,551,270	3,610,599	96,323	3,706,922	155,652
Expenditures							
Capital projects							
Government Center Public Buildings	20,631,520	-	20,631,520	20,631,506	-	20,631,506	14
Vehicle Maintenance Building	4,682,449	-	4,682,449	4,682,449	-	4,682,449	-
Sneads Ferry Library	4,518,752	-	4,518,752	4,518,752	-	4,518,752	-
USMC Museum	-	-	-	574,159	-	574,159	(574,159)
Discovery Gardens	1,080,390	100,000	1,180,390	988,023	63,550	1,051,573	128,817
Sylvester House Preservation	100,000	-	100,000	16,600	-	16,600	83,400
OPP Restroom Redevelopment	-	-	-	103,801	-	103,801	(103,801)
Burton Park Infrastructure	1,704,507	-	1,704,507	1,704,508	-	1,704,508	(1)
Tax Software	1,255,000	-	1,255,000	1,172,349	10,400	1,182,749	72,251
800 MHZ Infrastructure	11,737,709	-	11,737,709	11,737,708	-	11,737,708	1
Courthouse Construction	20,000,000	-	20,000,000	18,471,869	1,073,188	19,545,057	454,943
Jail Demolition	912,740	-	912,740	912,739	-	912,739	1
Coastal Carolina College Maintenance	5,558,578	-	5,558,578	5,558,578	-	5,558,578	-
E&P Development-Waterway Maintenance	1,786,164	(1,159,641)	626,523	626,523	-	626,523	-
Health & Service Building	20,049,954	-	20,049,954	20,049,955	-	20,049,955	(1)
Justice Complex Improvements	1,697,120	-	1,697,120	1,697,120	-	1,697,120	-
Health Department Demolition and Parking Lot	2,340,766	-	2,340,766	2,340,766	-	2,340,766	-
Crisis Center Intervention	2,025,888	-	2,025,888	1,648,327	146,582	1,794,909	230,979
Marine Corps Museum	700,000	-	700,000	125,841	-	125,841	574,159
Animal Shelter Expansion Project	3,500,000	755,000	4,255,000	183,860	1,103,185	1,103,185	3,151,815
Beach Access Repair	709,000	-	709,000	58,773	277,723	277,723	431,277
Total expenditures	104,990,537	(304,641)	104,685,896	97,804,206	2,674,628	100,236,201	4,449,695
Revenues over (under) expenditures	(101,413,098)	278,472	(101,134,626)	(94,193,607)	(2,578,305)	(96,529,279)	4,605,347
Other financing sources (uses):							
Proceeds from issuance of debt	91,629,515	-	91,629,515	90,846,025	3,532,572	94,378,597	2,749,082
Transfers from (to) other funds	9,783,583	(278,472)	9,505,111	10,018,361	(303,470)	9,714,891	209,780
Total other financing sources (uses)	101,413,098	(278,472)	101,134,626	100,864,386	3,229,102	104,093,488	2,958,862
Revenues and other financing sources over (under) expenditures and other financing uses	\$ -	\$ -	\$ -	\$ 6,670,779	650,797	\$ 7,564,209	\$ 7,564,209
FUND BALANCES, beginning of year					6,670,779		
FUND BALANCES, end of year					\$ 7,321,576		

## **PROPRIETARY FUNDS**

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

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

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

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

For the Fiscal Year Ended June 30, 2020

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
<b>REVENUES:</b>				
Charges for services				
Tipping fees	\$ 5,035,000	\$ 4,821,813	\$ (213,187)	\$ 4,920,296
Debris fees	1,237,966	1,586,888	348,922	3,101,273
Site fees	400,000	426,422	26,422	402,713
Other operating revenues	1,022,456	1,100,133	77,677	1,697,677
Total operating revenues	7,695,422	7,935,256	239,834	10,121,959
Nonoperating revenues				
Restricted intergovernmental	-	51,213	51,213	-
Investment earnings	300,000	292,299	(7,701)	409,236
Total nonoperating revenues	300,000	343,512	43,512	409,236
Total revenues	7,995,422	8,278,768	283,346	10,531,195
<b>EXPENDITURES</b>				
Solid Waste Administration				
Salaries and benefits	321,473	308,370	13,103	262,731
Contracted services	147,200	147,155	45	-
Other expenditures	618,971	29,218	589,753	35,629
Total	1,087,644	484,743	602,901	298,360
Landfill operations				
Salaries and benefits	783,675	802,189	(18,514)	947,086
Contracted services	72,190	45,896	26,294	63,786
Other expenditures	2,989,875	1,181,174	1,808,701	1,490,567
Total	3,845,740	2,029,259	1,816,481	2,501,439
Recycling				
Salaries and benefits	20,459	22,068	(1,609)	20,795
Contracted services	30,279	10,735	19,544	20,276
Other expenditures	374,232	357,509	16,723	328,289
Total	424,970	390,312	34,658	369,360
Electronics Recycling				
Contracted services	42,824	11,799	31,025	45,603
Total	42,824	11,799	31,025	45,603
Refuse sites				
Salaries and benefits	318,291	311,002	7,289	313,106
Contracted services	164,805	151,103	13,702	155,612
Other expenditures	80,259	50,105	30,154	52,169
Total	563,356	512,210	51,146	520,887
Keep Onslow Beautiful				
Other expenditures	43,890	6,272	37,618	2,051
Total	43,890	6,272	37,618	2,051
White goods				
Salaries and benefits	97,369	105,597	(8,228)	94,138
Other expenditures	76,852	24,472	52,380	26,861
Total	174,221	130,069	44,152	120,999
Environmental compliance				
Salaries and benefits	49,375	52,751	(3,376)	-
Other expenditures	254,250	194,008	60,242	-
Total	303,625	246,759	56,866	-

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

For the Fiscal Year Ended June 30, 2020

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	\$ 1,435,988	\$ -	\$ 1,435,988	\$ 10,517
Total expenditures	7,922,258	3,811,423	4,110,835	3,869,216
Revenues over (under) expenditures	73,164	4,467,345	4,394,181	6,661,979
Other financing sources				
Transfers from (to) other funds	(629,616)	(581,197)	48,419	(880,920)
Revenues and other financing sources over (under) expenditures and other financing uses	(556,451)	3,886,148	4,442,599	5,781,059
Appropriated fund balance	556,451	-	(556,451)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	3,886,148	\$ 3,886,148	\$ 5,781,059
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Reconciling items:				
Capital outlay		-		10,517
Depreciation		(1,306,574)		(1,162,265)
Change in compensated absences		2,058		7,826
Change in OPEB liability		(119,856)		450,569
Change in OPEB deferred outflows		26,599		(24,869)
Change in OPEB deferred inflows		(105,005)		2,781
Change in net pension liability		(55,481)		106,536
Change in deferred outflows - pensions		(49,730)		(88,512)
Change in deferred inflows - pensions		(4,831)		12,138
Increase in accrued landfill closure and postclosure care costs		(772,372)		-
Total reconciling items		(2,385,192)		(1,688,383)
Change in net position		\$ 1,500,956		\$ 4,092,676
Change in net position:				
Solid Waste Fund		\$ 1,500,956		\$ 4,092,676
Solid Waste Construction Fund (Statement 31)		249,770		864,668
		<u>\$ 1,750,726</u>		<u>\$ 4,957,344</u>

SCHEDULE 31  
Onslow County, North Carolina  
**SOLID WASTE CONSTRUCTION PROJECT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2020

	<u>Project Authorization</u>			<u>Actual</u>			<u>Variance Positive (Negative)</u>
	<u>Prior Years</u>	<u>Amendments</u>	<u>June 30, 2020</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Total to Date</u>	
Revenues:							
Other income	\$ 23,000	\$ -	23,000	\$ 24,343	\$ -	\$ 24,343	\$ 1,343
Investment Earnings	37,112	-	37,112	37,297	8,145	45,442	8,330
Total Revenue	60,112	-	60,112	61,640	8,145	69,785	9,673
Expenditures							
General Improvements	8,670,282	325,000	8,995,282	7,298,282	681,930	7,980,212	1,015,070
Total Capital Expenditures	8,670,282	325,000	8,995,282	7,298,282	681,930	7,980,212	1,015,070
Revenues over (under) expenditures	(8,610,170)	(325,000)	(8,935,170)	(7,236,642)	(673,785)	(7,910,427)	1,024,743
Other financing sources (uses):							
Transfers from other funds	8,610,170	325,000	8,935,170	8,569,619	325,000	8,894,619	(40,551)
Total other financing sources (uses)	8,610,170	325,000	8,935,170	8,569,619	325,000	8,894,619	(40,551)
Revenue and other financing sources over (under) expenditures and financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,332,977</u>	<u>(348,785)</u>	<u>\$ 984,192</u>	<u>\$ 984,192</u>
Reconciliation of Modified Accrual Basis to Full Accrual Basis:							
Capital expenditures that were capitalized based on capitalization threshold					598,555		
<b>Change in net position</b>					<u>\$ 249,770</u>		



## AIRPORT OPERATIONS FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
REVENUES:				
Charges for services				
Rents and parking	\$ 1,020,177	\$ 1,153,657	\$ 133,480	\$ 1,398,339
Fees	1,334,349	1,428,806	94,457	1,731,088
Other operating revenues	20,600	31,100	10,500	30,898
Total operating revenues	2,375,126	2,613,563	238,437	3,160,325
Nonoperating revenues (expenses)				
Restricted intergovernmental	1,073,671	1,794,290	720,619	104,997
Investment earnings	-	9,492	9,492	21,963
Sale of fixed assets	-	13,201	13,201	5,101
Total nonoperating revenues (expenses)	1,073,671	1,816,983	743,312	132,061
Total revenues	3,448,797	4,430,546	981,749	3,292,386
EXPENDITURES				
Airport Administration				
Salaries and benefits	412,009	391,238		319,772
Other expenditures	194,745	194,745		164,820
Total	606,754	585,983	20,771	484,592
Airport Airside				
Salaries and benefits	485,685	472,997		490,008
Contract services	28,600	11,665		8,428
Repairs and maintenance	209,550	160,176		82,777
Other expenditures	134,681	134,681		117,563
Total	858,516	779,519	78,997	698,776
Airport Terminal				
Salaries and benefits	679,510	664,987		615,154
Contracted services	26,164	22,331		25,483
Repairs and maintenance	177,205	151,328		151,686
Other expenditures	248,079	241,403		319,374
Total	1,130,958	1,080,049	50,909	1,111,697
Airport Landside				
Salaries and benefits	61,194	35,550		38,281
Repairs and maintenance	10,200	3,167		4,226
Other expenditures	8,755	941		1,675
Total	80,149	39,658	40,491	44,182
Airport Parking				
Salaries and benefits	194,390	218,974		211,286
Repairs and maintenance	7,000	2,377		1,932
Other expenditures	51,930	46,283		52,565
Total	253,320	267,634	(14,314)	265,783

## AIRPORT OPERATIONS FUND

## SCHEDULE OF REVENUES AND EXPENDITURES

## BUDGET AND ACTUAL (Non-GAAP)

For the Fiscal Year Ended June 30, 2020

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

	2020			2019
	Budget	Actual	Variance Positive (Negative)	Actual
Capital outlays	\$ 240,200	\$ 4,465	\$ 235,735	\$ -
Total expenditures	3,169,896.98	2,757,308	412,589	2,605,030
Revenues over (under) expenditures	278,900	1,673,238	1,394,338	687,356
Other financing sources				
Transfers from (to) other funds	(290,695)	(312,231)	(21,536)	(297,112)
Total	(290,695)	(312,231)	(21,536)	(297,112)
Revenues and other financing sources over (under) expenditures and other financing uses	(11,795)	1,361,007	1,372,802	390,244
Appropriated fund balance	11,795	-	(11,795)	-
Revenues, other financing sources, and appropriated fund balance over (under) expenditures and other financing uses	\$ -	1,361,007	\$ 1,361,007	390,244
Reconciliation from budgetary basis (modified accrual) to full accrual basis:				
Reconciling items:				
Capital outlay		4,465		-
Depreciation		(2,663,777)		(2,155,009)
Change in compensated absences		(20,430)		7,485
Change in OPEB liability		(160,553)		225,287
Change in OPEB deferred outflows		21,472		(12,444)
Change in OPEB deferred inflows		(74,225)		1,391
Change in net pension liability		(27,741)		53,268
Change in deferred outflows - pensions		(24,866)		(44,255)
Change in deferred inflows - pensions		(2,416)		6,069
Change in retainage payable		193,102		(61,503)
Total reconciling items		(2,754,969)		(1,979,711)
Change in net position		\$ (1,393,962)		\$ (1,589,467)
Change in net position:				
Airport Fund		\$ (1,393,962)		\$ (1,589,467)
Airport Construction Fund (Statement 33)		2,700,135		7,123,068
		\$ 1,306,173		\$ 5,533,601

SCHEDULE 33  
Onslow County, North Carolina  
**AIRPORT CONSTRUCTION FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - BUDGET AND ACTUAL**  
From Inception and for the Fiscal Year Ended June 30, 2020

	Project Authorization			Actual			Variance
	Prior Years	Amendments	June 30, 2020	Prior Years	Current Year	Total to Date	Positive (Negative)
Revenues:							
Restricted intergovernmental							
State AIP 31	\$ 38,170	\$ -	\$ 38,170	\$ 38,170	\$ -	\$ 38,170	\$ -
State AIP 32	31,771	-	31,771	-	-	-	(31,771)
State AIP 33	16,696	-	16,696	-	-	-	(16,696)
State Terminal Building Construction	343,860	-	343,860	416,145	-	416,145	72,285
State GA Terminal/Apron	4,029,416	300,000	4,329,416	2,510,030	1,519,382	4,029,412	(300,004)
State Passenger Boarding Bridges	-	-	-	33,855	-	33,855	33,855
State Air Traffic Control Tower	2,400,000	-	2,400,000	2,400,000	-	2,400,000	-
State Airfield Electrical Improvements	2,015,000	-	2,015,000	1,618,078	-	1,618,078	(396,922)
Total state grants	8,874,913	300,000	9,174,913	7,016,278	1,519,382	8,535,660	(639,253)
Federal AIP 31	\$ 1,653,216	\$ -	\$ 1,653,216	1,653,216	\$ -	\$ 1,653,216	\$ -
Federal AIP 32	1,189,135	-	1,189,135	1,189,135	-	1,189,135	-
Federal AIP 33	634,462	-	634,462	622,639	-	622,639	(11,823)
Federal Terminal Building Construction	-	-	-	18,363,221	-	18,363,221	18,363,221
Federal FAA Entitlement Terminal Bldg. Const.	18,390,811	-	18,390,811	27,590	-	27,590	(18,363,221)
Federal FAA Entitlement GA Terminal/Apron	105,000	-	105,000	105,000	-	105,000	-
Federal Grant	169,249	-	169,249	166,380	-	166,380	(2,869)
Federal Grant	2,693,725	-	2,693,725	1,699,523	647,781	2,347,304	(346,421)
Federal Air/Landside Pavement	7,952,901	-	7,952,901	7,952,901	-	7,952,901	-
Federal Reimbursement Airfield Improvements	18,950	-	18,950	18,950	-	18,950	-
Federal Passenger Boarding Bridges	1,378,958	-	1,378,958	1,350,202	-	1,350,202	(28,756)
Federal Airside/Aircraft Apron	1,800,000	-	1,800,000	1,358,067	64,422	1,422,489	(377,511)
Federal Air Traffic Control Tower	2,000,000	-	2,000,000	2,000,000	-	2,000,000	-
Total federal grants	37,986,407	-	37,986,407	36,506,824	712,203	37,219,027	(767,380)
Total restricted	46,861,320	300,000	47,161,320	43,523,102	2,231,585	45,754,687	(1,406,633)
Unrestricted intergovernmental							
Contract facility charges	1,357,200	-	1,357,200	2,740,289	385,294	3,125,583	1,768,383
Passenger facility charges	7,598,783	623,090	8,221,873	6,872,824	587,652	7,460,476	(761,397)
Tenant contribution	750,000	-	750,000	775,002	-	775,002	25,002
Sale of surplus property	-	-	-	250	14,001	14,251	14,251
Investment earnings	345,610	-	345,610	427,288	43,288	470,576	124,966
Total unrestricted	10,051,593	623,090	10,674,683	10,815,653	1,030,235	11,845,888	1,171,205
Total revenues	\$ 56,912,913	\$ 923,090	\$ 57,836,003	\$ 54,338,755	\$ 3,261,820	\$ 57,600,575	\$ (235,428)
Expenditures							
Capital projects							
Terminal-AIP 31	\$ 1,791,996	\$ -	\$ 1,791,996	\$ 1,791,996	\$ -	1,791,996	\$ -
Terminal-AIP 32	1,510,384	-	1,510,384	1,510,383	-	1,510,383	1
Terminal-AIP 33	667,855	-	667,855	655,409	-	655,409	12,446
Terminal Building Construction	25,470,773	-	25,470,773	25,261,292	-	25,261,292	209,481
New GA Terminal/Apron	5,616,182	-	5,616,182	5,616,182	-	5,616,182	-
Professional Services	188,055	-	188,055	184,867	-	184,867	3,188
Professional Services	2,845,501	-	2,845,501	2,231,848	488,025	2,719,873	125,628
Landside-Land Acquisition	1,008,472	-	1,008,472	659,771	-	659,771	348,701
Airside-Air/Landside Pavement & Utility	10,460,322	-	10,460,322	10,330,109	-	10,330,109	130,213
Airside-Airfield Improvements	29,028	-	29,028	29,028	-	29,028	-
Terminal Passenger Boarding Bridges	1,960,546	-	1,960,546	1,951,351	-	1,951,351	9,195
Airside-Aircraft Apron Rehabilitation	2,000,000	-	2,000,000	1,574,237	6,233	1,580,470	419,530
Airside-Rotating Beacon Refurbishment	29,619	-	29,619	29,618	-	29,618	1
Airside-Air Traffic Control Tower	5,793,200	-	5,793,200	5,571,556	26,069	5,597,625	195,575
PFC Application #7	65,000	-	65,000	23,976	9,702	33,678	31,322
Landside-Rental Car Service Site	447,200	-	447,200	405,630	-	405,630	41,570
Airfield Electrical Improvements 2017	2,330,000	-	2,330,000	1,874,821	375,353	2,250,174	79,826
South GA Site Development	2,314,087	-	2,314,087	225,493	1,835,414	2,060,907	253,180
Environmental Assessment	-	663,700	663,700	-	242,881	242,881	420,819
Total expenditures	64,528,220	663,700	65,191,920	59,927,567	2,983,677	62,911,244	2,280,676
Revenues over (under) expenditures	(7,615,307)	259,390	(7,355,917)	(5,588,812)	278,143	(5,310,669)	(2,045,248)
Other financing sources (uses):							
Financing Costs	(105,352)	-	(105,352)	-	-	-	105,352
Capital contributions	8,189,906	-	8,189,906	-	-	-	(8,189,906)
Transfers from other funds	557,563	-	557,563	-	13,219	-	(557,563)
Transfers to other funds	(1,026,810)	(259,390)	(1,286,200)	-	(272,609)	-	1,286,200
Total other financing sources (uses)	7,615,307	(259,390)	7,355,917	-	(259,390)	-	(7,355,917)
Revenues and other financing sources over (under) expenditures and other financing uses							
	\$ -	\$ -	\$ -	\$ (5,588,812)	18,753	\$ (5,310,669)	\$ (5,310,669)
Reconciliation of Modified Accrual Basis to Full Accrual Basis:							
Capital expenditures that were capitalized based on capitalization threshold				2,681,382			
Change in net position				2,700,135			

## **FIDUCIARY FUNDS**

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

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

### **Agency Funds**

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

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

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

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

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

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

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

SCHEDULE 34  
Onslow County, North Carolina  
**COMBINING SCHEDULE OF CHANGES IN ASSETS  
AND LIABILITIES - AGENCY FUNDS**  
June 30, 2020

	Balance June 30, 2019	Additions	Deductions	Balance June 30, 2020
<b>Social Services:</b>				
Assets				
Cash and investments	\$ 429,795	\$ 216,035	\$ 319,824	\$ 326,006
Liabilities				
Miscellaneous liabilities	\$ 429,795	\$ 216,035	\$ 319,824	\$ 326,006
<b>Agriculture:</b>				
Assets				
Cash and investments	\$ 58,820	\$ 359,684	\$ 351,894	\$ 66,610
Liabilities				
Miscellaneous liabilities	\$ 58,820	\$ 359,684	\$ 351,894	\$ 66,610
<b>Bear Creek Volunteer Fire</b>				
Assets				
Cash and investments	\$ 62,052	\$ 11,215	\$ 5,381	\$ 67,886
Liabilities				
Miscellaneous liabilities	\$ 62,052	\$ 11,215	\$ 5,381	\$ 67,886
<b>Sheriff:</b>				
Assets				
Cash and investments	\$ 151,372	\$ 130,602	\$ 130,247	\$ 151,727
Liabilities				
Miscellaneous liabilities	\$ 151,372	\$ 130,602	\$ 130,247	\$ 151,727
<b>Fines and Forfeitures:</b>				
Assets				
Cash and investments	\$ 221	\$ 837,230	\$ 830,331	\$ 7,120
Accounts receivables	-	20	-	20
Liabilities				
Intergovernmental payables	\$ 221	\$ 837,250	\$ 830,331	\$ 7,140
<b>Municipal Tax:</b>				
Assets				
Cash and investments	\$ 17,682	\$ 31,731,973	\$ 31,722,449	\$ 27,206
Accounts Receivable	-	1,110	-	1,110
Liabilities				
Intergovernmental payables	\$ 17,682	\$ 31,733,083	\$ 31,722,449	\$ 28,316
<b>Register of Deeds Trust Fund</b>				
Assets				
Cash and investments	\$ 16,151	\$ 166,904	\$ 164,636	\$ 18,419
Liabilities				
Intergovernmental payables	\$ 16,151	\$ 166,904	\$ 164,636	\$ 18,419
<b>Total - All Agency Funds:</b>				
Assets				
Cash and investments	\$ 736,093	\$ 33,454,773	\$ 33,524,762	\$ 666,104
Liabilities				
Miscellaneous liabilities	\$ 702,039	\$ 706,321	\$ 807,346	\$ 612,229
Intergovernmental payables	34,054	\$ 32,737,237	\$ 32,717,416	53,875
Total	\$ 736,093	\$ 33,443,558	\$ 33,524,762	\$ 666,104

## **GOVERNMENTAL CAPITAL ASSETS**

SCHEDULE 35  
Onslow County, North Carolina  
**COMPARATIVE SCHEDULE OF CAPITAL ASSETS**  
**BY SOURCE**  
June 30, 2020 and 2019

GOVERNMENTAL FIXED ASSETS	2020	2019
Land	\$ 14,036,171	\$13,889,868
Buildings	142,413,725	141,317,953
Improvements	25,801,312	24,226,893
Equipment	21,006,140	20,714,890
Computer Equipment	6,318,898	6,164,879
Vehicles	12,215,602	11,558,028
Heavy Equipment	338,488	270,244
Construction in process	1,691,732	1,780,118
<b>Total Governmental Fixed Assets</b>	<b>\$ 223,822,068</b>	<b>\$ 219,922,873</b>
INVESTMENT IN FIXED ASSETS BY SOURCE:		
General Fund	\$ 49,382,118	\$ 49,151,911
Capital Project Funds	172,821,888	169,359,157
Donations	1,618,062	1,620,584
<b>Total Investment in Governmental Fixed Assets</b>	<b>\$ 223,822,068</b>	<b>\$ 220,131,652</b>

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

June 30, 2020

Function & Activity	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
General Government:								
Governing Body	\$ -	\$ -	\$ -	\$ 22,272	\$ -	\$ -	\$ -	\$ 22,272
Administration	-	-	-	42,381	-	-	-	42,381
Taxes	-	-	-	1,942,908	85,826	-	-	2,028,734
Revaluation	-	-	-	-	65,119	-	-	65,119
Human Resources	-	-	-	22,458	19,610	-	-	42,068
Court Facilities	-	169,301	-	116,278	-	-	-	285,579
District Attorney	-	14,904	-	-	-	-	-	14,904
Probation	-	33,959	1,025,576	165,977	-	-	-	1,225,512
Elections	-	12,284	-	344,498	-	-	-	356,782
Register of Deeds	-	-	-	152,588	-	-	-	152,588
ITS	-	-	-	732,076	-	-	-	732,076
GIS	-	-	-	316,257	-	-	-	316,257
ITS-Activities	-	-	-	3,774,227	-	-	-	3,774,227
Purchasing	-	8,200	-	37,253	48,298	20,354	-	114,105
Central Garage	-	-	4,523,011	131,974	290,426	-	-	4,945,411
Public Buildings	-	-	-	78,440	357,033	-	-	435,473
Communications	-	-	-	2,948	-	-	-	2,948
Non-departmental	12,167,429	10,817,101	47,695,254	1,325,018	-	-	-	72,004,802
Construction in progress	-	-	-	-	-	-	-	-
<b>Total General Government</b>	<b>12,167,429</b>	<b>11,055,749</b>	<b>53,243,841</b>	<b>9,207,553</b>	<b>866,312</b>	<b>20,354</b>	<b>-</b>	<b>86,561,238</b>
Public Safety:								
Sheriff	-	-	-	861,595	4,629,416	-	-	5,491,011
Communications	-	95,346	1,527,459	13,310,208	-	-	-	14,933,013
Jail	-	2,884,212	56,664,730	472,236	40,367	-	-	60,061,545
Emergency Mgt.	-	140,631	2,186,962	346,885	131,183	-	-	2,805,661
Emergency Responder Services	-	-	-	60,546	52,761	-	-	113,307
Bear Creek	36,250	10,624	252,770	33,521	825,282	-	-	1,158,447
Freedom Way	-	-	55,251	-	19,500	-	-	74,751
Emergency Med. Ser.	-	-	-	6,504	574,028	-	-	580,532
Onslow EMS	-	110,153	127,431	1,144,416	3,231,890	-	-	4,613,890
Animal Control	-	446,125	669,022	173,169	278,623	-	-	1,566,939
Inspections	-	-	-	-	238,339	-	-	238,339
Construction in progress	-	-	-	-	-	-	1,338,636	1,338,636
<b>Total Public Safety</b>	<b>36,250</b>	<b>3,687,091</b>	<b>61,483,625</b>	<b>16,409,080</b>	<b>10,021,389</b>	<b>-</b>	<b>1,338,636</b>	<b>92,976,071</b>



SCHEDULE 36  
Onslow County, North Carolina  
**SCHEDULE OF GOVERNMENTAL CAPITAL ASSETS**  
**BY FUNCTION AND ACTIVITY**  
June 30, 2020

	Land	Improvements	Buildings	Equipment	Vehicles	Heavy Equipment	Construction In Process	Total
Economic & Physical Development								
Planning	\$ -	\$ -	\$ -	\$ 2,040	\$ -	\$ -	\$ -	\$ 2,040
Building Inspections	-	-	-	34,335	96,883	-	-	131,218
Central Permitting	-	-	-	2,040	-	-	-	2,040
Agriculture	-	1,273,351	-	27,675	58,736	-	-	1,359,762
Soil Conservation	-	-	-	37,415	39,109	-	-	76,524
Total Economic and Physical Development	-	1,273,351	-	103,505	194,728	-	-	1,571,584
Human Services:								
Consolidated Human Services	201,714	3,979,702	20,239,071	39,180	-	-	-	24,459,667
Health	-	26,876	27,860	381,437	20,496	-	-	456,669
Environmental Health	-	-	-	32,892	342,204	-	-	375,096
Social Services	-	11,876	-	31,752	152,119	-	-	195,747
Council on Aging	13,761	31,759	163,408	43,605	18,035	-	-	270,568
Veterans Services	-	-	-	9,671	-	-	-	9,671
Total Human Services	215,475	4,050,213	20,430,339	538,537	532,854	-	-	25,767,418
Cultural & Recreational:								
Libraries	83,722	1,316,869	5,680,831	276,749	43,804	-	-	7,401,975
Parks & Recreation	1,261,410	4,267,244	438,838	614,307	366,728	147,496	-	7,096,023
Museum	271,885	150,795	1,063,795	35,196	-	-	-	1,521,671
Construction in progress	-	-	-	-	-	-	353,096	353,096
Total Cultural & Recreational	1,617,017	5,734,908	7,183,464	926,252	410,532	147,496	353,096	16,372,765
Environmental Protection:								
Vector/Mosquito Control	-	-	72,456	140,111	189,787	170,638	-	572,992
Total Environmental Protection	-	-	72,456	140,111	189,787	170,638	-	572,992
Total Governmental Capital Assets	\$ 14,036,171	\$ 25,801,312	\$ 142,413,725	\$ 27,325,038	\$ 12,215,602	\$ 338,488	\$ 1,691,732	\$ 223,822,068

SCHEDULE 37

Onslow County, North Carolina

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS

BY FUNCTION AND ACTIVITY

June 30, 2020

Function and Activity	Governmental Capital Assets				Reclassifications and Adjustments	Governmental Capital Assets June 30, 2020
	June 30, 2019	Additions	Retirements			
General Government						
Governing Body	\$ 20,387	\$ 1,885	\$ -	\$ -	\$ -	\$ 22,272
Administration	40,750	1,631	-	-	-	42,381
Taxes	2,018,335	10,399	-	-	-	2,028,734
Revaluation	91,290	-	26,171	-	-	65,119
Human Resources	33,590	1,507	-	6,971	-	42,068
Court Facilities	285,579	-	-	-	-	285,579
Legal	14,904	-	-	-	-	14,904
Probation	1,225,511	1	-	-	-	1,225,512
Elections	356,782	-	-	-	-	356,782
Register of Deeds	149,360	3,228	-	-	-	152,588
ITS	4,876,333	77,447	131,220	-	-	4,822,560
Purchasing	114,105	-	-	-	-	114,105
Public Works Garage	4,925,508	-	23,919	43,822	-	4,945,411
Facilities Maintenance	438,556	68,496	52,912	(18,667)	-	435,473
Communications	2,948	-	-	-	-	2,948
Non-Departmental/Surplus	70,806,437	1,717,630	519,265	-	-	72,004,802
Construction in progress	532,861	1,259,720	1,792,581	-	-	-
Total General Government	85,933,236	3,141,944	2,546,068	32,126	-	86,561,238
Public Safety:						
Sheriff	5,196,387	496,751	206,593	4,466	-	5,491,011
Jail	59,813,049	248,496	-	-	-	60,061,545
Communications	14,816,996	116,017	-	-	-	14,933,013
Emergency Management	2,616,334	173,480	12,463	28,310	-	2,805,661
Emergency Medical Ser.	3,865,348	957,910	174,827	(34,541)	-	4,613,890
Emergency Services	2,001,780	96,852	171,595	-	-	1,927,037
Animal Control	1,532,422	42,072	-	(7,555)	-	1,566,939
Inspection/code enf.	255,881	-	17,542	-	-	238,339
Construction in progress	183,860	1,154,776	-	-	-	1,338,636
Total Public Safety	90,282,057	3,286,354	583,020	(9,320)	-	92,976,071

## SCHEDULE 37

Onslow County, North Carolina

SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS  
BY FUNCTION AND ACTIVITY

June 30, 2020

Function and Activity	Governmental Capital Assets			Reclassifications and Adjustments	Governmental Capital Assets June 30, 2020
	June 30, 2019	Additions	Retirements		
Economic & Physical Dev.					
Agriculture Extension	\$ 347,702	\$ 1,012,060	\$ -	\$ -	\$ 1,359,762
Planning	143,614	-	1,346	(6,970)	135,298
Soil and Water Conservation	55,901	20,623	-	-	76,524
Construction in progress	-	-	-	-	-
Total Econ. & Phy. Develop.	547,217	1,032,683	1,346	(6,970)	1,571,584
Human Services:					
Consolidated Human Services	24,347,632	112,038	-	(3)	24,459,667
Health	870,717	30,140	26,164	(42,928)	831,765
Mental Health	-	-	-	-	-
Social Services	187,499	8,248	-	-	195,747
Senior Services	270,568	-	-	-	270,568
Veteran Services	2,995	6,676	-	-	9,671
Construction in progress	-	142,005	142,005	-	-
Total Human Services	25,679,411	299,107	168,169	(42,931)	25,767,418
Cultural & Recreational:					
Library - Main Branch	2,055,918	-	1	-	2,055,917
Library - Swansboro	123,982	8,100	-	-	132,082
Library - Snead Ferry	4,792,577	-	-	-	4,792,577
Library - Richlands	421,399	-	-	-	421,399
Parks & Recreation	6,917,061	98,392	31,536	112,106	7,096,023
Museum	1,535,842	4,520	18,691	-	1,521,671
Construction in progress	1,063,398	299,560	1,009,862	-	353,096
Total Cultural & Recreation	16,910,177	410,572	1,060,090	112,106	16,372,765
Environmental Protection:					
Vector/Mosquito Control	570,775	1	-	2,216	572,992
Construction in progress	-	-	-	-	-
Total Environmental Protection	570,775	1	-	2,216	572,992
Total Governmental Capital Assets	\$ 219,922,873	\$ 8,170,661	\$ 4,358,693	\$ 87,227	\$ 223,822,068

## **ADDITIONAL FINANCIAL DATA**

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

Schedule of Ad Valorem Taxes Receivable

Analysis of Current Tax Levy - County-wide Levy

Analysis of Current Tax Levy - Secondary Market Disclosures

Schedule of Cash and Investment Balances

Schedule of Interfund Transactions

Calculation of Debt Service Coverage Ratio in the Solid Waste Fund

SCHEDULE 38  
Onslow County, North Carolina  
**SCHEDULE OF AD VALOREM TAXES RECEIVABLE**  
June 30, 2020

<b>Fiscal Year</b>	<b>Uncollected Balance June 30, 2019</b>	<b>Additions</b>	<b>Collections and Credits</b>	<b>Uncollected Balance June 30, 2020</b>
2019-2020	\$ -	\$ 91,948,166	\$ 90,885,271	\$ 1,062,895
2018-2019	837,577	-	426,337	411,240
2017-2018	325,674	-	132,227	193,447
2016-2017	270,850	-	83,706	187,144
2015-2016	235,027	-	57,204	177,823
2014-2015	215,191	-	58,829	156,362
2013-2014	369,211	-	35,966	333,245
2012-2013	479,006	-	37,710	441,296
2011-2012	322,319	-	22,277	300,042
2010-2011	306,026	-	9,543	296,483
2009-2010	323,650	-	323,650	-
	<u>\$ 3,684,531</u>	<u>\$ 91,948,166</u>	<u>\$ 92,072,720</u>	<u>\$ 3,559,977</u>
Less allowance for uncollectible taxes				
General Fund				(1,527,427)
Ad valorem taxes receivable - net				<u>\$ 2,032,550</u>
Reconcilement with revenues:				
Ad valorem taxes - General Fund				\$ 101,896,530
Reconciling items				
Penalties and interest				(400,837)
Motor Vehicle taxes				(10,208,500)
Releases on prior years				458,299
Amounts written off for prior years				328,130
Refund overpaid taxes				(902)
Total reconciling items				<u>(9,823,810)</u>
Total Collections and Credits				<u>\$ 92,072,720</u>

SCHEDULE 39  
Onslow County, North Carolina  
**ANALYSIS OF CURRENT TAX LEVY-COUNTY-WIDE LEVY**  
June 30, 2020

	County Wide			Total Levy	
	Property Valuation	Rate	Amount of Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
Property taxed at current year's rate	\$ 14,823,917,512	0.00705	\$ 104,508,618	\$ 94,159,113	10,349,505
Penalties	-	-	129,231	129,231	-
<b>Total</b>	<b>14,823,917,512</b>		<b>104,637,849</b>	<b>94,288,344</b>	<b>10,349,505</b>
Adjustment: Motor Vehicles					(4,364)
Discoveries:					
Current year discoveries and (releases) net	45,864,217	0.00705	\$ 323,343	323,343	-
Prior year taxes	-		209,238	209,238	-
<b>Total</b>	<b>14,869,781,729</b>		<b>105,170,430</b>	<b>94,820,925</b>	<b>10,345,141</b>
<b>Abatements</b>	<b>(407,483,501)</b>	<b>0.00705</b>	<b>(2,872,759)</b>	<b>(2,872,759)</b>	<b>-</b>
Total property valuation	<u><u>\$ 14,462,298,228</u></u>				
Net Levy			102,297,672	91,948,167	10,345,141
Uncollected taxes at June 30, 2020			1,062,895	1,062,895	-
Current years taxes collected			\$ 101,234,777	\$ 90,885,272	\$ 10,345,141
Current levy collection percentage			98.96%	98.84%	100.00%

SCHEDULE 40  
Onslow County, North Carolina  
**ANALYSIS OF CURRENT TAX LEVY**  
**SECONDARY MARKET DISCLOSURES**  
June 30, 2020

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Assessed Valuation:		
Assessment Ratio*		
Real property	\$	12,113,042,695
Personal property		925,957,021
Public service companies**		1,423,298,512
<hr/>		
Total assessed valuation		14,462,298,228
Tax rate per \$100		0.00705
Levy (including discoveries, releases and abatements)***	\$	101,959,203
<hr/>		

\* Percentage of appraised value has been established by statute

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

\*\*\* The levy includes interest and penalties

SCHEDULE 41  
Onslow County, North Carolina  
**SCHEDULE OF CASH AND INVESTMENT BALANCES**  
June 30, 2020

	Amounts Presented On Statements	Cost Value	Market Value
Cash			
On hand	78,078,415	78,078,415	78,078,415
In demand deposits including NCCMT	83,203,724	83,203,724	83,203,724
	161,282,139	161,282,139	161,282,139
Other investments			
North Carolina Capital Management Trust - Term portfolio	1,336,674	1,336,674	1,336,674
Commercial Paper (held by the dealer bank's trust department in the name of the County)	4,993,792	4,991,816	4,993,792
Total other investments	6,330,466	6,328,489	6,330,466
Total cash and investments	\$ 167,612,605	\$ 167,610,629	\$ 167,612,605

Distribution by Funds:		<u>Carrying Value</u>
General Funds		
General Fund	39,148,598	
Workers Compensation Fund	533,466	
Burton Industrial Park	1,551,165	
Benefit Fund	485,945	
Reserve Fund	26,374,460	
Disaster Contingency Fund	3,439,781.00	
Capital Improvements Fund	1,005,720	
LEO Separation Allowance	1,180,505	
Health Insurance Fund	764,102	
Revaluation Fund	78,174	\$ 74,561,916
Special Revenue Funds		
Memorial Fund	11,910	
Emergency 911 Fund	1,100,337	
Register of Deeds Fund	430,130	
Community Assistance Fund	67,981	
Grant Project fund	962,848	2,573,206
Capital Project Funds		
Capital Project Fund	7,553,082	7,553,082
School Construction Fund		
School Construction Fund	50,235,227	50,235,227
Enterprise Funds		
Solid Waste Fund	26,688,924	
Airport Fund	5,334,146	32,023,070
Fiduciary Funds		
Agency Funds	666,104	666,104
		<u>\$ 167,612,605</u>



SCHEDULE 42  
Onslow County, North Carolina  
**SCHEDULE OF INTERFUND TRANSACTIONS**  
June 30, 2020

	Transfers	
	From	To
Operating Transfer From/To Other Funds:		
General Fund		
Workers Comp Fund	\$ -	\$ 600,000
Economic Development Fund	-	200,000
Revaluation Fund	-	116,250
Health Insurance Fund	-	1,352,252
Burton Industrial Park Fund	-	-
Capital Improvement Fund	-	689,325
Capital Reserve Fund	1,646,000	1,964,869
Solid Waste Fund	256,197	-
Airport Fund	851,316	279,695
Capital Project Fund	-	75,002
Workers Comp Fund		
General Fund	600,000	-
Revaluation Fund		
General Fund	116,250	-
Health Insurance Fund		
General Fund	1,352,252	-
Burton Industrial Park Fund		
Economic Development Fund	1,333,472	-
Reserve Fund		
General Fund	1,964,869	1,646,000
Capital Project Fund	-	755,000
Capital Improvement Fund		
General Fund	689,325	-
Capital Project Fund		
General Fund	100,000	-
Reserve Fund	755,000	-
Burton Industrial Park Fund	-	24,998
Economic Development Fund	-	1,133,472
Economic Development		
General Fund	200,000	-
Capital Project Fund	1,133,472	-
Burton Industrial Park Fund	-	1,333,472
Solid Waste Fund		
General Fund	-	256,197
Airport Fund		
General Fund	279,695	851,316
Airport Construction	-	-
Total operating transfers-other funds	\$ 11,277,848	\$ 11,277,848
Operating Transfers From/To Component Units:		
General Fund		
Component Units - discretely presented		
Onslow County ABC Board	\$ 816,509	\$ -
Component Units - discretely presented		
Onslow County ABC Board		
General Fund	-	816,509
Total operating transfers - component units	\$ 816,509	\$ 816,509

SCHEDULE 43  
Onslow County, North Carolina  
**CALCULATION OF DEBT SERVICE COVERAGE RATIO  
IN THE SOLID WASTE FUND**  
June 30, 2020

	<u>2020</u>	<u>2019</u>
Gross Revenue	\$ 7,935,256	\$ 10,121,959
Current Expense (1)	4,201,044	3,392,230
Net Operating Revenues	3,734,212	6,729,729
Non-Operating Revenues (2)	860,047	900,072
Net Revenues Available for Debt Service	4,594,259	7,629,801
Debt Service(4)	-	-
Balance after Debt Service	\$ 4,594,259	\$ 7,629,801
Debt Service Coverage Ratio (3)	-	-

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

(2) Non-operating revenues include interest earnings

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

(4) Excluding early retirement of debt

## **STATISTICAL SECTION (UNAUDITED)**

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

### **Financial Trends**

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

### **Revenue Capacity**

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

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 39,169,765	\$ 41,295,541	\$ 52,499,284	35,009,562	\$ 21,751,936	\$ 27,383,173	\$ 46,638,251	\$ 43,059,886	\$50,192,124	\$ 85,246,277
Restricted	23,751,953	21,880,805	17,933,655	17,587,375	20,415,082	24,513,219	43,772,141	46,966,936	43,091,160	130,186,871
Unrestricted	(73,052,983)	(57,291,328)	(55,307,563)	(21,429,680)	(18,480,500)	(31,553,746)	(97,008,911)	(114,211,226)	(106,106,599)	(223,753,003)
Total governmental activities net position	\$ (10,131,265)	\$ 5,885,018	\$ 15,125,376	\$ 31,167,257	\$ 23,686,518	\$ 20,342,646	\$ (6,598,519)	\$ (24,184,404)	\$ (12,823,315)	\$ (8,319,855)
Business-type activities										
Net investment in capital assets	\$ 10,483,833	\$ 9,920,340	\$ 6,996,050	7,584,760	\$ 52,764,262	\$ 61,195,486	\$ 66,859,805	\$ 68,322,013	\$70,579,752	\$ 71,593,259
Restricted	-	-	434,333	3,621,795	11,506,481	5,973,043	3,116,482	-	-	-
Unrestricted	7,654,375	6,679,992	10,381,899	5,658,668	(1,147,250)	3,426,382	5,474,333	4,682,337	12,172,146	14,215,538
Total business-type activities net position	\$ 18,138,208	\$ 16,600,332	\$ 17,812,282	\$ 16,865,223	\$ 63,123,493	\$ 70,594,911	\$ 75,450,620	\$ 73,004,350	\$82,751,898	\$ 85,808,797
Primary government										
Net investment in capital assets	\$ 49,653,598	\$ 51,215,881	\$ 59,495,334	\$ 42,594,322	\$ 74,516,198	\$ 88,578,659	\$ 113,498,056	\$ 111,381,899	\$120,771,876	\$ 156,839,536
Restricted	23,751,953	21,880,805	18,367,988	21,209,170	31,921,563	30,486,262	46,888,623	46,966,936	43,091,160	130,186,871
Unrestricted	(65,398,608)	(50,611,336)	(44,925,664)	(15,771,012)	(19,627,750)	(28,127,364)	(91,534,578)	(109,528,889)	(93,934,453)	(209,537,465)
Total primary governmental net position	\$ 8,006,943	\$ 22,485,350	\$ 32,937,658	\$ 48,032,480	\$ 86,810,011	\$ 90,937,557	\$ 68,852,101	\$ 48,819,946	\$69,928,583	\$ 77,488,942

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Expenses</b>										
Governmental activities:										
General government	\$ 14,411,264	\$ 15,560,998	\$ 14,799,008	\$ 22,777,669	\$ 30,659,150	\$ 47,971,694	\$ 70,662,241	\$ 30,274,066	\$ 41,439,497	\$ 35,892,558
Public safety	26,146,318	28,802,679	32,660,320	36,093,273	33,008,595	33,239,161	37,686,112	51,253,280	48,915,138	55,185,894
Transportation	2,925,992	2,936,231	2,661,338	2,690,594	256,337	252,469	273,784	279,622	334,593	556,315
Economic and physical development	3,072,804	3,070,191	3,168,507	2,908,105	3,058,587	2,595,080	965,006	3,085,350	4,359,635	5,579,280
Human services	42,670,482	43,152,170	42,198,540	41,384,535	42,075,113	34,890,914	37,879,610	41,763,091	39,083,017	39,905,959
Environmental protection	925,393	486,504	431,598	428,552	375,724	337,895	493,372	655,346	459,241	525,988
Cultural and recreation	3,922,812	3,994,784	3,491,814	4,307,435	3,489,563	4,225,753	3,868,999	5,090,754	4,736,706	5,183,532
Education	40,223,529	43,724,834	48,109,492	48,109,492	39,606,710	54,574,794	56,535,827	64,271,131	66,461,235	67,784,613
Interest on debt	8,650,557	8,221,233	8,093,175	7,766,668	7,035,533	6,948,105	10,002,444	3,442,845	3,336,187	3,583,856
Total governmental activities	142,949,151	149,949,624	155,613,792	166,466,323	159,565,312	185,035,865	218,367,395	200,115,485	209,125,249	214,197,996
Business-type activities:										
Solid waste	6,424,364	7,323,629	5,808,913	5,372,303	5,544,747	5,542,587	5,323,833	8,015,286	5,557,599	6,279,990
Airport	-	-	-	-	2,908,190	2,785,503	5,205,255	3,684,276	4,584,741	5,814,572
Total business-type activities	6,424,364	7,323,629	5,808,913	5,372,303	8,452,937	8,328,090	10,529,088	11,699,562	10,142,340	12,094,562
Total primary government expenses	\$ 149,373,515	\$ 157,273,253	\$ 161,422,705	\$ 171,838,626	\$ 168,018,249	\$ 193,363,955	\$ 228,896,483	\$ 211,815,047	\$ 219,267,589	\$ 226,292,558
<b>Program Revenues</b>										
Governmental activities										
Charges for services:										
General government	\$ 2,138,352	\$ 2,182,950	\$ 1,787,860	\$ 2,131,857	\$ 3,446,028	\$ 3,296,243	\$ 2,496,439	\$ 3,613,784	\$ 3,726,989	\$ 4,127,347
Public safety	6,399,138	6,002,452	6,147,792	6,447,295	4,967,549	5,618,146	5,321,934	6,766,387	5,949,465	6,263,772
Transportation	2,270,807	1,909,151	3,174,812	2,239,559	-	-	-	-	-	-
Economic and physical development	182,582	177,695	161,775	109,049	106,112	101,562	110,697	-	-	-
Human services	5,075,059	4,411,314	4,663,733	4,420,348	4,360,533	4,442,703	3,853,199	2,931,194	2,437,817	3,079,326
Cultural and recreation	272,779	266,546	250,904	414,953	402,178	429,525	431,446	403,862	402,314	364,743
Education	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions:										
General government	1,156,629	1,250,276	1,118,654	9,816,366	7,192,983	7,644,059	9,205,609	9,008,880	14,572,460	10,635,445
Public safety	933,541	836,718	1,073,486	874,443	703,787	811,431	1,505,781	195,748	206,699	189,256
Transportation	1,815,222	349,362	328,046	487,700	256,337	252,469	239,784	-	-	-
Economic and physical development	631,746	604,233	80,484	43,598	1,005,327	1,047,960	1,003,593	-	-	-
Human services	23,964,412	25,043,577	23,385,442	22,939,407	26,159,904	26,144,754	25,477,765	21,490,500	22,896,833	25,496,801
Environmental protection	4,904	56,737	-	16,796	411,025	354,669	446,860	-	-	-
Cultural and recreation	377,949	259,635	233,124	232,538	242,506	248,092	263,451	33,341	33,341	-
Education	87	1,562	-	-	-	-	-	-	-	-
Capital grants and contributions:										
General government	-	-	-	-	-	50,303	-	2,940,557	3,203,115	2,221,199
Public safety	-	3,400	-	-	-	-	-	-	-	-
Transportation	-	2,598,850	144,210	4,860,837	-	-	-	-	-	-
Economic and physical development	-	-	-	2,046,467	-	-	-	-	-	-
Cultural and recreation	-	19,604	-	-	-	-	-	-	-	-
Education	3,163,000	3,000,000	3,000,000	-	1,646,000	3,171,574	1,735,703	3,524,824	5,792,579	879,998
Total governmental activities program revenues	48,386,207	48,974,062	45,550,322	57,081,213	50,900,269	53,613,490	52,092,261	50,909,077	59,221,612	53,257,887

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Business-type activities:										
Charge for services - Solid waste	6,689,597	6,876,377	5,969,509	5,653,844	5,634,478	5,565,184	5,782,673	6,392,590	9,632,711	7,935,256
Charge for services - Airport					3,011,013	4,028,920	3,685,014	3,912,780	4,290,018	3,586,509
Operating grants and contributions - Solid Waste	76,460	198,301	788,394	408,088	410,136	448,614	526,806	-	-	-
Operating grants and contributions - Airport	-	-	-	-	-	-	4,555	-	-	-
Capital grants and contributions - Solid Waste	-	-	-	-	197,557	-	197,927	9,714	-	51,213
Capital grants and contributions - Airport	-	-	-	-	-	-	-	2,395,674	6,299,494	4,025,875
Total business-type activities program revenues	6,766,057	7,074,678	6,757,903	6,061,932	9,253,184	10,042,718	10,196,975	12,710,758	20,222,223	15,598,853
Total primary government program revenues	\$ 55,152,264	\$ 56,048,740	\$ 52,308,225	\$ 63,143,145	\$ 60,153,453	\$ 63,656,208	\$ 62,289,236	\$ 63,619,835	\$ 79,443,835	\$ 68,856,740
<b>Net (Expense)/Revenue</b>										
Governmental activities	\$ (94,562,944)	\$ (100,975,562)	\$ (110,063,470)	\$ (109,385,112)	\$ (108,665,043)	\$ (131,422,375)	\$ (166,275,134)	\$ (149,206,408)	\$ (149,903,637)	\$ (160,940,109)
Business-type activities	341,693	(248,951)	948,990	689,629	800,247	1,714,628	(332,113)	1,011,196	10,079,883	3,504,291
Total primary government net (expense)/revenue	\$ (94,221,251)	\$ (101,224,513)	\$ (109,114,480)	\$ (108,695,483)	\$ (107,864,796)	\$ (129,707,747)	\$ (166,607,247)	\$ (148,195,212)	\$ (139,823,754)	\$ (157,435,818)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Property taxes	72,001,685	74,515,960	77,688,298	82,125,826	88,826,062	90,617,420	92,571,203	96,527,768	101,817,468	102,111,111
Local option sales tax	29,764,463	35,124,668	36,431,687	37,749,744	38,646,343	39,677,477	42,089,627	43,916,852	50,551,745	54,290,940
Other taxes and licenses	2,930,666	2,947,134	2,895,039	2,800,525	2,841,268	2,825,316	3,100,073	5,695,866	6,639,066	6,387,482
Investment earnings	314,889	252,501	246,202	206,322	402,355	337,455	650,781	1,222,070	1,587,232	1,270,205
Grants and contributions not restricted	-	-	-	472,153	518,230	481,682	2,138,830	-	-	-
Miscellaneous	1,178,330	1,651,581	2,042,600	(14,010)	1,833,997	(6,379,618)	1,522,712	312,883	303,652	556,013
Transfers	2,500,000	2,500,000	-	2,086,436	-	518,780	389,085	928,534	574,342	827,818
Total governmental activities:	108,690,033	116,991,844	119,303,826	125,426,996	133,068,255	128,078,512	142,462,311	148,603,973	161,473,505	165,443,569
Business-type activities:										
Other taxes and licenses	-	-	-	381,391	407,735	412,005	428,688	502,911	461,977	-
Investment earnings	57,803	49,469	60,509	41,010	42,795	41,666	62,159	220,585	491,055	353,224
Grants	-	-	-	291,299	18,541,290	6,553,343	5,085,800	17,592	27,271	-
Miscellaneous	380,258	1,161,606	202,451	(263,952)	(35,808)	(731,449)	260	(59,132)	5,101	27,202
Transfers	(2,500,000)	(2,500,000)	-	(2,086,436)	-	(518,780)	(389,085)	(928,534)	(574,342)	(827,818)
Total business-type activities	(2,061,939)	(1,288,925)	262,960	(1,636,688)	18,956,012	5,756,785	5,187,822	(246,578)	411,062	(447,392)
Total primary government	\$ 106,628,094	\$ 115,702,919	\$ 119,566,786	\$ 123,790,308	\$ 152,024,267	\$ 133,835,297	\$ 147,650,133	\$ 148,357,395	\$ 161,884,567	\$ 164,996,177
<b>Change in Net Position</b>										
Governmental activities	14,127,089	16,016,282	9,240,356	16,041,883	24,403,212	(3,343,863)	(23,812,823)	(602,435)	11,569,868	4,503,460
Business-type activities	(1,720,246)	(1,537,876)	1,211,950	(947,059)	19,756,259	7,471,413	4,855,709	764,618	10,490,945	3,056,899
Total primary government	\$ 12,406,843	\$ 14,478,406	\$ 10,452,306	\$ 15,094,824	\$ 44,159,471	\$ 4,127,550	\$ (18,957,114)	\$ 162,183	\$ 22,060,813	\$ 7,560,359

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>General Fund</b>										
Non Spendable	\$ 201,363	\$ 385,272	\$ 378,401	\$ 315,160	\$ 838,763	\$ 203,256	\$ 562,492	\$ 814,237	\$ 773,528	\$ 567,451
Restricted	17,520,915	18,604,070	16,815,361	22,979,240	26,533,879	22,976,631	23,639,266	25,386,881	34,867,587	35,874,295
Committed	5,748,148	9,971,633	12,732,066	14,119,181	30,203,810	30,637,191	30,276,933	27,316,359	26,944,428	29,819,759
Assigned	16,235,147	16,512,852	14,352,225	15,045,048	13,175,417	16,844,249	20,139,611	16,927,244	13,137,690	12,107,419
Unassigned	19,176,784	17,260,233	19,527,233	13,343,077	11,959,790	10,911,833	4,222,223	2,693,101	1,488,632	11,407,297
<b>Total general fund</b>	<b>\$ 58,882,357</b>	<b>\$ 62,734,060</b>	<b>\$ 63,805,286</b>	<b>\$ 65,801,706</b>	<b>\$ 82,711,658</b>	<b>\$ 81,573,160</b>	<b>\$ 78,840,525</b>	<b>\$ 73,137,822</b>	<b>\$ 77,211,865</b>	<b>\$ 89,776,221</b>
<b>All Other Governmental Funds</b>										
<b>Restricted</b>										
Special revenue funds	3,662,646	1,342,657	1,017,659	1,088,535	1,158,894	1,256,264	1,296,626	1,590,694	1,466,699	1,375,310
Capital project funds	2,547,963	1,934,078	100,635	367,482	459,776	280,324	530,280	14,988,273	7,184,221	9,903,212
School Construction	20,429	-	-	-	-	-	18,305,969	13,465,458	5,181,106	89,714,721
<b>Committed</b>										
Special revenue funds	272,108	21,645	70,292	74,553	59,908	36,140	183,747	59,046	57,273	37,504
Capital project funds	3,302,634	4,508,352	40,669,482	30,406,223	8,290,150	15,602,676	20,206,565	-	-	-
School Construction	-	-	-	-	(1,422,280)	15,683,840	-	-	-	-
<b>Assigned</b>										
Special revenue funds	105,000	-	-	49,764	103,339	11,740	74,154	120,862	70,816	399,679
Capital project funds	-	-	-	115,378	-	-	-	-	-	-
School Construction	-	-	-	-	-	-	-	-	-	-
<b>Unassigned</b>										
Special revenue funds	(119,912)	(75,401)	(26,802)	(172,624)	(18,547)	(188,708)	(28,551)	(264,339)	(253,998)	(244,532)
Capital project funds	-	-	-	-	-	-	-	(4,754,917)	(513,442)	(2,581,636)
School Construction	(20,429)	-	-	-	-	-	-	(7,957,147)	(3,737,132)	(41,954,138)
<b>Total all other governmental funds</b>	<b>\$ 9,770,439</b>	<b>\$ 7,731,331</b>	<b>\$ 41,831,266</b>	<b>\$ 31,929,311</b>	<b>\$ 8,631,240</b>	<b>\$ 32,682,276</b>	<b>\$ 40,568,790</b>	<b>\$ 17,247,930</b>	<b>\$ 9,455,543</b>	<b>\$ 56,650,120</b>

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Expenditures	\$ 147,861,457	\$ 157,177,551	\$ 161,852,822	\$ 173,120,035	\$ 168,044,709	\$ 189,919,382	\$ 196,570,603	\$ 197,981,073	\$ 208,381,422	\$ 204,506,234
Non Spendable	0.14%	0.25%	0.23%	0.18%	0.50%	0.11%	0.29%	0.41%	0.37%	0.28%
Restricted	11.85%	11.84%	10.39%	13.27%	15.79%	12.10%	12.03%	12.82%	16.73%	17.54%
Committed	3.89%	6.34%	7.87%	8.16%	17.97%	16.13%	15.40%	13.80%	12.93%	14.58%
Assigned	10.98%	10.51%	8.87%	8.69%	7.84%	8.87%	10.25%	8.55%	6.30%	5.92%
Unassigned	12.97%	10.97%	12.06%	7.71%	7.12%	5.75%	2.15%	1.36%	0.71%	5.58%
Total general fund	39.82%	39.91%	39.42%	38.01%	49.22%	42.95%	40.11%	36.94%	37.05%	43.90%
All Other Governmental Funds										
Expenditures	\$ 18,031,083	\$ 7,412,474	\$ 9,749,587	\$ 28,194,360	\$ 14,430,800	\$ 29,666,330	\$ 44,491,470	\$ 29,536,490	\$ 16,749,065	\$ 21,297,267
Restricted										
Special revenue funds	20.31%	18.11%	10.44%	3.86%	8.03%	4.23%	2.91%	5.39%	8.76%	6.46%
Capital project funds	14.13%	26.09%	1.03%	1.30%	3.19%	0.94%	1.19%	50.74%	42.89%	46.50%
School Construction	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	41.14%	45.59%	30.93%	421.25%
Committed										
Special revenue funds	1.51%	0.29%	0.72%	0.26%	0.42%	0.12%	0.41%	0.20%	0.34%	0.18%
Capital project funds	18.32%	60.82%	417.14%	107.85%	57.45%	52.59%	45.42%	0.00%	0.00%	0.00%
School Construction	0.00%	0.00%	0.00%	0.00%	-9.86%	52.87%	0.00%	0.00%	0.00%	0.00%
Assigned										
Special revenue funds	0.00%	0.00%	0.00%	0.18%	0.72%	0.04%	0.17%	0.41%	0.42%	1.88%
Capital project funds	0.58%	0.00%	0.00%	0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
School Construction	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Unassigned										
Special revenue funds	-0.67%	-1.02%	-0.27%	-0.61%	-0.13%	-0.64%	-0.06%	-0.89%	-1.52%	-1.15%
Capital project funds	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-16.10%	-3.07%	-12.12%
School Construction	-0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-26.94%	-22.31%	-196.99%
Total all other governmental funds	54.19%	104.29%	429.05%	113.25%	59.81%	110.17%	91.18%	58.40%	56.45%	266.00%



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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<b>Revenues</b>										
Taxes:										
Property tax	\$ 72,618,421	\$ 74,594,932	\$ 77,685,835	\$ 82,381,962	\$ 90,012,138	\$ 91,827,237	\$ 93,509,432	\$ 96,117,729	\$101,909,216	\$ 101,896,530
Sales tax	29,764,463	35,124,668	36,431,687	37,749,744	38,646,343	39,677,477	42,089,627	43,916,852	50,551,745	54,290,940
Other tax	2,930,666	2,947,134	2,895,039	2,800,525	2,841,268	2,825,316	3,100,073	3,568,100	4,368,131	4,213,636
<b>Total taxes</b>	<b>105,313,550</b>	<b>112,666,734</b>	<b>117,012,561</b>	<b>122,932,231</b>	<b>131,499,749</b>	<b>134,330,030</b>	<b>138,699,132</b>	<b>143,602,681</b>	<b>156,829,092</b>	<b>160,401,106</b>
Intergovernmental	32,990,197	34,684,046	31,307,663	41,366,424	37,692,797	36,644,051	41,143,776	38,832,259	48,566,042	41,596,545
Charges for Services, Permits and Fees	15,813,798	14,867,213	15,398,482	15,763,061	13,693,426	17,414,422	12,660,575	12,824,418	12,548,839	13,709,979
Interest	314,889	250,812	246,202	206,322	402,355	337,455	650,781	1,255,411	1,620,573	1,270,205
Miscellaneous	760,439	1,059,099	1,004,686	1,293,058	1,024,576	1,152,512	1,956,647	907,651	1,008,851	958,320
<b>Total Revenues</b>	<b>155,192,873</b>	<b>163,527,904</b>	<b>164,969,594</b>	<b>181,561,096</b>	<b>184,312,903</b>	<b>189,878,470</b>	<b>195,110,911</b>	<b>197,422,420</b>	<b>220,573,397</b>	<b>217,936,155</b>
<b>Expenditures</b>										
General Government	12,606,338	13,839,700	13,546,837	21,549,070	22,999,946	24,933,886	25,552,823	25,354,964	34,309,619	27,489,815
Public Safety	24,648,768	27,696,591	29,816,004	32,356,310	33,994,452	34,737,802	36,090,773	37,427,739	39,232,744	39,927,404
Transportation	1,815,862	1,966,533	1,864,069	2,024,051	256,337	252,469	273,784	273,784	273,306	314,252
Economic Development	2,857,424	3,621,583	3,054,463	2,843,520	3,125,569	3,017,868	3,554,015	2,783,456	2,581,381	2,666,655
Human Services	41,919,385	43,049,213	41,131,828	41,123,280	42,979,592	45,155,903	46,909,201	39,381,167	37,599,707	37,507,766
Environmental Protection	524,107	459,966	483,414	388,634	418,666	481,995	441,254	414,835	378,105	452,156
Culture and Recreation	3,784,381	3,703,656	3,523,774	4,097,889	4,067,374	4,051,113	4,258,693	4,149,174	4,363,328	4,432,383
E-911	444,308	264,966	78,234	316,131	304,588	314,300	341,161	-	-	-
Education	40,223,529	43,724,834	48,109,492	48,109,492	39,606,710	54,574,794	56,535,827	72,402,213	72,713,602	76,889,017
Capital Outlay	16,519,532	6,628,862	9,543,564	27,847,160	15,810,784	29,831,178	43,882,522	32,250,518	18,624,591	23,333,807
Debt Service:										
Principal	11,832,236	11,358,243	12,736,387	12,709,662	12,083,616	13,983,748	14,067,486	8,395,045	10,718,761	8,655,373
Interest and Fees	8,716,670	8,275,880	7,714,343	7,949,197	8,077,532	8,250,656	9,154,534	4,684,668	4,335,343	4,134,873
<b>Total Expenditures</b>	<b>165,892,540</b>	<b>164,590,027</b>	<b>171,602,409</b>	<b>201,314,396</b>	<b>183,725,166</b>	<b>219,585,712</b>	<b>241,062,073</b>	<b>227,517,563</b>	<b>225,130,487</b>	<b>225,803,501</b>
Excess of revenues over (under) expenditures	(10,699,667)	(1,062,123)	(6,632,815)	(19,753,300)	587,737	(29,707,242)	(45,951,162)	(30,095,143)	(4,557,090)	(7,867,346)
<b>Other Financing Sources (Uses)</b>										
Transfers in	4,104,869	5,084,659	5,515,670	6,975,085	20,386,729	6,703,709	4,815,915	8,136,104	9,032,864	4,091,299
Transfers out	(1,604,869)	(2,584,659)	(5,515,670)	(4,888,649)	(20,386,729)	(6,184,929)	(4,129,830)	(7,207,570)	(8,458,522)	(3,263,481)
Proceeds from issuance of debt	-	335,000	81,862,358	9,643,440	61,671,787	51,986,289	49,561,822	-	-	66,625,196
Proceeds from sale of capital assets	23,922	39,716	256,239	117,891	1,290,607	114,717	419,649	143,046	264,405	173,265
Transfer to escrow agent	-	-	(40,314,625)	-	(61,299,846)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>2,523,922</b>	<b>2,874,716</b>	<b>41,803,972</b>	<b>11,847,767</b>	<b>1,662,548</b>	<b>52,619,786</b>	<b>50,667,556</b>	<b>1,071,580</b>	<b>838,747</b>	<b>67,626,279</b>
<b>Net change in fund balances</b>	<b>\$ (8,175,745)</b>	<b>\$ 1,812,593</b>	<b>\$ 35,171,157</b>	<b>\$ (7,905,533)</b>	<b>\$ 2,250,284</b>	<b>\$ 22,912,543</b>	<b>\$ 4,716,393</b>	<b>\$ (29,023,563)</b>	<b>\$ (3,718,343)</b>	<b>\$ 59,758,933</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>13.76%</b>	<b>12.43%</b>	<b>12.62%</b>	<b>11.91%</b>	<b>12.01%</b>	<b>11.72%</b>	<b>11.78%</b>	<b>6.70%</b>	<b>7.29%</b>	<b>6.32%</b>

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

Fiscal Year Ended 30-Jun	Real Property				Personal Property	Public Service Companies <sup>2</sup>	Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate <sup>3</sup>	Estimated Actual Taxable Value <sup>4</sup>	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Industrial Property	Present-use Value <sup>1</sup>							
2011	8,891,552,353	1,594,443,809	24,554,930	146,074,040	1,529,407,049	221,310,911	98,526,412	12,308,816,680	0.585	12,419,209,655	101.78%
2012	9,245,167,973	1,682,814,273	24,394,430	142,138,096	1,558,905,126	235,265,035	105,140,261	12,783,544,672	0.585	12,898,339,897	99.85%
2013	9,780,653,503	1,774,523,012	24,394,430	143,861,236	1,680,109,281	237,905,066	292,394,369	13,349,052,159	0.585	13,220,239,568	103.19%
2014	10,070,041,503	1,742,233,183	23,753,560	140,333,245	1,370,781,476	245,936,849	304,430,612	13,288,649,204	0.585	13,160,419,476	103.08%
2015	9,425,864,578	1,818,264,946	21,282,240	129,609,455	1,694,406,591	243,106,513	295,631,090	13,036,903,233	0.675	12,911,102,745	97.83%
2016	9,583,040,338	1,837,274,076	22,555,280	292,376,515	1,636,719,724	284,070,687	310,057,493	13,345,979,127	0.675	13,217,196,190	97.83%
2017	9,733,175,407	1,874,018,606	22,086,340	292,342,825	1,813,199,894	290,126,822	321,003,804	13,703,946,090	0.675	13,571,708,926	97.83%
2018	9,967,919,548	1,886,558,006	23,348,540	121,110,965	2,019,208,424	315,527,205	342,994,851	13,990,677,837	0.675	13,990,677,837	102.45%
2019	10,048,593,750	2,036,604,494	29,444,271	125,910,010	1,929,078,328	316,590,295	184,332,780	14,301,888,368	0.705	14,506,429,017	99.86%
2020	10,401,088,550	2,020,378,745	29,074,682	123,988,410	1,968,326,347	326,924,995	407,483,501	14,462,298,228	0.705	14,669,133,003	101.37%

Source: Annual County Report of Valuation and Property Tax Levies

Notes:

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

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

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

<sup>3</sup> Per \$100 of value.

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

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

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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Onslow County	\$ 0.5850	\$ 0.5850	\$ 0.5850	\$ 0.5850	\$ 0.6750	\$ 0.6750	\$ 0.6750	\$ 0.6750	\$ 0.7050	\$ 0.7050
<u>Municipality Rates:</u>										
Holly Ridge	0.4150	0.4150	0.4150	0.4150	0.4150	0.4150	0.4150	0.4150	0.4050	0.3900
Jacksonville	0.5380	0.5380	0.5380	0.5380	0.6420	0.6420	0.6420	0.6420	0.6420	0.6420
North Topsail Beach	0.2355	0.2355	0.2355	0.3755	0.3932	0.3932	0.3932	0.3932	0.3435	0.4100
Richlands	0.3700	0.3700	0.3700	0.3600	0.3800	0.3800	0.3800	0.3800	0.3800	0.4000
Surf City (1)	0.3100	0.2826	0.3100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100	0.4100
Swansboro	0.3930	0.3930	0.3930	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500	0.3500

<sup>1</sup> This municipality became a multi-county town through annexation in 1988.

Notes:

<sup>A</sup> Property was revalued in 2018

<sup>B</sup> For each government, certain motor vehicles were taxed at the preceding year's rates.

Source: Onslow County Tax Administration

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

	2020			2011		
	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total County Taxable Assessed Value
<b>Taxpayer</b>						
Jones Onslow EMC	148,340,865	1	1.03%	111,072,068	1	0.90%
Duke Energy Progress	90,252,726	2	0.62%			
Wal Mart Real Estate Business Trust	43,608,364	3	0.30%			
PR Jacksonville Limited Partnership	42,990,950	4	0.30%	39,371,480	3	0.32%
Traingle Palisades at Jacksonville LLC	29,891,869	5	0.21%			
Stanadyne Corporation	28,037,764	6	0.19%			
Bailey & Fuller Properties LLC	27,910,045	7	0.19%			
Time Warner Cable Southeast LLC	26,920,887	8	0.19%			
Brunswick Timber LLC	25,417,230	9	0.18%			
BRC Jacksonville Commons LLC	24,217,630	10	0.17%			
Carolina Telephone				50,925,636	2	0.41%
Progress Energy Carolinas				39,273,426	4	0.32%
Puller Place LLC				23,432,730	5	0.19%
Cross Pointe Developers LLC				22,102,690	6	0.18%
Abbingtion SPE LLC				21,674,689	7	0.18%
Arlington West Apartment Homes LLC				21,341,230	8	0.17%
Jax Commons LLC				21,222,664	9	0.17%
Marine Federal Credit Union *				32,633,316	10	0.17%
Total	487,588,330		3.37%	383,049,929		3.01%

Source: County Tax Administration

\* Value includes prior year discovery assessments.

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

Fiscal Year Ended 30-Jun	Taxes levied for the Fiscal Year	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount Collected	Percent of Levy Collected		Amount	Percent of Levy Collected
2011	72,816	69,098	94.89%	2,321	71,419	98.08%
2012	75,432	71,749	95.12%	2,413	74,162	98.32%
2013	79,022	74,883	94.76%	2,369	77,252	97.76%
2014	78,566	75,301	95.84%	2,069	77,370	98.48%
2015	82,177	79,757	97.06%	1,803	81,560	99.25%
2016	83,333	81,172	97.41%	1,932	83,104	99.73%
2017	84,550	82,560	97.65%	1,556	84,116	99.49%
2018	85,825	84,486	98.44%	900	85,386	99.49%
2019	91,165	90,009	98.73%	405	90,414	99.18%
2020	91,948	90,535	98.46%	-	90,535	98.46%

Source: Onslow County Tax Administration

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

Fiscal Year	Governmental Activities						Business-type Activities			Total Primary Government	Per Capita (1)	Percentage of Personal Income (1)
	General Obligation Bonds	Installment Purchase Obligations	Bond Anticipation Notes	Limited Obligation Bonds	Certificates of Participation	Unamortized Premium	General Obligation Bonds	Revenue Bonds	Special Obligation Bonds			
2011	\$ 94,323,921	\$ 13,538,410	\$ -	\$ -	\$ 65,450,000	\$ 1,123,921	\$ -	\$ -	\$ 4,940,000	\$ 179,376,252	1,009	2.27%
2012	88,492,808	12,175,520	-	-	61,500,000	1,057,808	-	-	4,305,000	167,531,136	909	2.02%
2013	87,547,123	10,129,133	-	40,996,930	57,555,000	2,496,930	-	-	3,650,000	202,375,116	1,059	2.40%
2014	81,240,776	16,922,742	-	40,996,930	53,610,000	9,462,706	-	-	2,970,000	205,203,154	1,062	2.46%
2015	67,455,000	11,783,043	-	38,500,000	51,095,000	16,313,676	-	-	2,265,000	187,411,719	973	2.29%
2016	61,830,000	9,679,295	-	83,325,000	46,980,000	20,032,115	-	-	1,535,000	223,381,410	1,152	2.51%
2017	56,000,000	7,676,809	-	124,050,000	42,885,000	25,426,683	-	-	780,000	256,818,492	1,313	2.95%
2018	50,140,000	5,990,682	-	119,145,000	38,810,000	23,510,330	-	-	-	237,596,012	1,203	2.60%
2019	44,440,000	4,719,554	-	113,260,000	34,695,000	21,593,978	-	-	-	218,708,532	1,100	NA
2020	38,770,000	3,734,777	-	161,350,000	30,620,000	31,182,819	-	-	-	265,657,596	1,282	NA

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

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

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

Fiscal Year	General Bonded Debt Outstanding				Percentage of Personal Income(1)	Percentage of Actual Taxable Value of Property(2)	Per Capita(1)
	General Obligation Bonds	Unamortized Premium	Less: Amounts Restricted to Repaying Principal	Total			
2011	\$ 93,200,000	\$ 1,123,921	\$ -	\$ 94,323,921	1.19%	0.77%	531
2012	87,435,000	1,057,808	-	88,492,808	1.07%	0.69%	480
2013	79,990,000	7,557,123	-	87,547,123	1.04%	0.66%	458
2014	74,275,000	6,965,776	-	81,240,776	0.97%	0.61%	420
2015	67,455,000	9,393,934	-	76,848,934	0.94%	0.59%	399
2016	61,830,000	8,570,316	-	70,400,316	0.79%	0.53%	363
2017	56,000,000	7,746,698	-	63,746,698	0.73%	0.47%	326
2018	50,140,000	6,923,081	-	57,063,081	0.63%	0.41%	289
2019	44,440,000	6,099,464	-	50,539,464	NA	0.35%	254
2020	38,770,000	5,275,847	-	44,045,847	NA	0.30%	213

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

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

(2) See schedule 5 for property value data.

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Assessed Value of Property	\$ 12,308,817	\$ 12,792,909	\$ 13,349,052	\$ 13,316,023	\$ 13,036,903	\$ 13,154,328	\$ 13,703,946	\$ 13,935,632	\$ 14,210,500	\$ 14,462,298
Debt Limit, 8% of Assessed Value (Statutory Limitation)	984,705	1,023,433	1,067,924	1,065,282	1,042,952	1,052,346	1,096,316	1,114,851	1,136,840	1,156,984
Amount of Debt Applicable to Limit										
General obligation bonds	94,324	88,493	84,631	81,240	67,455	61,830	56,000	50,140	44,440	38,770
Bonds authorized but not issued	3,780	3,780	-	-	-	-	-	-	-	-
Installment purchase agreements	13,538	12,176	10,129	16,922	11,783	9,679	7,676	5,990	4,719	3,734
Bond anticipation bonds	-	-	-	-	-	-	-	-	-	-
Limited obligation bonds	-	-	40,997	40,996	38,500	83,325	124,050	119,145	113,260	161,350
Certificates of participation	65,450	61,500	57,555	53,610	51,095	46,980	42,885	38,810	34,695	30,620
Special obligation bonds	4,940	4,305	-	2,970	2,265	1,535	780	-	-	-
Gross Debt	182,032	170,254	193,312	195,738	171,098	203,349	231,391	214,085	197,114	234,474
Less:										
Debt outstanding for water and sewer purposes	-	-	-	-	-	-	-	-	-	-
Revenue bonds	-	-	-	-	-	-	-	-	-	-
Special obligation Bonds	4,940	4,305	3,650	2,970	2,265	1,535	780	-	-	-
Total net debt applicable to limit	177,092	165,949	189,662	192,768	168,833	201,814	230,611	214,085	197,114	234,474
Legal Debt Margin	\$ 807,613	\$ 857,484	\$ 878,262	\$ 872,514	\$ 874,119	\$ 850,532	\$ 865,705	\$ 900,766	\$ 939,726	\$ 922,510
Total net debt applicable to the limit as a percentage of debt limit	17.98%	16.21%	17.76%	18.10%	16.19%	19.18%	21.04%	19.20%	17.34%	20.27%

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

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



Table 12  
Onslow County, North Carolina  
Computation of Direct and Overlapping Debt  
General Obligation Bonds  
June 30, 2020  
(unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>		<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		
Direct Debt:				
Onslow County	\$ 265,657,596	\$ -	100.00%	\$ 265,657,596
Overlapping Debt:				
Jacksonville	\$ -	\$ -	100.00%	\$ -
Holly Ridge	94,000	-	100.00%	94,000
North Topsail Beach	-	-	100.00%	-
Richlands	-	-	100.00%	-
Surf City *	-	-	42.82%	-
Swansboro	-	-	100.00%	-
Total direct and overlapping debt				<u>\$ 265,751,596</u>

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

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

Fiscal Year Ended June 30	Gross Operating Revenue	Direct Operating Expenses	Non Operating Revenues	Net Revenue Available for Debt Service	Debt Service Requirements				Coverage
					Principal	Interest	Total		
2011	\$ 7,107	\$ 3,495	\$ 94	\$ 3,706	\$ 610	\$ 196	\$ 806	\$ 5	
2012	7,074	4,577	418	2,915	635	175	810	3.60	
2013	7,033	5,810	50	1,273	655	151	806	1.58	
2014	7,229	5,540	-	1,689	680	129	809	2.09	
2015	6,554	5,135	-	1,419	705	106	811	1.75	
2016	6,890	5,256	-	1,634	730	80	810	2.02	
2017	6,995	5,304	-	1,691	755	55	810	2.09	
2018	6,980	4,919	-	2,061	780	27	807	2.55	
2019	10,531	6,998	-	3,533	-	-	-	-	
2020	8,279	6,469	-	1,810	-	-	-	-	

Source: Onslow County Audits

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

<b>Year</b>	<b>Population(1)</b>	<b>Personal Income (2) (thousands of dollars)</b>	<b>Per Capita Personal Income (2)</b>	<b>Median Age (1)</b>	<b>Public School Enrollment(3)</b>	<b>Unemployment Rate(4)</b>
2011	177,772*	7,895,564	43,990	26.08	23,477	9.60%
2012	184,228	8,296,419	45,277	26.60	24,232	9.20%
2013	191,030	8,421,526	44,124	25.90	24,889	7.50%
2014	193,221	8,342,524	44,078	26.29	25,169	6.20%
2015	192,645	8,188,720	44,349	26.26	25,314	6.30%
2016	193,914	8,892,158	47,517	26.40	25,839	5.50%
2017	195,621	8,719,755	44,972	26.51	26,055	5.00%
2018	197,455	9,121,475	46,142	26.24	26,329	4.60%
2019	198,483	N/A	N/A	N/A	26,654	4.80%
2020	207,252	N/A	N/A	N/A	N/A	7.20%

Notes:

(1) State demographics website demography.osbm.nc.gov. figure is as of July  
previous reports used a different website, preceding years were changed to new website figures

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

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

(4) N. C. Department of Commerce, www.nccommerce.com, June figures

\* per 2010 census

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

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
US Department of Defense*	1000+	1	See %	1000+	1	See %
Onslow County Board of Education	1000+	2	Below	1000+	2	Below
Camp Lejeune Civil Service				1000+	3	
Marine Corps Exchange Service	1000+	3				
Wal-Mart Associates, Inc.	1000+	4		500-999	6	
Onslow County Government	1000+	5		1000+	5	
Onslow Memorial Hospital	1000+	6		1000+	4	
Coastal Carolina Community College	500-999	7		500-999	7	
Food Lion	500-999	8		<500	10	
City of Jacksonville	500-999	9		500-999	8	
Concentrix/Convergys Customer Mgmt Group	500-999	10		500-999	9	

**Source:** NC Department of Commerce

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

\* includes civil servants

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

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government	122	121	123	127	130	135	136	131	135	140	144
Public safety	307	331	430	426	461	465	436	446	461	474	526
Transportation	23	23	23	23	28	-	-	-	-	-	-
Economic & physical development	34	33	33	31	31	32	32	31	31	31	32
Human Services	472	474	474	455	467	451	451	443	444	453	461
Environmental protection	4	4	4	4	4	4	4	4	4	4	3
Cultural and recreational	66	66	67	65	88	87	66	66	66	66	84
Enterprise Fund - Solid Waste	27	27	27	27	27	27	27	27	28	28	28
Enterprise Fund - Airport	-	-	-	-	-	31	22	28	27	27	32
<b>Total</b>	<b>1055</b>	<b>1079</b>	<b>1181</b>	<b>1158</b>	<b>1236</b>	<b>1232</b>	<b>1174</b>	<b>1176</b>	<b>1196</b>	<b>1223</b>	<b>1310</b>

Source: County Human Resources Department

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

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

<b>Function/Program</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
General government										
Number of registered voters	87,126	92,076	92,234	94,684	95,408	90,601	100,159	108,298	100,782	107,398
Marriage licenses issued	3,101	2,851	2,714	2,697	2,633	2,577	2,662	2,691	2,585	2,034
Deeds recorded	6,903	6,613	6,984	6,658	7,152	7,292	8,320	8,984	9,116	9,979
Public Safety										
# of Civil papers received at sheriffs	24,853	23,847	25,377	25,471	26,226	24,834	25,554	24,717	23,113	20,491
# of Civil papers served at sheriffs	20,049	18,789	19,781	19,299	20,318	19,856	20,443	20,243	1,847	16,228
# of E911 EMS calls	16,596	16,691	17,510	25,587	26,447	29,020	31,573	32,161	28,729	21,772
# of E911 Fire calls	4,336	3,919	12,598	3,964	3,917	4,304	4,876	4,618	11,069	22,578
# of E911 law enforcement calls	45,134	48,861	46,348	60,347	67,373	75,878	85,501	95,024	96,734	87,768
Animal Complaints	7,625	7,719	8,348	9,203	8,039	6,567	7,636	9,003	9,678	8,799
Animals sheltered	5,994	6,477	6,012	5,889	6,297	4,788	4,346	4,756	4,775	4,442
Transportation										
Enplanements	165,322	174,903	172,285	162,867	151,903	146,417	156,010	153,723	157,594	126,901
Economic & Physical Development										
# of building permits	2,043	2,074	1,827	1,760	2,249	2,097	2,667	3,598	4,890	5,132
# of building inspections	24,949	29,416	30,980	28,221	22,767	20,852	20,923	26,951	31,147	38,497
Human Services										
Health Dept										
# of Food & Lodging inspections	1,198	1,528	1,514	1,335	1,486	1,812	1,974	2,061	2,437	2,443
# of patients contacts	27,150	13,077	24,612	13,653	13,578	16,709	18,589	11,889	13,834	13,375
Social Services										
# of clients served	60,548	66,076	49,269	52,810	35,769	39,370	44,598	27,691	30,483	31,759
Senior Services										
# of clients served	4,526	4,916	2,796	5,089	5,160	6,551	7,530	7,187	6,263	5,299
Veterans Services										
# clients served	15,493	22,969	44,561	35,779	35,281	39,832	42,424	41,232	43,592	50,209
Environmental Protection										
feet on waterways cleared of debris	20,225	102,145	86,369	61,232	21,648	18,565	18,565	68,251	23,232	27,980
# of citizen mosquito complaints & responses	690	433	307	432	705	756	756	1,040	5,249	1,956
Cultural & recreational										
# of library visits	360,882	357,559	345,982	362,800	415,545	418,004	400,029	389,346	365,853	285,632
# of museum visits	4,000	3,708	5,216	4,557	4,680	3,809	5,902	5,757		3,404
Enterprise Fund-Solid Waste										
Landfill & Convenience site transactions	157,253	256,457	286,791	154,969	159,816	174,956	171,676	198,109	288,357	242,296
Tonnage at sites	1,521	2,744	2,777	2,644	3,837	3,815	3,895	4,483	4,561	4,186
Recyclables tonnage from sites	922	621	744	1,402	646	925	1,009	625	683	920
White goods tonnage	261	199	264	349	471	581	750	942	1,173	1,136

Source: Onslow County departments

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

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
Public Safety											
Number of patrol vehicles	153	166	178	195	187	150	150	150	166	161	160
Volunteer Fire Depts	20	20	20	19	17	17	16	15	16	12	12
Volunteer Rescue Squads	9	9	8	7	7	7	6	5	5	1	0
Volunteer Fire & Rescue	-	-	-	-	-	1	2	2	2	3	3
County Fire and Rescue Stations	-	-	-	-	-	-	-	-	1	1	1
Number of EMS stations	7	7	7	7	7	7	7	7	7	6	6
Number of ambulances	31	32	32	24	23	23	23	28	29	30	31
Number of other Emergency Vehicles	-	-	-	-	-	-	-	12	14	14	18
Number of jail beds	118	118	528 *	528	528	528	528	528	528	528	528
Cultural & Recreational											
Number of Parks	13	13	13	13	13	13	13	13	13	13	13
Acreage	1050	1050	1050	1050	1050	1050	1050	1050	1050	1073	1073
Number of libraries	5	5	5	5	5	5	5	5	4	4	4
Enterprise fund											
Solid Waste											
Number of convenience sites	10	10	10	10	10	10	10	10	10	10	10
Yrs of estimated life of Landfill	12.0	12	12	11	13	13	13	13	30	23	22
Education											
Number of Public Schools	35	35	35	35	35	35	38	38	38	38	38

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

## **COMPLIANCE SECTION**



**Independent Auditor's Report on Internal Control Over Financial Reporting  
and On Compliance and Other Matters Based On An Audit of  
Financial Statements Performed In Accordance With  
*Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Onslow County, North Carolina (the "County"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 8, 2021. Our report includes a reference to other auditors who audited the financial statements of Onslow County ABC Board and Onslow County Hospital Authority, as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported separately by those auditors. The financial statements of Onslow County ABC Board and Onslow County Hospital Authority were not audited in accordance with *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

### **Compliance and Other Matters.**

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

### **Purpose of this Report**

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

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

Raleigh, North Carolina  
March 8, 2021

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

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

**Report on Compliance for Each Major Federal Program**

We have audited Onslow County, North Carolina's (the "County") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *Audit Manual for Governmental Auditors in North Carolina*, issued by the Local Government Commission, that could have a direct and material effect on each of the County's major federal programs for the year ended June 30, 2020. The County's major federal programs are identified in the summary of auditor's results section of the accompanying *Schedule of Findings and Questioned Costs*.

**Management's Responsibility**

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

**Auditor's Responsibility**

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

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

**Opinion on Each Major Federal Program**

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

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify certain deficiencies in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as items 2020-001 and 2020-002 that we consider to be significant deficiencies.

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

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



Raleigh, North Carolina  
March 8, 2021

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

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

**Report on Compliance for Each Major State Program**

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

***Management's Responsibility***

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

***Auditor's Responsibility***

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

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

***Opinion on Each Major State Program***

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

## Report on Internal Control Over Compliance

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

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control over compliance, as described in the accompanying *Schedule of Findings and Questioned Costs* as item 2020-001 that we consider to be a significant deficiency.

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

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

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

Raleigh, North Carolina  
March 8, 2021

**Onslow County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2020***

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**Section I. Summary of Auditor's Results**

Financial Statements

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

Internal control over financial reporting:

- Material weakness(es) identified \_\_\_\_\_ yes   X   no
- Significant deficiency(s) identified \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted: \_\_\_\_\_ yes   X   no

Federal Awards

Internal control over major federal programs:

- Material weakness identified \_\_\_\_\_ yes   X   no
- Significant deficiency(s) identified   X   yes \_\_\_\_\_ none reported

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

Any audit findings disclosed that are required to be reported in accordance  
2 CFR 200.516(a): \_\_\_\_\_ yes   X   no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
21.019	Coronavirus Relief Fund
93.044, 93.045, 93.053	Aging Cluster
93.778	Medicaid Cluster
93.568	Low-Income Home Energy Assistance
10.551, 10.561	Supplemental Nutrition Assistance Program

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

Auditee qualified as low risk auditee? \_\_\_\_\_ yes   X   no

State Awards

Internal control over major state programs:

- Material weakness identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(s) identified   X   yes \_\_\_\_\_ none reported

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

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

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**Onslow County, North Carolina**  
***Schedule of Findings and Questioned Costs***  
***For the year ended June 30, 2020***

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**Section I. Summary of Auditor's Results, Continued**

Identification of major State programs:

Public School Building Capital Fund  
A J Ellis South GA Development Phase I

Other major state programs for the County are Medical Assistance Program (Medicaid) and Aging Cluster, which are state matches of federal programs. Therefore, these programs have been included in the list of major federal programs above.

**Section II. Financial Statement Findings**

None

**Section III. Federal Awards Findings and Questioned Costs**

**Finding 2020-001, Significant Deficiency over Eligibility, Repeat finding 2019-002**

***Information on the federal program:*** Medicaid Cluster (Medicaid), CFDA 93.778, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Medical Assistance (DSS).

***Criteria or specific requirement:*** Per the North Carolina Medicaid Assistance Program (Medicaid; Title XIX) Compliance Supplement and the DSS manuals (Aged, Blind and Disabled manual, Family and Children Medicaid manual and the Integrated Policy manual), case files for individuals or families receiving assistance are required to retain documentation to evidence appropriate eligibility determination, including:

- accurate record of household members and relationships
- accurate computation of countable income and resources
- verification of earned income

***Conditions:*** We noted that in six instances, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In two instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In fourteen instances, the case record did not contain evidence that the household and relationship information to verify household composition. In one instance, DMV OVS/OLV was not completed.

***Context:*** We sampled 93 payments from a total population of approximately 2.8 million payments made to the participants during the fiscal year. We noted the above condition in 19 of the 93 case files inspected for applicable payments.

***Effect:*** Case files not containing all required documentation result in a risk that the County could provide services to individuals not eligible to receive such services or that such services could be denied to eligible individuals. Subsequent to being notified that required documentation had not been retained in case files, the County was able obtain documentation to substantiate that the applicants tested were eligible to receive benefits.



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## Onslow County, North Carolina

### *Schedule of Findings and Questioned Costs*

*For the year ended June 30, 2020*

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#### Section III. Federal Awards Findings and Questioned Costs, Continued

##### **Finding 2020-001, Significant Deficiency over Eligibility, Repeat Finding 2019-002, Continued**

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.

**Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

##### **Finding 2020-002, Significant Deficiency over Eligibility, Repeat finding 2019-003**

**Information on the federal program:** Low Income Home Energy Assistance, CFDA 93.568, U.S. Department of Health and Human Services, passed through the N.C Department of Health and Human Services, Division of Social Services.

**Criteria or specific requirement:** Per the North Carolina Low-Income Energy Assistance Program Compliance Supplement, local agencies must accurately record the household's income. All Crisis Intervention Program case records must include a copy of the Rights and Responsibilities page with the applicant's signature and any other documents used to determine eligibility.

**Condition:** We noted in twelve instances, the total countable income was not recorded accurately into the NC FAST system based upon documentation in the case record. In three instances the rights and responsibilities page of the application was not signed by the applicant.

**Context:** We sampled 93 case files of a total of 4437 cases. We noted the above condition in 15 of the 93 inspected files.

**Effect:** Ineligible individuals could receive benefits due to insufficient verification of information by a caseworker. Subsequent to being notified that income verification documentation had not been retained in case files, the County was able to obtain documentation to substantiate that the applications tested were eligible to receive benefits.

**Cause:** Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews the documentation.

**Recommendation:** We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

#### Section IV. State Awards Findings and Questioned Costs

Finding 2020-001 listed in Section III *Federal Award Findings and Questioned Costs* is also considered to be state award finding.



### **Corrective Action Plan**

#### **Finding 2020-001, Significant Deficiency over Eligibility, Repeat finding 2019-002**

**Cause:** The County did not retain required documentation in case files at the time eligibility was determined.

**Auditor's Recommendation:** We recommend that the County train and monitor employees on the eligibility determination process. We also recommend the County review and amend current policy and procedures in place to ensure that all eligibility determination documentation is completed and retained by the County.

**Corrective Action Plan:** Medicaid Maintenance will implement specified trainings on determining HH comp for each HH member, accurately computing all countable income to include resources for Traditional cases, which approved methods are to be used to verify said income and how to correctly apply these computations to the evidence in NCF by February 2021. We will continue to work with the unit to determine a plan that will ensure all required documents are placed in the case record at time of review and every HH member has OVS ran for them to determine client eligibility.

Also implement further internal controls to ensure accurate monitoring of reviews, to include correct determinations, appropriate case documentation/narration, and policy approved verifications methods for all eligibility requirements during the QC process of reviews.

Medicaid Intake will implement trainings by February 2021 to cover and reinforce:

- Household relationships, the accuracy of the relationship and record within NCFast.
- Countable income, accurate calculations and verifications that are required by policy.
- Tax filing status, per policy for each client and the correctness of what is reflected in NCFast.
- Reiterate that OVS and The Work Number must be run on each application.

We will continue to monitor applications for proper documentation and to ensure verifications are uploaded when the application is processed.

Further trainings will be conducted on persistent QC errors that are found during the year.

**Proposed Completion Date:** 2/2021

**Name/Position Contact Person:** Kimberly Sholar/Program Manager

#### **Finding 2020-002, Significant Deficiency over Eligibility, Repeat finding 2019-003**

**Cause:** Internal controls are not in place to ensure the proper documentation and verification is completed and a DSS caseworker reviews documentation.

**Auditor's Recommendation:** We recommend that the County continue to train and monitor employees on the eligibility application process to ensure eligibility procedures are completed appropriately and are reviewed by the DSS caseworker and retained by the County.

**Corrective Action Plan:** Energy will implement specified trainings by February 2021 to cover and reinforce:

- Income, accurate calculations, verifications, and accurate documentation/entry into NCFast.
- Worker signatures for Rights and Responsibilities page/form requirement.

Also implement further internal controls to ensure accurate monitoring of cases, to include correct income calculations, correct income documentation/entry, income verification/supporting documents, and all required signatures.

Further trainings will be conducted on persistent QC errors that are found during the year.

**Proposed Completion Date:** 2/2021

**Name/Position Contact Person:** Cathy Batchelor/ Program Manager



**Schedule of Prior Year Audit Findings  
For the year ended June 30, 2020**

**Finding 2019-001, Reporting of Construction in Progress**

Condition: CIP included \$208,779 and \$743,397 of prior year expenditures in the governmental activities and the airport fund, respectively, that did not meet the criteria for expenditures to be capitalized.

Current status: Finding corrected.

**Finding 2019-002, Medicaid Cluster Significant Deficiency over Eligibility**

Condition: We noted that in two instances, the case record did not contain two acceptable verifications of state residency or applicant's statement the applicant was unable to obtain two sources of state residency. In nine instances, the case record did not contain evidence that the household and relationship information to verify household composition. In three instances, the Employment Security Commission (ESC) OVS was not completed to verify the individual's earned income. In three instances, SOLQ OVS/ OLV, Bendex OVS/OLV, SDX OVS, ESC OVS, and ACTS OVS were not completed to verify the individual's unearned income. In one instance, the case record did not contain evidence that the State Online Query OVS (SOLQ) was completed to verify the individual's Social Security Number (SSN). In three instances, the case record did not contain an appropriate income conversion and computation in accordance with policy manuals. In nine instances, the total countable income was not recorded accurately into NC FAST based upon documentation in the case record. In one instance, the case file did not contain evidence to verify the individual's date of birth. In one instance, the casefile did not contain evidence that SOLIQ was completed or manual documentation obtained to verify the individuals citizenship/ alien status.

Current status: Finding repeated at 2020-001.

**Finding 2019-003, Low Income Home Energy Assistance Significant Deficiency over Eligibility**

Condition: We noted that in six instances, income verification was not completed during the review or application for the individuals. In four instances, the total countable income was not recorded accurately into the NC FAST system based upon documentation in the case record.

Current status: Finding repeated at 2020-002.

**ONSLOW COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<b>Federal Awards:</b>						
<u><b>U.S. Dept. of Agriculture</b></u>						
Passed-through the N.C. Dept. of Health and Human Services: Division of Social Services: Administration: State Administrative Matching Grants for the Supplemental Nutrition Assistance Program Cluster	10.561		\$ 1,601,736	\$ -	\$ -	\$ 1,601,736
Division of Public Health: Administration: Special Supplemental Nutrition Program for Women, Infants & Children General Admin	10.557		42,320	-	-	-
Women, Infants & Children Client Services	10.557		944,828	-	-	-
Women, Infants & Children Nutrition Education	10.557		261,371	-	-	-
Women, Infants & Children Breastfeeding Promo and Support	10.557		45,151	-	-	-
Women, Infants & Children Breastfeeding Peer Counselor	10.557		41,642	-	-	-
<b>Total U.S. Department of Agriculture</b>			<b>2,937,047</b>	<b>-</b>	<b>-</b>	<b>1,601,736</b>
<u><b>U. S. Department of Defense</b></u>						
Office of Economic Adjustment Joint Land Use Study	12.610		15,749	-	-	-
<b>Total U.S. Department of Defense</b>			<b>15,749</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u><b>Institute of Museum and Library Services</b></u>						
National Foundation on Arts and Humanities Passed-through NC Department of Cultural Resources: State Library of NC Library Services and Technology Act LSTA-Grants to States Training Grants	45.310		2,427	-	-	-
<b>Total Institute of Museum and Library Services</b>			<b>2,427</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u><b>U.S. Dept. of Justice</b></u>						
Federal Drug Forfeiture Program	16.000		63,128	-	-	-
FBI Safe Streets Task Force	16.738		1,780	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2017-DJ-BX-0129	18,460	-	-	-
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2019-DJ-BX-0064	5,038	-	-	-
Equitable Sharing Program-Sheriffs Office	16.922		52,472	-	-	-
Justice and Mental Health Collaborative Program	16.745	2018-MO-BX-0045	174,060	-	-	-
<b>Total U.S. Dept. of Justice</b>			<b>314,938</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u><b>U.S. Dept. of Transportation</b></u>						
Passed-through the N.C. Department of Transportation: Governor's Highway Safety Program	20.600		232,562	-	-	30,850
Aircraft Apron Rehabilitation	20.106	3-37-0033-037-2015	64,422	-	-	-
Airport Improvement Program - CARES	20.106	3-37-0033-040-2020	1,603,423	-	-	-
<b>Total U.S. Dept. of Transportation</b>			<b>1,900,407</b>	<b>-</b>	<b>-</b>	<b>30,850</b>
<u><b>U.S. Dept. of Treasury</b></u>						
Passed-through the N.C. Office of State Budget & Management NC Pandemic Recovery Office Coronavirus Aid, Relief, and Economic Security Act (CARES Act) (Note 5)	21.019		2,500,431	-	-	-
<b>Total U.S. Dept. of Treasury</b>			<b>2,500,431</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u><b>U. S. Department of Homeland Security</b></u>						
Passed-through N.C. Dept. of Public Safety: Division of Emergency Management Emergency Management Performance Grant	97.042		26,640	26,450	-	-
Disaster Grants - Public Assistance - Hurricane Irene	97.036	FEMA-4019DR-NC	3,750	1,250	-	-
Disaster Grants - Public Assistance - Hurricane Florence	97.036	FEMA-4393DR-NC	698,045	232,682	-	-
Disaster Grants - Public Assistance - Hurricane Dorian	97.036	FEMA-4465DR-NC	128,284	40,089	-	-
Hazard Mitigation Grant - Acquisition	97.039		21,439	7,146	-	-
Total Division of Emergency Management			878,157	307,616	-	-
Passed Through Transportation Security Administrations Law Enforcement	97.090	HSTS02-16-H-SLR763	103,310	-	-	-
Total TSA			103,310	-	-	-
<b>Total U. S. Department of Homeland Security</b>			<b>981,467</b>	<b>307,616</b>	<b>-</b>	<b>-</b>
<u><b>U.S. Dept. of Health &amp; Human Services</b></u>						
Passed through Centers for Disease Control and Prevention COVID-19-Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response	93.354		206,773	-	-	-
Passed through NC Department of Health and Human Services Passed through Eastern Carolina Council of Governments Title III, Part D, Disease Prevention	93.043		2,487	146	-	293
Medicare Enrollment Assistance Program	93.071		-	6,590	-	-
NC Department of Insurance State Health Insurance Assistance Program	93.324		7,256	-	-	-
Aging Cluster: HCCBG - Access Title III - B	93.044		101,371	5,963	-	11,926
HCCBG - Access State Appropriation	N/A		-	41,039	-	4,560
HCCBG - Congregate Meals Title III - C1	93.045		75,092	4,417	-	8,834
HCCBG - Home Delivered Meals Title III - C2	93.045		49,240	2,896	-	5,793
HCCBG - Home Delivered Meals	N/A		-	65,162	-	7,240
SSBG - In Home & Support Services	93.667		29,807	852	-	3,407
HCCBG - In Home & Support Services Title III - B	93.044		90,678	5,334	-	10,668
HCCBG - In Home & Support Services	N/A		-	240,743	-	26,749
Family Caregiver Support Title III-E	93.052		-	3,722	-	-
Family Caregiver Support	N/A		-	18,774	-	-
Nutrition Services Incentive Program	93.053		22,630	-	-	-
Operation Fan	N/A		-	800	-	-
Senior Center Development	N/A		-	10,574	-	-
Total Aging Cluster			368,818	400,276	-	79,177
Division of Social Services Temporary Assistance for Needy Families	93.558		1,528,778	-	-	-
Division of Public Health Temporary Assistance for Needy Families	93.558		20,735	-	-	-
<b>Total TANF Cluster</b>			<b>\$ 1,549,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**ONslow COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<b>Federal Awards, Continued:</b>						
<u>U.S. Dept. of Health &amp; Human Services, Continued</u>						
Child Support Enforcement	93.563		\$ 773,635	\$ -	\$ -	\$ 398,539
Stephanie Tubbs Jones Child Welfare Services Program:	93.645		49,098	-	-	16,366
Refugee and Entrant Assistance - State	93.566		1,521	-	-	-
Chafee Foster Care Independence Program	93.674		45,822	11,455	-	-
Social Services Block Grant	93.667		583,674	-	-	190,804
Low-Income Home Energy Assistance	93.568		1,337,875	-	-	-
Foster Care and Adoption Cluster (Note 4)						
Foster Care - Title IV-E	93.658		866,220	123,009	-	736,628
Foster Care - Title IV-E - IV-E ADMIN COUNTY PAID TO	93.658		195,837	97,918	-	97,918
Foster Care - Title IV-E - FAMILY FOSTER MAX	93.658		627	-	-	303
Foster Care - Title IV-E - FC & EXTEND MAX	93.658		217,068	59,555	-	41,700
Foster Care - Title IV-E - FC & EXTEND REG	93.658		404,322	104,124	-	77,929
Foster Care - Title IV-E - IV-E MAX LEVEL III	93.658		5,814	-	-	2,828
Adoption Assistance	93.659		70,101	-	-	70,101
Total Foster Care and Adoption Cluster (Note 4)			1,759,989	384,607	-	1,027,407
Special Children Adoption Fund						
	93.556		64,056	-	-	-
Division of Child Development and Early Education:						
Subsidized Child Care (Note 4)						
Child Care Development Fund Cluster						
Division of Social Services:						
Child Care Development Fund - Mandatory/Match	93.596		482,603	-	-	-
Total Subsidized Child Care Cluster (Note 4)			482,603	-	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Division of Social Services:						
Administration:						
Medical Assistance Program/Medicaid Cluster	93.778		3,439,028	7,043	-	1,243,883
Division of Social Services:						
Administration:						
Children's Health Insurance Program - N.C. Health Choice	93.767		104,490	449	-	10,166
Total Division of Social Services			10,170,568	403,554	-	2,887,166
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
COVID 19 Crisis Response - HEALTH	93.354		143,221	-	-	-
Hospital Preparedness Program (HPP) and Public						
Health Emergency Preparedness (PHEP)	93.074		26,441	-	-	7,234
Tuberculosis Demonstration, Research, Public						
and Professional Education	93.116		13,018	38,536	-	77,383
Child Health						
Care Coordination for Children	93.994		51,071	-	-	-
Child Fatality Prevention	93.994		-	-	-	-
Child Health	93.994		78,437	8,548	-	-
Maternal and Child Health - Mini Grants	93.994		-	-	-	-
Emergency Opioid Overdose	93.354		34,130	-	-	266
Family Planning						
Family Planning Healthy Mothers/Healthy Children	93.994		132,456	19,224	-	-
Family Planning Services	93.217		116,952	33,952	-	-
Maternal Health	93.994		28,005	19,118	-	75,249
Healthy Communities						
Preventative Health and Health Services Block Grant	93.991		29,024	-	-	-
Immunization Action Plan	93.268		78,948	-	-	-
Sexually Transmitted Diseases (STD) Prevention	93.977		42	-	-	-
and Control Grants						
Total Division of Public health			731,746	119,378	-	160,132
<b>Total U.S. Dept. of Health and Human Services</b>			<b>11,508,384</b>	<b>923,354</b>	<b>-</b>	<b>3,126,768</b>
US Army Corp of Engineers						
Mosquito Control Contract W912HN-09-P-0059	12.355		3,103	-	-	-
<b>Total federal awards</b>			<b>20,163,954</b>	<b>1,230,970</b>	<b>-</b>	<b>4,759,354</b>
<b>State Awards:</b>						
<u>N.C. Dept. of Administration</u>						
Veterans Service			-	2,182	-	-
<b>Total N.C. Dept. of Administration</b>			<b>-</b>	<b>2,182</b>	<b>-</b>	<b>-</b>
<u>N.C. Administrative Office of the Courts</u>						
Civil License Revocation			-	16,408	-	-
<u>N.C. Dept. of Agriculture and Consumer Services</u>						
Soil Conservation Reimbursement Program			-	3,600	-	-
Soil Conservation Program Grant			-	26,598	-	-
<b>Total N.C. Dept. of Agriculture and Consumer Services</b>			<b>-</b>	<b>30,198</b>	<b>-</b>	<b>-</b>
<u>N.C. Dept. of Cultural Resources</u>						
Division of State Library						
State Aid to Public Libraries			-	222,469	-	2,084,626
<b>Total N.C. Dept. of Cultural Resources</b>			<b>-</b>	<b>222,469</b>	<b>-</b>	<b>2,084,626</b>
<u>N.C. Department of Environmental Quality</u>						
Division of Waste Management						
White Goods Management Program Distribution			-	66,209	-	-
Scrap Tire Disposal Program Distribution			-	270,260	-	-
Community Waste Reduction and Recycling Grant			-	30,000	-	6,875
Electronics Recycling Program			-	11,678	-	-
<b>Total N.C. Dept. of Environmental Quality</b>			<b>\$ -</b>	<b>\$ 378,147</b>	<b>\$ -</b>	<b>\$ 6,875</b>

**ONslow COUNTY, NORTH CAROLINA**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS, CONTINUED**  
**For the Year Ended June 30, 2020**

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
<b>State Awards, Continued:</b>						
<u>N.C. Dept. of Health and Human Services</u>						
Division of Social Services:						
Foster Care At Risk Maximization			\$ -	\$ 19,301	\$ -	\$ 7,472
Foster Care At Risk			-	6,426	-	1,262
Energy Assist Private Grants			-	6,964	-	-
TANF/AFDC Incent/Program Integrity			-	175	-	-
State Adolescent Parenting Program			-	60,887	-	-
State Foster Home Maximization			-	97,842	-	97,842
State Foster Home			-	154,900	-	154,900
State Child Welfare/CPS/CS LD			-	167,020	-	-
Extended FC/Max NON IV-E			-	22,010	-	-
<b>Total Division of Social Service</b>			-	<b>535,524</b>	-	<b>261,477</b>
Division of Public Health						
General Aid to Counties			-	115,294	-	417,648
General Communicable Disease Control			-	7,498	-	188,714
Food and Lodging			-	43,183	-	-
School Nurse Funding Initiative			-	100,000	-	-
STD Drugs			-	5,370	-	-
Mosquito and Tick Suppression			-	922	-	-
CLAS			-	14,769	-	-
HIV/State SSBG Aid			-	11,344	-	-
<b>Total Division of Public Health</b>			-	<b>298,379</b>	-	<b>606,362</b>
Division of Mental Health, Developmental Disabilities and Substance Abuse Services						
Dorthea Dix Grant-Crisis Center Improvements			-	146,582	-	-
<b>Total N. C. Department of Health and Human Services</b>			-	<b>980,485</b>	-	<b>867,839</b>
<u>N.C. Dept. of Public Instruction</u>						
Public School Building Capital Fund - Lottery Proceeds			-	1,646,000	-	-
<u>N.C. Dept. of Public Safety</u>						
N.C. Dept. of Juvenile Justice and Delinquency Prevention						
Temporary Shelter Services			-	75,311	-	47,256
Juvenile Restitution Program			-	174,221	-	62,393
School Treatment program			-	139,832	-	23,426
Day Services Commitment Program			-	96,000	-	15,935
Onslow County Juvenile Crime Prevention Program			-	3,669	-	-
SHARP			-	30,832	-	1,208
Youth Court Diversion Program			-	63,403	-	-
<b>Total N.C. Dept of Public Safety</b>			-	<b>583,267</b>	-	<b>150,217</b>
<u>N.C. Dept. of Transportation</u>						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	116,636	-	-
ROAP Rural General Public Program		DOT-16CL	-	119,580	-	-
ROAP Work First Transitional - Employment		DOT-16CL	-	44,036	-	-
<b>Total ROAP Cluster</b>			-	<b>280,252</b>	-	-
Division of Aviation						
ALBERT J. ELLIS Airfield lighting and electrical improvements		DOT-8	-	375,353	-	-
ALBERT J. ELLIS Air Traffic Control Tower		DOT-8	-	-	-	26,069
ALBERT J ELLIS South GA Development Phase I		DOT-8	-	1,503,922	-	331,492
Total Division of Aviation			-	<b>1,879,275</b>	-	<b>357,561</b>
<b>Total N. C. Department of Transportation</b>			-	<b>2,159,527</b>	-	<b>357,561</b>
<u>N.C. Office of State Budget and Management</u>						
<b>Total State awards</b>			-	<b>6,018,682</b>	-	<b>3,467,119</b>
<b>Total Federal and State awards</b>			<b>\$ 20,163,954</b>	<b>\$ 7,249,652</b>	<b>\$ -</b>	<b>\$ 8,226,472</b>

**Note 1: Basis of Presentation**

The accompanying Schedule of Expenditures of Federal and State Awards (SEFSA) includes the federal and State grant activity of Onslow 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 Schedule presents only a selected portion of the operations of Onslow County, it is not intended to and does not present the financial position, changes in net position or cash flows of Onslow County.

**Note 2: Summary of Significant Accounting Policies**

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note 3: Indirect Cost Rate**

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

**Note 4: Cluster of Programs**

The following are clustered by the NC Department of Health and Human Services and are treated separately for state audit requirement purposes: Subsidized Child Care and Foster Care and Adoption

**Note 5: Coronavirus Relief Funds**

Onslow County received \$3,470,516 of funding from the Coronavirus Relief Fund (21.019) in accordance with HB 1043 and is scheduled to receive \$3,841,570 appropriated from HB 1023. At least twenty-five percent (25%) of the funds are mandated to go to municipalities within Onslow County, at the discretion of the County. Municipalities were 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, municipalities are not liable to the County for any misused or misspent funds. CRF must be spent during the period March 1, 2020 to December 30, 2020.