



Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2017



Nash County

North Carolina

Comprehensive Annual Financial Report

For the Year Ended June 30, 2017



**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

**NASH COUNTY, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2017
 TABLE OF CONTENTS**

<u>Exhibit</u>	INTRODUCTORY SECTION	<u>Page</u>
	INTRODUCTORY SECTION	
	Letter of Transmittal	i -vii
	List of Elected and Principal Officials	viii
	Organizational Chart	ix
	Certificate of Achievement for Excellence in Financial Reporting	x
	FINANCIAL SECTION	
	Independent Auditors' Report	1-3
	Management's Discussion and Analysis	4-14
	Basic Financial Statements:	
	Government-Wide Financial Statements:	
1	Statement of Net Position	15
2	Statement of Activities	16
	Fund Financial Statements:	
3	Balance Sheet – Governmental Funds	17
3a	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net	18
4	Statement of Revenues, Expenditures, and Changes in Fund Balances- Governmental	19
4a	Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund	20
5	Statement of Revenues, Expenditures, and Changes in Fund Balance- Budget and Actual - General Fund	21
6	Statement of Net Position –Proprietary Funds	22
7	Statement of Revenues, Expenses, and Changes in Fund Net Position- Proprietary Funds	23
8	Statement of Cash Flows – Proprietary Funds	24-25
9	Statement of Fiduciary Net Position – Fiduciary Funds	26
	Notes to the Financial Statements	27-67

**NASH COUNTY, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2017
 TABLE OF CONTENTS**

**NASH COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS (Continued)**

<u>Exhibit</u>		<u>Page</u>
	Required Supplementary Information:	
A-1	Other Postemployment Benefits - Schedule of Funding Progress and Employer	68
A-2	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (LGERS)	69
A-3	Schedule of County Contributions (LGERS)	70
A-4	Schedule of County's Proportionate Share of Net Pension Liability (Asset) (ROD)	71
A-5	Schedule of County Contributions (ROD)	72
A-6	Schedule of Changes in Total Pension Liability - Law Enforcement Officers' Special	73
A-7	Schedule of Total Pension Liability as a Percentage of Covered Payroll - Law Enforcement Officers' Special Separation Allowance	74
	Combining and Individual Fund Statements and Schedules:	
	<u>Governmental Funds</u>	
B-1	General Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	75-86
B-2	Revaluation Fund - Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	87
B-3	Economic Development Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	88
B-4	Courthouse Expansion Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	89
	<u>Nonmajor Funds</u>	
C-1	Nonmajor Funds - Combining Balance Sheet	90-92
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	93-95
C-3	Rural Operating Assistance Program - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	96
C-4	Fire District Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	97
C-5	Emergency Telephone System Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	98

**NASH COUNTY, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2017
 TABLE OF CONTENTS**

**NASH COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS (Continued)**

<u>Exhibit</u>		<u>Page</u>
C-6	Controlled Substance Fund -Schedules of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	99
C-7	Federal Asset Forfeiture Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	100
C-8	Stormwater Maintenance Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	101
C-9	Tourism Fund - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	102
C-10	Homeland Security Grant - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	103
C-11	Single Family Rehabilitation - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	104
C-12	Urgent Repair Program - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	105
C-13	Abandoned Manufactured Homes Grant - Schedule of Revenues, Expenditures, and	106
C-14	CDBG Grant Fund - Schedule of Revenues, Expenditures, and Changes in Fund	107
C-15	Nash Community College Bond Fund Project - Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	108
C-16	Capital Reserve Fund - Schedule of Revenues, Expenditures, and Changes in Fund	109
C-17	Middlesex Industrial Park - Schedule of Revenues, Expenditures, and Changes in Fund	110
C-18	Nashville EMS Station - Schedule of Revenues, Expenditures and Changes in Fund	111
C-19	Senior Center/Park Capital Reserve Fund - Schedule of Revenues, Expenditures, and	112
C-20	School Capital Fund - Schedule of Revenues, Expenditures, and Changes in Fund	113

Enterprise Funds

Schedules of Revenues and Expenditures - Budget and Actual (Non-GAAP):

D-1	Water and Sewer Fund	114-115
D-1a	Rural Center Grants Fund	116

**NASH COUNTY, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2017
 TABLE OF CONTENTS**

**NASH COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS (Continued)**

<u>Exhibit</u>		<u>Page</u>
D-1b	Highway 97 Sewer Expansion	117
D-2	Solid Waste Fund	118-119
D-2a	Solid Waste C&D Expansion	120
D-3	Central Nash Water and Sewer District	121-122

Internal Service Fund

E-1	Combining Statement of Net Position	123
E-2	Combining Statement of Revenues, Expenses, and Changes in Net Position	124
E-3	Combining Statement of Cash Flows	125
E-4	Employee Healthcare Benefits - Schedule of Revenues, and Expenditures - Budget and	126
E-5	Workers' Compensation Fund - Schedule fo Revenues, and Expenditures - Budget and	127

Agency Funds

F-1	Combining Statement of Net Position	128
F-2	Combining Statement of Changes in Fiduciary Assets and Liabilities	129

Other Schedules

G-1	Schedule of Ad Valorem Taxes Receivable - General Fund	130
G-2	Analysis of Current Tax Levy-County-wide Levy	131

STATISTICAL SECTION

<u>Table</u>		<u>Page</u>
1	Net Position by Component, Last Ten Fiscal Years	132
2	Changes in Net Position, Last Ten Fiscal Years	133-134
3	Governmental Activities Tax Revenues by Source, Last Ten Fiscal Years	135
4	Fund Balances, Governmental Funds, Last Ten Fiscal Years	136
5	Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years	137

**NASH COUNTY, NORTH CAROLINA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 For the Fiscal Year Ended June 30, 2017
 TABLE OF CONTENTS**

**NASH COUNTY, NORTH CAROLINA
 TABLE OF CONTENTS (Continued)**

<u>Table</u>		<u>Page</u>
STATISTICAL SECTION (continued)		
6	General Governmental Tax Revenues by Source, Last Ten Fiscal Years	138
7	Assessed Value and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years	139
8	Property Tax Rates, Direct and Overlapping Governments, Last Ten Fiscal Years	140
9	Principal Property Tax Payers	141
10	Property Tax Levies and Collections, Last Ten Fiscal Years	142
11	Ratio of Outstanding Debt by Type, Last Ten Fiscal Years	143
12	Ratios of General Bonded Debt Outstanding, Last Nine Fiscal Years	144
13	Direct and Overlapping Governmental Activities Debt	145
14	Legal Debt Margin Information, Last Ten Fiscal Years	146
15	Demographic and Economic Statistics, Last Ten Fiscal Years	147
16	Principal Employers, Current and Nine Years Ago	148
17	Full-Time Equivalent County Government Employees by Function, Last Ten Fiscal	149
18	Operating Indicators by Function, Last Ten Fiscal Years	150-151
19	Capital Assets Statistics by Function	152
COMPLIANCE SECTION		
		<u>Page</u>
	Report on Compliance and on Internal Control Over Financial Reporting Based on an	153-154
	Reporting on Compliance With Requirements Applicable to Each Major Federal	155-156
	Reporting on Compliance With Requirements Applicable to Each Major State Program	157-158
	Schedule of Findings and Questioned Costs	159-161
	Corrective Action Plan	162
	Summary Schedule of Prior Year Audit Findings	163
	Schedule of Expenditures of Federal and State Awards	164-167

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

INTRODUCTORY SECTION

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

NASH COUNTY

NASHVILLE, NORTH CAROLINA 27856



ROBBIE B. DAVIS
BOARD OF COMMISSIONERS

ZEE B. LAMB
COUNTY MANAGER

VINCE DURHAM
ATTORNEY

JANICE EVANS
CLERK TO BOARD

December 15, 2017

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

Maintaining the fiscal strength and stability of County government are primary goals of the Commissioners. This Comprehensive Annual Financial Report (Financial Statements) of Nash County, North Carolina, for the fiscal year ended June 30, 2017, is prepared to provide you with details about how the County receives, spends and accounts for its money, as well as key indicators of its financial strength. The County's Finance Department is responsible for the accuracy of the Financial Statement data, the completeness and fairness of the presentation, and all disclosures rests with the County. We believe the data and presentation are fair and accurate and that you will find everything necessary in this document to gain an understanding of the County's financial activities over the last fiscal year.

It is our pleasure to submit this Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2017. State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of Nash County.

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

Nash County's financial statements have been audited by Thompson, Price, Scott, Adams & Co., P.A., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of Nash County for the fiscal year ended June 30, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Nash County's financial statements for the

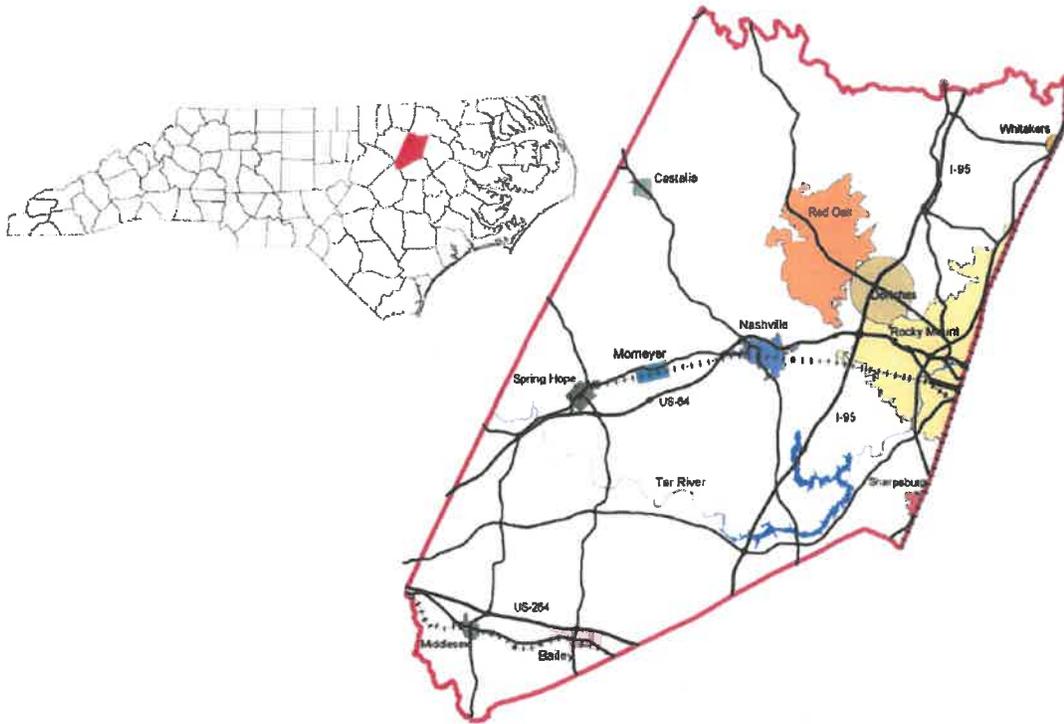
fiscal year ended June 30, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Government

Nash County was established in 1777 from the western part of Edgecombe County. Nash County could be classified as either a northern coastal plain county or a far eastern piedmont county. Falling midway between New York and Florida, Nash County occupies a total area of 542.71 square miles with a land area of 540.41 square miles. Nash County serves a population of 94,188 according to July 2017 projections from North Carolina Office of State Budget and Management website, www.osbm.nc.gov. The County is positioned as a major gateway between the Coastal Plain and Piedmont regions of North Carolina. Within 30 miles of the state capital of Raleigh, Nash County is within an hour's drive of the world-famous Research Triangle Park. Eleven municipalities are located within the County, the largest being the City of Rocky Mount. Nashville is the second largest municipality in population and serves as the county seat. Nash County is empowered to levy a property tax on both real and personal properties located within its boundaries.



The County operates under the commissioner/manager form of government. Policy-making and legislative authority are vested in a governing board consisting of seven elected commissioners. The governing board is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the government's manager and attorney. The government's manager is responsible for carrying out the policies and ordinances of the governing board, for overseeing the day-to-day operations of the government, and for appointing the heads of the various departments. Commissioners are elected by districts and serve four-year staggered terms.

Nash County provides its citizens with a wide range of services that include general administration, public safety, economic development, human services, cultural and recreational, and operation of Solid Waste Disposal and Water/Sewer infrastructures, as well as other services. This report includes all the County's activities in maintaining these services. The County also extends financial support to certain boards, agencies, and commissions to assist their efforts to serve citizens. Among these are the Nash-Rocky Mount Board of Education, and Nash Community College. Certain water/sewer services are provided through a legally separate Water and Sewer District, Central Nash Water & Sewer District which functions, in essence, as a department of Nash County and therefore has been included as an integral part of Nash County's financial statements. Additional information on Central Nash Water & Sewer District can be found in the notes to the financial statements (See Note 1).

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

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

Factors Affecting Financial Condition

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

Local economy

The local economy of Nash County is well diversified with manufacturing, retail trade, accommodation & food services, and health care and social assistance comprising the largest sectors of employment at 19.34%, 12.70%, 10.24% and 9.36% respectively.

The County saw a 0.8% decline in unemployment to 6.0% from the previous year's 6.8% but is still higher than the state's 4.2%. The local economy has experienced growth in the tax base and future employment opportunities to the area through the expansion of existing industry and newly located industries. The LS Tractor USA company is planning an \$11.5 million expansion and adding 31 jobs with an average salary of \$44,000 per year. The Cheesecake Factory Bakery will be adding 20,000 sq. ft. to their facility and increasing jobs. Poppies International increased their warehouse space with a 21,000 sq. ft. addition at a cost of \$2.1 million in new tax base. Pfizer has finished an additional 100,000 sq. ft. addition to their facility at an estimated investment of \$159 million. Grammer Industries located a butane transloading facility in Rocky Mount with 5 new jobs and \$300,000 investment.

CSX Intermodal Terminal, known as CCX the Carolina Connector, has chosen Rocky Mount as its new site. This \$270 million dollar project will position Nash and Edgecombe Counties as well as all of Eastern NC as a major logistics hub in the southeast. The project is expected to create 300 direct jobs with annual average salary of \$60,000, and an additional 300 construction jobs in the building phase.

Major manufacturing operations in Nash County include Cummins, Inc., a diesel engine manufacturer, Universal Leaf North America NC, Inc., a tobacco processing plant, Pfizer, Inc., a pharmaceutical manufacturer and Kaba Ilco-Unican Corporation, a security lock manufacturer.

Nash County is home to more than 400 farming operations of various sizes. A few more than half of the primary farm operators indicate their primary occupation to be farming. Interestingly, approximately two-thirds of Nash crop land is owned by non-farming landowners, who lease their land to active farmers. Soybean is the largest crop grown in the county at 29,829 acres. Most of the Nash County soybean crop is crushed and used as a protein supplement in livestock feed rations. Flu-cured tobacco acreage decreased 781 acres to 8,335 acres. Wheat acreage is relatively stable at 3,248 acres. Cotton acreage significantly increased to 7,354 acres after a drastic decrease in 2016. Farmers reported planting 9,425 acres of sweet potatoes with 94% being the Covington variety making Nash County #3 in the state for overall production. Poultry and eggs continue to be Nash County's highest valued

agricultural commodities, with flu-cured tobacco and sweet potatoes close behind. While crop farmers suffer from lower crop market prices, livestock and poultry production benefits from the currently lower prices for corn and wheat and moderate soybean prices. Crop production in Nash County is in the top 10 of cash receipts at \$105,431 and the annual estimated farm gate gross receipts for agricultural products grown are approximately \$189 million.

Long-Term Financial Planning

Unassigned fund balance in the general fund (33.9% of total general fund expenditures) falls within the policy guidelines set by the Board of Commissioners. Nash County Fiscal Policy for Reserves states the amount should be no less than 15% at close of each fiscal year. The Board has made one-time use of fund balance for capital expansion for property acquisitions and improvements.

Economic Development:

Nutkao: The Company completed renovation of shell building #5 in Whitaker Business and Industry Center in the Gold Rock Community of Rocky Mount, its North America headquarters. A \$750,000 pass-through grant from the NC Department of Commerce to Nutkao via Nash County assisted the company with its renovation costs.

Draka: Nash County used a \$45,725 grant from the NC Department of Transportation to extend Corporation Parkway to serve Draka Elevator's new facility in Whitaker Business an Industry Center in the Gold Rock community of Rocky Mount.

Highway 97 Sewer Expansion: Construction of a sewer line to serve the Nash County industrial site located on Highway 97 near I-95 is complete. This included a \$1.5 million grant from Golden LEAF as part of its Community Grantsmaking Initiative.

Middlesex Corporate Center Shell Building: The Board of Commissioners approved a contract for the construction of a Shell Building at the Middlesex Corporate Centre. The budget is \$1.7 million and is proposed to be completed in June 2018.

Public Water and Sewer:

Central Nash Water and Sewer District: The four phases of Central Nash Water and Sewer District have been completed. This included funding through four loans from the US Department of Agriculture Rural Development, plus four USDA-RD grants (totaling \$4 million), and 5 grants from the NC Rural Center (totaling \$2.5 million); the grants are now all closed out.

Northern Nash Water/Sewer District: The Board of Commissioners approved a State Revolving Fund (SRF) application for funding. It was awarded with \$3 million in grant funds, \$3 million in a 0% interest loan and \$3.45 million in a loan at ½ the market rate not to exceed 1.9% interest. The Towns of Red Oak and Dortches have committed funding for 10 years on the project and surveying has begun.

Technology:

The County implemented an enterprise fax solution to meet the growing document exchange needs of Nash County. This solution eliminates fax hardware by utilizing a highly scalable

software solution to send and receive sensitive documents directly to and from workstations, printers, laptops, or mobile devices.

High Speed Internet: Nash County issued a Request for Proposals in its next step toward a partnership with a private provider to expand high speed internet to the unserved and underserved areas of the county.

Remote Site Connectivity: In an effort to increase network security and provide dedicated connectivity to certain remote units of Government, MIS is working to secure dedicated fiber links to the EMS 800 Site (DR Site), Nash County Health Department (Rocky Mount location), and the Nash County Agricultural Building. Furthermore, by adding these additional sites to our core network, MIS will be upgrading the existing Internet connection from the Administration Building to accommodate these new users.

A content management solution has been implemented allowing Nash County to streamline the flow of digital information. This solution increases efficiency and reduces paper.

General

Courthouse Expansion Project: The Board of Commissioners approved a \$14 million Courthouse Expansion Project. Construction is underway and the project is proposed to be completed in November 2018.

Southern Nash Senior Center: The Board of Commissioners have approved to move forward with a construction project for a Senior Center in the Middlesex/Bailey Park area of Nash County. The Center is planned to be approximately 5,000 square foot building which is in line with the Towns concept including a future Community Building. The County has reserved \$900,000 in anticipation of the project but final cost estimates have not been determined.

Miracle Park: The Board of Commissioners has set aside \$250,000 for the construction of a Miracle Park. This park will provide handicapped accessible equipment and be available for county-wide use. The first task of identifying a site is complete. The Park is seeking funding from numerous sources and has applied for grants from Trillium Healthcare Resources and PARTF. A Request for Qualifications (RFQ) for a design consultant was advertised in July 2017, and the County selected Stocks Engineering.

Landfill Expansion: The Board of Commissioners have approved moving forward with a landfill expansion project. The Division of Environmental Quality (DEQ) issued a "Life of Site" permit for all 9 cells (landfill acres with all 9 cells up to 27.1 acres and the life to approximately 2053). Initial bids came in about double the expected cost. The County plans to put this project out to bid again in November 2017.

New Convenience Center: The Board of Commissioners approved an additional Convenience Center Site in the Coopers area. A site has been located and currently negotiations are taking place on the purchase of the property.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Nash County for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2016. This makes the twenty-sixth consecutive year Nash County received the award. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

Acknowledgements

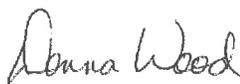
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report and to the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

Respectfully submitted,

NASH COUNTY, NORTH CAROLINA



Zee B. Lamb
County Manager



Donna Wood
Finance Officer

NASH COUNTY, NORTH CAROLINA

June 30, 2017

Board of County Commissioners

Robbie B. Davis, Chairman

Wayne Outlaw, Vice Chairman

Fred Belfield, Jr.

Dan Cone

Lou M. Richardson

Mary Wells

Lisa Barnes

County Officials

County Manager

Assistant County Manager

Finance Officer

County Attorney

Zee B. Lamb

Stacie Shatzer

Donna Wood

Vince Durham

Sheriff

Register of Deeds

Tax Administrator

Grants & Intergovernmental Relations

County Engineer/Public Works Director

Director of Health and Human Services/

Health Director/Solid Waste Director

Social Service Director

Emergency Services Director

Veteran Service Officer

Information Technology Director

Elections Director

Soil and Water Director

Planning and Inspections Director

Human Resources Director

Senior Services Director

Parks and Recreation Director

Cooperative Extension Director

Keith Stone

Anne Melvin

Jim Wrenn

Patsy McGhee

Michael Tolson

William Hill

Donna Boone

Brian Brantley

Tyler Staverman

Sandi Vick

John Kearney

Valerie Harris

Nancy Nixon

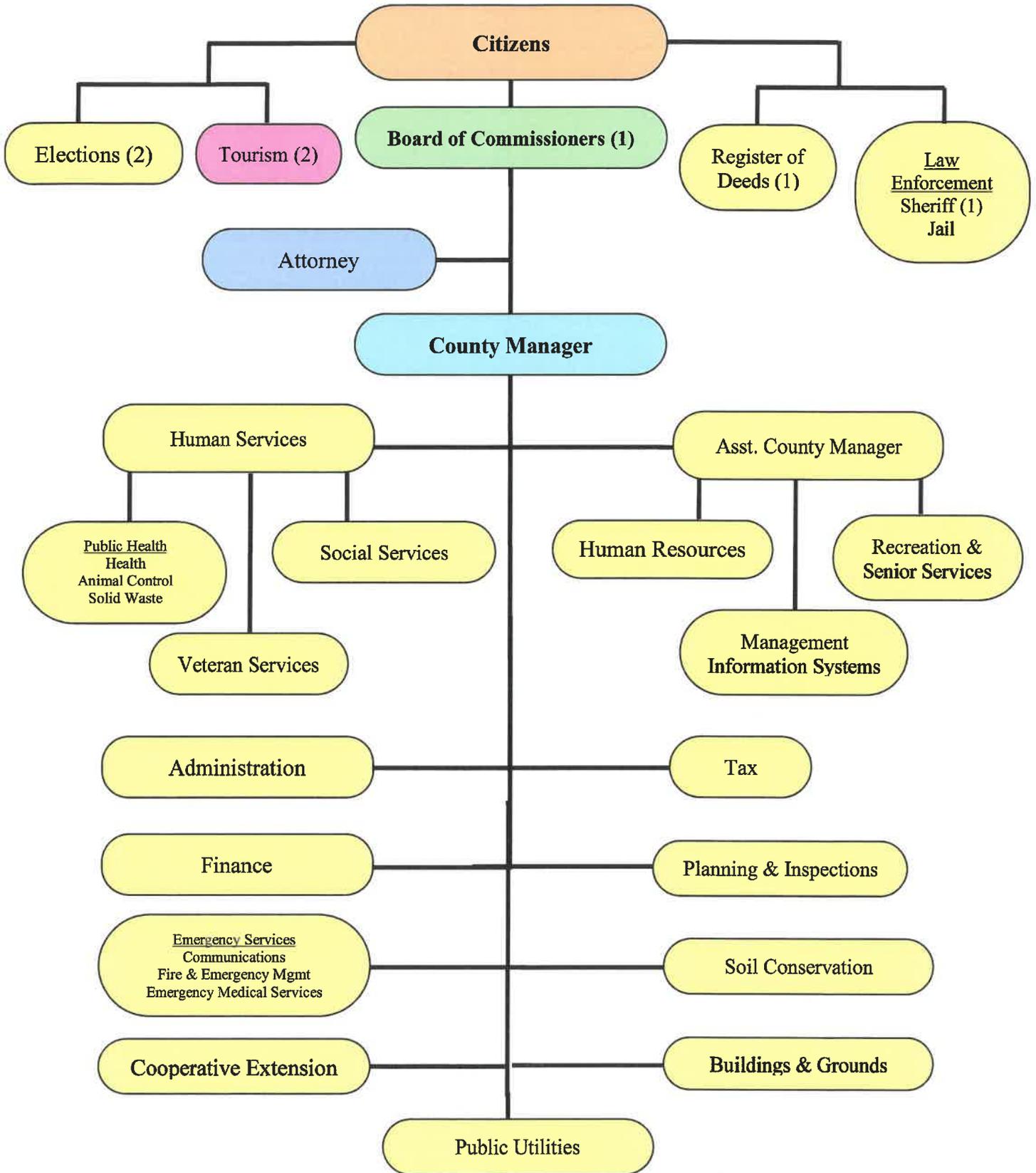
Elgin Lane

Michelle Mcknight

Thomas Gillespie

Sandy Hall

Nash County Organizational Chart





Government Finance Officers Association

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

Presented to

**Nash County
North Carolina**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

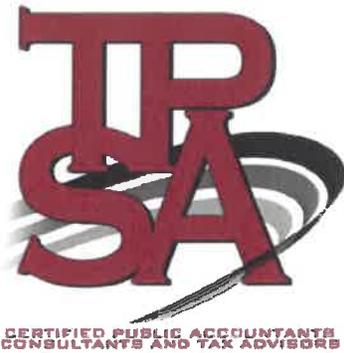
June 30, 2016

Executive Director/CEO

FINANCIAL SECTION

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)



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

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

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

INDEPENDENT AUDITORS' REPORT

To the Board of County Commissioners
Nash County
Nashville, North Carolina

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements which collectively comprise Nash County basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, based upon our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Nash County, North Carolina as of June 30, 2017, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated December 5, 2017 on our consideration of Nash County internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering Nash County's internal control over financial reporting and compliance.

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 15, 2017

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of Nash County, we offer readers of Nash County's financial statements this narrative overview and analysis of the financial activities of Nash County for the fiscal year ended June 30, 2017. We encourage readers to read the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative.

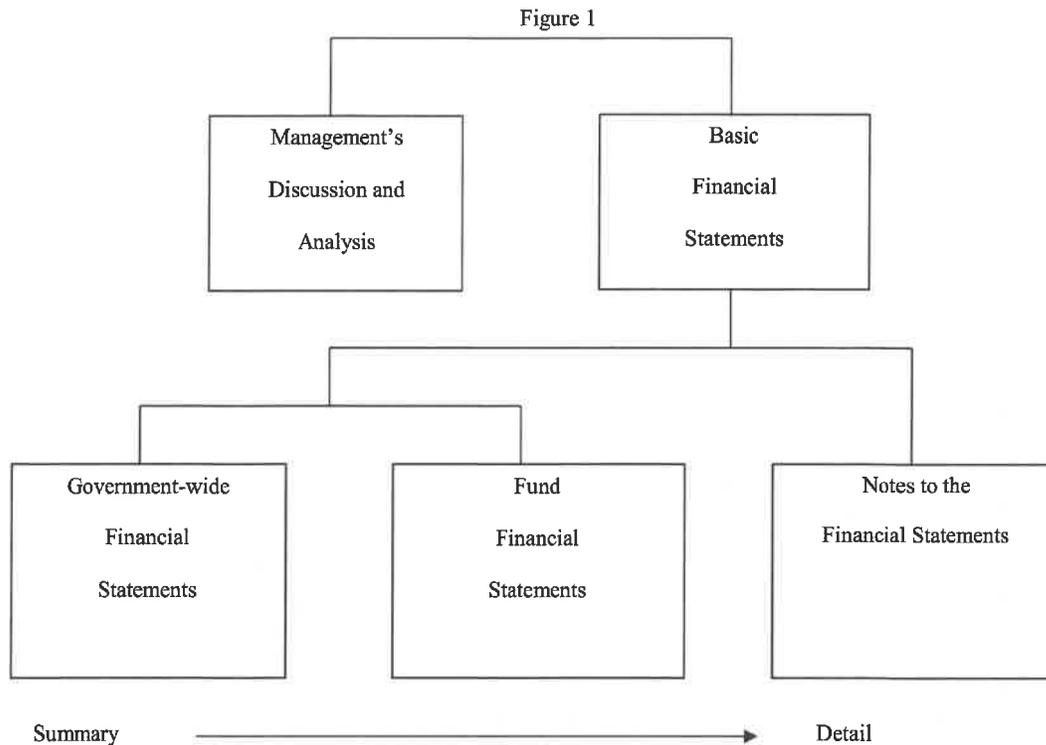
Financial Highlights

- The assets and deferred outflows of resources of Nash County primary governmental activities exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$59,481,700 (net position). Of this amount, \$16,951,245 may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the close of the current fiscal year, Nash County's governmental funds reported combined ending fund balances of \$61,765,421 after an increase of \$14,802,392. Approximately 32.29 percent of this total amount or, \$19,946,550, is restricted or non-spendable.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$30,286,505 or 33.35 percent of total general fund expenditures for the fiscal year.
- The County's tax rate was unchanged at 67 cents per \$100 valuation.
- Nash County's total debt increased by \$12,045,847 during the current fiscal year. The key factor in this increase was the installment financing for a courthouse expansion offset by a partial advance refunding of 2010 Series Limited Obligation Bonds and scheduled debt repayments. Nash County's debt service for Governmental Funds accounts for 5.1% of total governmental expenditures.
- Nash County maintained its ratings by Standard & Poor's, AA- and Aa2 by Moody's. Additionally, the County's Limited Obligation Bonds are rated Aa3 by Moody's and A+ by Standard & Poor's.

Overview of the Financial Statements

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

Required Components of Annual Financial Report



Basic Financial Statements

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

The next statements (Exhibits 3 through 9) are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the County's government. These statements provide more detail than the government-wide statements. There are four parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the budgetary comparison statements; 3) the enterprise fund statements; and 4) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the County's non-major governmental funds, all of which are added together in one column on the basic financial statements. Budgetary information required by the General Statutes can also be found in this part of the statements. Following the non-major governmental funds are the Enterprise Funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. After the Enterprise funds are the Agency Funds. Agency funds are used to account for assets held by the County as an agent for individuals and local governments. Following the Agency funds are other schedules. These schedules contain additional information required on property taxes.

Government-wide Financial Statements

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

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

The government-wide statements are divided into three categories: 1) governmental activities; 2) business-type activities; and 3) component units. The governmental activities include most of the County's and the discretely presented component units' basic services such as general government, public safety, transportation, economic and physical development, human services, cultural and education. Property taxes, sales taxes, and State and Federal grant funds finance most of these activities. The business-type activities are those that the County charges customers to provide. These activities include water and sewer, and solid waste services offered by Nash County. The final category is the component units. Nash Health Care Systems is a public hospital operated by a not-for-profit corporation that has leased the hospital from the County for a period of 30 years. The County appoints the Board of Trustees for the Hospital and has issued debt on its behalf. Although legally separate from the County, the ABC Board is important to the County because the County is financially accountable for the Board by appointing its members and because the Board is required to distribute its profits to the County. The Nash County Tourism Authority is also a component unit of Nash County.

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

Fund Financial Statements

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

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

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

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

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Nash County has three agency funds.

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

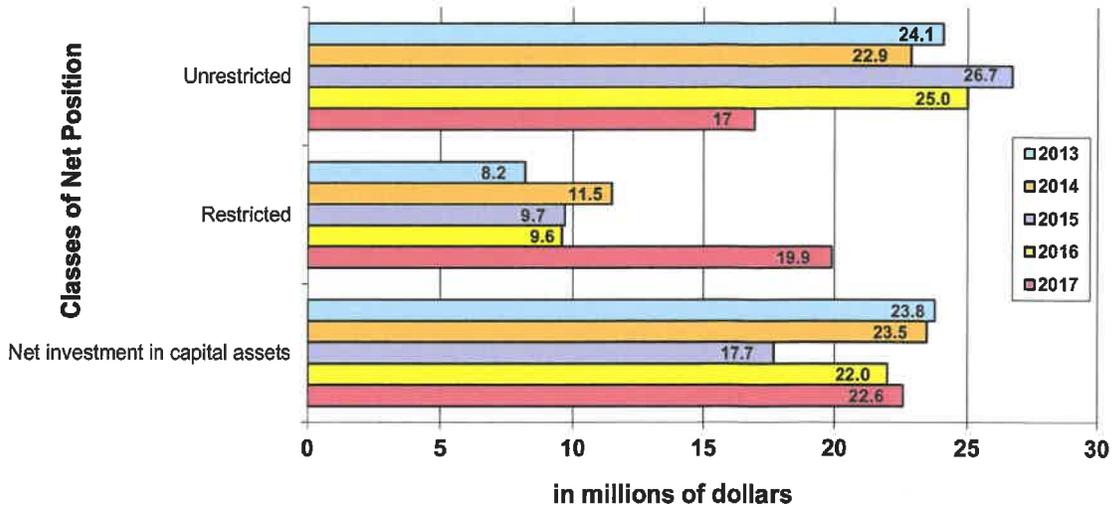
Other Information – In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning Nash County's progress in funding its obligation to provide pension and other postemployment benefits to its employees. This information can be found in the Required Supplementary Information section of this report.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$59,481,700 as of June 30, 2017. The County's net position increased by \$2,912,612 for the fiscal year ended June 30, 2017. One of the largest portions, \$22,630,888 (38.05%) reflects the County's net investment in capital assets (e.g. land, buildings, improvements, machinery, and equipment net of any related outstanding debt of those assets). Nash County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although Nash County's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities. An additional portion of Nash County's net position \$19,899,567 (33.45%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$16,951,245 (28.50%) is unrestricted.

**Nash County's Net Position
Figure 2**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 69,734,972	\$ 55,720,752	\$ 7,346,028	\$ 7,553,080	\$ 77,081,000	\$ 63,273,832
Capital assets	48,934,066	46,446,712	33,720,433	33,796,068	82,654,499	80,242,780
Total assets	118,669,038	102,167,464	41,066,461	41,349,148	159,735,499	143,516,612
Total deferred outflows of resources	9,821,215	1,885,795	229,166	53,494	10,050,381	1,939,289
Long-term liabilities outstanding	88,575,919	61,921,044	17,470,238	17,150,446	106,046,157	79,071,490
Other liabilities	3,104,930	6,925,876	621,367	1,649,679	3,726,297	8,575,555
Total liabilities	91,680,849	68,846,920	18,091,605	18,800,125	109,772,454	87,647,045
Total deferred inflows of resources	521,309	1,209,285	10,417	30,483	531,726	1,239,768
Net position:						
Net investment in capital assets	2,287,955	2,028,479	20,342,933	19,925,068	22,630,888	21,953,547
Restricted	20,067,358	9,596,464	-	-	20,067,358	9,596,464
Unrestricted	13,932,782	22,372,111	2,850,672	2,646,966	16,783,454	25,019,077
Total net position	\$ 36,288,095	\$ 33,997,054	\$ 23,193,605	\$ 22,572,034	\$ 59,481,700	\$ 56,569,088



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

- Continued diligence in the collection of property taxes by increasing the collection percentage from 98.45% to 98.57%.
- Continued low cost of debt due to aggressively pursuing refunding opportunities, the County's high bond rating and the paydown of current debt service.
- Managements proactive stance on monitoring spending across county departments to ensure compliance with the budget.

Nash County's Changes in Net Position

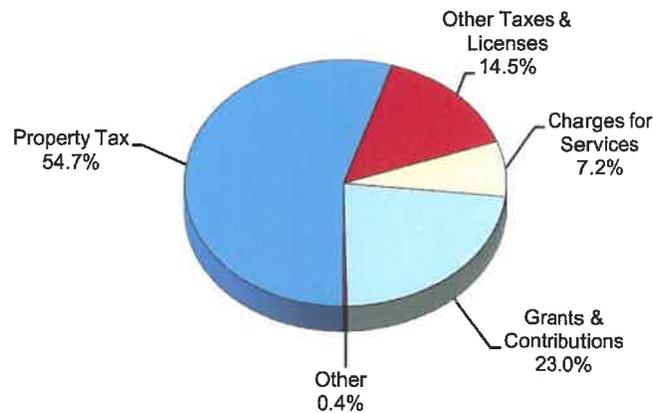
Figure 3

	Governmental		Business-type		Total	
	Activities		Activities		2017	2016
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 7,118,914	\$ 7,226,925	\$ 5,242,329	\$ 4,681,984	\$ 12,361,243	\$ 11,908,909
Operating grants and contributions	20,373,566	21,578,271	-	-	20,373,566	21,578,271
Capital grants and contributions	2,144,953	251,814	886,537	1,789,997	3,031,490	2,041,811
General revenues:						
Property taxes	53,962,364	51,883,872	-	-	53,962,364	51,883,872
Sales taxes	14,334,997	13,429,467	-	-	14,334,997	13,429,467
Other taxes	91,602	347,790	-	-	91,602	347,790
Other	400,211	165,052	36,797	13,246	437,008	178,298
Total revenues	98,426,607	94,883,191	6,165,663	6,485,227	104,592,270	101,368,418
Expenses:						
General government	10,642,877	11,127,910	-	-	10,642,877	11,127,910
Public safety	26,152,615	26,065,497	-	-	26,152,615	26,065,497
Transportation	308,337	329,043	-	-	308,337	329,043
Economic and physical development	3,357,761	2,563,004	-	-	3,357,761	2,563,004
Human services	27,149,936	26,151,256	-	-	27,149,936	26,151,256
Cultural and recreation	1,725,372	1,683,914	-	-	1,725,372	1,683,914
Education	24,513,798	24,705,879	-	-	24,513,798	24,705,879
Interest on long-term debt	1,900,707	1,625,637	-	-	1,900,707	1,625,637
Water and Sewer	-	-	2,599,265	2,013,345	2,599,265	2,013,345
Solid Waste Disposal	-	-	2,642,404	2,608,367	2,642,404	2,608,367
Total expenses	95,751,403	94,252,140	5,241,669	4,621,712	100,993,072	98,873,852
Increase in net position before transfers and special items	2,675,204	631,051	923,994	1,863,515	3,599,198	2,494,566
Transfers and special items	302,423	(1,504,743)	(302,423)	1,504,743	-	-
Change in net position	2,977,627	(873,692)	621,571	3,368,258	3,599,198	2,494,566
Net position, beginning	33,997,054	34,870,746	22,572,034	19,203,776	56,569,088	54,074,522
Restatement	(932,222)	-	-	-	-	-
Net position, beginning, restated	33,064,832	34,870,746	22,572,034	19,203,776	55,636,866	54,074,522
Net position, ending	\$ 36,042,459	\$ 33,997,054	\$ 23,193,605	\$ 22,572,034	\$ 59,236,064	\$ 56,569,088

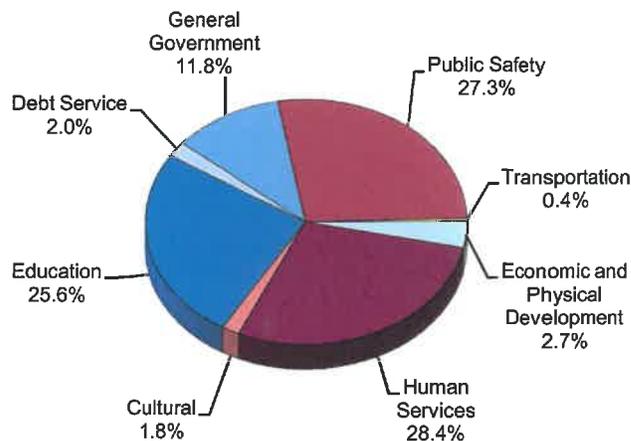
Governmental activities. Governmental activities increased the County’s net position by \$3,223,263 from the prior year. Key elements of this increase are as follows:

- Sales tax revenues reflect a growth in the County’s economy showing an increase of \$905,530 over fiscal year 2016.
- A 3% increase in assessed value, as well as an increase in the tax collection percentage from 98.45% to 98.57%, helped increase property tax revenue by \$1,282,634.

**Governmental Activities Revenue Sources
For Fiscal Year 2017**



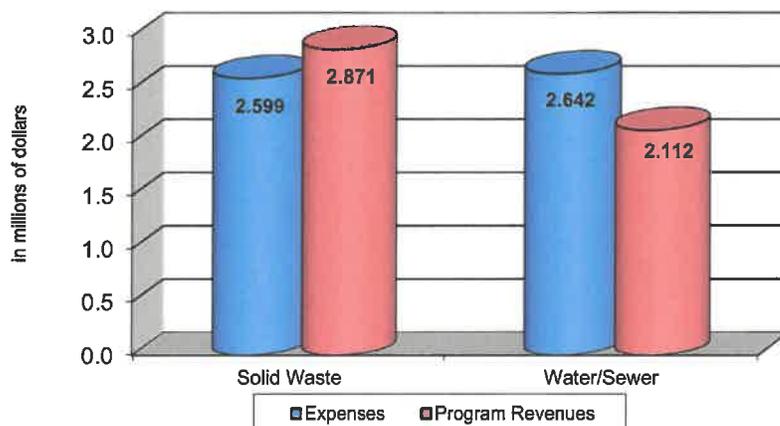
**Governmental Activities Functional Expenses
For Fiscal Year 2017**



Business-type activities. Business-type activities increased Nash County’s net position by \$621,571 over prior year. Key elements of this increase are as follows:

- Managements proactive stance on monitoring spending within Utility departments
- Continued diligence in water and sewer revenue collection
- CIFI Industrial became fully operational with water and sewer during the current fiscal year.

Business-type Activities 2016-17 Expenses and Program Revenues



Financial Analysis of the County’s Funds

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

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

The general fund is the chief operating fund of Nash County. At the end of the current fiscal year, Nash County’s fund balance available in the General Fund was \$36,448,892, while total fund balance reached \$42,489,270. The Governing Body of Nash County has determined that the county should maintain an available fund balance of 15% of general fund expenditures in case of unforeseen needs or opportunities, in addition to meeting the cash flow needs of the county. The County currently has an available fund balance of 40.13%, while total fund balance represents 46.78% of that same amount

At June 30, 2017, the governmental funds of Nash County reported a combined fund balance of \$61,765,421, a 31.52% percent increase from the previous year. The primary reason for this increase was a result of the County receiving funding for the Courthouse Expansion Capital Project in the current year, but the funds were not spent as of the end of the year.

General Fund Budgetary Highlights: During the fiscal year, the County revised the budget on several occasions. Generally, budget amendments fall into one of three categories: 1) amendments made to adjust the estimates that are used to prepare the original budget ordinance once exact information is available; 2) amendments made to recognize new funding amounts from external sources, such as Federal and State grants; and 3) increases in appropriations that become necessary to maintain services. Total amendments to the General Fund increased revenues by \$20,174,502 or 22.8% due primarily to increase in Other Financing Sources from the partial advance refunding of the 2010 Limited Obligation Bonds and increases in restricted inter-governmental revenues.

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

- \$267,318 in Public Safety Grants
- \$670,215 in Human Services due primarily to increased funding for Child Care Development
- \$19,034,000 in Other Financing Sources for Proceeds for partial advance refunding.

Proprietary Funds. Nash County's proprietary fund provides the same type of information found in the government-wide statements, but in more detail. Unrestricted net position of the Water/Sewer Fund and Solid Waste Fund at the end of the fiscal year amounted to \$412,865 and \$2,473,404 respectively and those for Central Nash Water and Sewer District equaled (\$35,597). The total change in net position was an increase of \$621,571. This change was primarily the result of transfers in and capital grant contributions for a water/sewer grant project. The Utilities Fund includes operation of the Water/Sewer and Solid Waste Disposal Divisions. Other factors concerning the finances of this fund are addressed in Nash County's business-type activities later in this discussion.

Capital Asset and Debt Administration

Capital Assets. Nash County's capital assets for its governmental and business-type activities as of June 30, 2017, totals \$82,654,499 (net of accumulated depreciation). These assets include land and improvements, buildings, infrastructure, furniture and equipment vehicles, and construction in progress. The total net position for all proprietary funds is \$23,193,605.

Major capital asset transactions during the year include:

- Retirement and replacement of vehicles for Public Safety.
- Detention Center Roof Replacement
- Construction in progress on the Courthouse Expansion, Middlesex Shell Building, All Inclusive Park Project the Senior
- Completion of the Central Nash Water Sewer System Infrastructure project

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land and improvements	\$ 10,381,832	\$ 10,399,219	\$ 538,227	\$ 607,181	\$ 10,920,059	\$ 11,006,400
Buildings	31,151,913	31,551,957	15,353	17,115	31,167,266	31,569,072
Infrastructure	365,979	380,145	33,004,135	12,174,147	33,370,114	12,554,292
Furniture and equipment	2,624,386	2,945,762	79,603	134,107	2,703,989	3,079,869
Vehicles	734,722	843,985	55,873	33,986	790,595	877,971
Construction in progress	3,675,234	325,644	27,242	20,829,532	3,702,476	21,155,176
Total	\$ 48,934,066	\$ 46,446,712	\$ 33,720,433	\$ 33,796,068	\$ 82,654,499	\$ 80,242,780

Additional information on the County's capital assets can be found in notes to the Financial Statements.

Long-term Debt. As of June 30, 2017, Nash County had total debt outstanding of \$70,712,979. Of this amount, \$20,009,000 (28.32%) represents bonds secured by specified revenue sources. Total debt increased \$12,045,847 during the past fiscal year as a result of installment financing for a courthouse expansion project offset by a partial advance refunding of 2010 Series Limited Obligation Bonds and planned principal payments on general obligation bonds and notes payable.

**Nash County's Outstanding Debt
Figure 5**

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Installment Purchase						
Contracts	\$ 42,261,311	\$ 10,253,458	\$ 1,273,500	\$ 1,579,000	\$ 43,534,811	\$ 11,832,458
Capital Lease	744,779	1,117,702	-	-	744,779	1,117,702
Water Bonds	-	-	12,104,000	12,292,000	12,104,000	12,292,000
Limited Obligation Bonds	6,100,000	24,045,000	-	-	6,100,000	24,045,000
General Obligation Bonds	7,905,000	8,370,000	-	-	7,905,000	8,370,000
Discount on Bond Issuance	324,389	1,009,972	-	-	324,389	1,009,972
Bond Anticipation Notes	-	-	-	-	-	-
Total Debt	\$ 57,335,479	\$ 44,796,132	\$ 13,377,500	\$ 13,871,000	\$ 70,712,979	\$ 58,667,132

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

The State of North Carolina limits the amount of general obligation debt that a unit of government can issue to 8 percent of the total assessed value of taxable property located within that government's boundaries. The legal debt margin for Nash County is \$579,341,448 for 2017 which is significantly more than Nash County's general obligation debt. The County has \$7,905,000 in General Obligation Bonds and \$12,104,000 in Water & Sewer Bonds at June 30, 2017.

Additional information regarding Nash County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

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

- The June 2017 unemployment rate for Nash County is 6.0% down from 6.8% in prior year. The County's rate is slightly higher than the state average of 4.2%.
- Population of the County has remained consistent at approximately 94,000.
- Median household income for Nash County is approximately \$45,000.

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

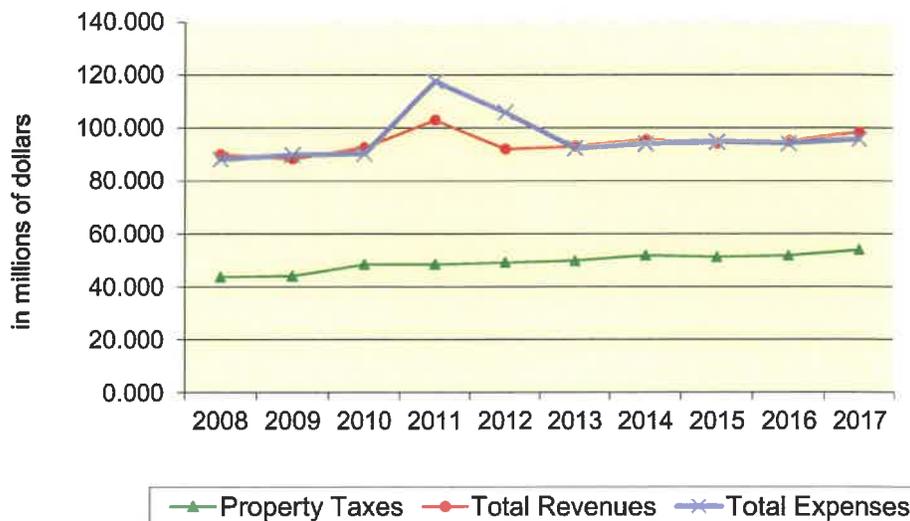
Budget Highlights for Fiscal Year Ending June 30, 2018

Government Activities

The County continued to employ a fiscally conservative approach in preparing and adopting the fiscal year 2017-18 County Budget, an approach that has proven to be very effective and beneficial to the County. Property tax revenue is a significant revenue source for the County General Fund and the fiscal year 2017-18 budget was developed using tax values resulting from January 1, 2017 County-wide valuation. The fiscal year 2017-18 budget held the property tax rate the same at .67/\$100, which is a solid indication of the County leaders' commitment to thoroughly evaluate budget requests, fund necessary operations, and keep the tax burden as low as possible.

The tax base is projected to provide revenues of \$47,938,443 when calculated with the current collection percentage rate. The total projected assessed valuation for the County is \$7,229,000,000 for fiscal year 2017-18. Budgeted expenditures for fiscal year 2017-18 in the General Fund reflect a decrease from the previous fiscal year original budget of 0.9%. This is due primarily to reductions in state funding through Human Services. The fiscal year 2017-18 budget appropriates \$1,800,000 of unassigned fund balance and \$1,582,570 from other fund balance reserves, to balance the general fund budget.

**Governmental Activities
Comparison of Total Expenses, Property Taxes, and Total Revenues**



Business Type Activities

The water/sewer and solid waste rates in the County will remain the same for fiscal year 2017-2018. These rates should adequately cover the costs of operations. The budgeted revenues and expenditures decreased for the Water/Sewer Fund 10% from the prior fiscal year budget and increased for the Solid Waste Fund 6.0%. The budget decrease for operations of water/sewer is due primarily to analysis operational requirements. The solid waste activities budget increase is due primarily to the increase in anticipated equipment maintenance and electronic recycling costs.

Requests for Information

This report is designed to provide an overview of the County's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Nash County, 120 W. Washington St., Suite 3072, Nashville, NC 27856. You can also call (252)-459-9802, visit our website www.co.nash.nc.us or send an email to donna.wood@nashcountync.gov for more information.

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

**BASIC
FINANCIAL STATEMENTS**

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Nash County, North Carolina
Statement of Net Position
June 30, 2017

	Primary Government			Discretely Presented Component Units				Total Reporting Unit
	Governmental Activities	Business-type Activities	Total	Nash County			Total Reporting Unit	
				Tourism Development	Nash Health Care Systems	Nash County ABC Board		
ASSETS								
Cash and cash investments	\$ 59,448,143	\$ 6,912,777	\$ 66,360,920	\$ 823,318	\$ 6,570,943	\$ 2,210,071	\$ 75,965,252	
Restricted cash and cash equivalents	-	105,418	105,418	-	225,757,543	-	225,862,961	
Taxes receivable (net)	2,347,910	-	2,347,910	78,589	-	-	2,426,499	
Accrued interest receivable on taxes	500,950	-	500,950	-	32,850,001	-	33,350,951	
Accounts receivables (net)	1,096,853	327,833	1,424,686	-	-	-	1,424,686	
Due from other governments	5,178,157	-	5,178,157	-	-	-	5,178,157	
Prepaid items	21,083	-	21,083	-	10,671,839	-	10,692,922	
Inventories	-	-	-	-	5,074,546	1,323,129	6,397,675	
Net investment in Joint Venture	986,267	-	986,267	-	-	-	986,267	
Net Pension Asset	155,609	-	155,609	-	-	-	155,609	
Capital assets:								
Land, improvements, and construction in progress	13,854,168	335,427	14,189,595	-	4,579,772	559,405	19,328,772	
Other capital assets, net of depreciation	35,079,898	33,385,006	68,464,904	-	137,046,170	955,319	206,466,393	
Total capital assets	48,934,066	33,720,433	82,654,499	-	141,625,942	1,514,724	225,795,165	
Total assets	118,669,038	41,066,461	159,735,499	901,907	422,550,814	5,047,924	583,057,987	
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Charge on Refunding	1,611,155	-	1,611,155	-	-	-	1,611,155	
Pension Deferrals	6,138,676	171,760	6,310,436	-	14,162,406	224,302	20,697,144	
Contributions to pension plan in current year	2,071,384	57,406	2,128,790	-	-	-	2,128,790	
Total Deferred Outflows of Resources	9,821,215	229,166	10,050,381	-	14,162,406	224,302	24,437,089	
LIABILITIES								
Accounts payable and accrued expenses	2,599,206	471,858	3,071,064	18,053	35,318,507	408,118	38,815,742	
Accrued interest payable	505,724	44,091	549,815	-	-	-	549,815	
Distribution payable	-	-	-	-	-	44,508	44,508	
Customer deposits	-	105,418	105,418	-	-	-	105,418	
Long-term liabilities:								
Due within one year:								
Long-term debt	4,414,314	324,100	4,738,414	-	2,330,000	-	7,068,414	
Compensated absences	128,593	1,502	130,095	-	-	-	130,095	
Due in more than one year:								
Accrued postclosure liability	-	3,309,309	3,309,309	-	-	-	3,309,309	
Long-term debt	52,921,165	13,053,400	65,974,565	-	102,776,236	-	168,750,801	
Compensated absences	2,443,275	28,529	2,471,803	-	-	-	2,471,803	
Net Pension Liability (LGERS)	9,473,626	267,892	9,741,518	-	-	426,572	10,168,090	
Total Pension Liability (LEOSSA)	2,019,702	-	2,019,702	-	-	-	2,019,702	
Other postemployment benefits	17,175,244	485,507	17,660,751	-	-	108,033	17,768,784	
Total long-term liabilities	88,575,919	17,470,238	106,046,157	-	105,106,236	534,605	211,686,998	
Total liabilities	91,680,849	18,091,605	109,772,454	18,053	140,424,743	987,231	251,202,481	
DEFERRED INFLOWS OF RESOURCES								
Prepaid property taxes	103,406	-	103,406	-	-	-	103,406	
Pension deferrals	417,903	10,417	428,320	-	-	-	428,320	
Total deferred inflows of resources	521,309	10,417	531,726	-	291,093	7,533	531,726	
NET POSITION								
Net investment in capital assets	2,287,955	20,342,933	22,630,888	-	37,813,711	1,514,724	61,959,323	
Restricted for:								
Stabilization by state statute	6,263,838	-	6,263,838	78,589	-	-	6,342,427	
General Government	25,440	-	25,440	-	-	-	25,440	
Public Safety	13,513,784	-	13,513,784	-	-	-	13,513,784	
Transportation	25,900	-	25,900	-	-	-	25,900	
Economic Development	264,296	-	264,296	805,265	-	-	1,069,561	
Working Capital	-	-	-	-	-	315,158	315,158	
Unrestricted (deficit)	13,906,882	2,850,672	16,757,554	-	258,183,673	2,447,580	277,388,807	
Total net position	\$ 36,288,095	\$ 23,193,605	\$ 59,481,700	\$ 883,854	\$ 295,997,384	\$ 4,277,462	\$ 360,640,400	

Nash County, North Carolina
Statement of Activities
For the Year Ended June 30, 2017

Functions/Programs	Net (Expense) Revenue and Changes in Net Position										
	Program Revenues					Component Units					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total	Nash County Tourism Development Authority	Nash Health Care Systems and Subsidiaries	Nash County ABC Board	Total Reporting Unit
Primary government:											
Governmental Activities:											
General government	\$ 10,642,877	\$ 1,949,402	\$ -	\$ -	\$ (8,693,475)	\$ -	\$ (8,693,475)	\$ -	\$ -	\$ -	\$ (8,693,475)
Public safety	26,152,615	4,889,159	400,113	831,206	(20,032,137)	-	(20,032,137)	-	-	-	(20,032,137)
Transportation	308,337	-	-	164,745	(143,592)	-	(143,592)	-	-	-	(143,592)
Environmental protection	-	109,899	-	-	109,899	-	109,899	-	-	-	109,899
Economic and physical development	3,357,761	-	75,000	1,149,002	(2,133,759)	-	(2,133,759)	-	-	-	(2,133,759)
Human services	27,149,936	170,454	19,898,453	-	(7,081,029)	-	(7,081,029)	-	-	-	(7,081,029)
Cultural and recreation	1,725,372	-	-	-	(1,725,372)	-	(1,725,372)	-	-	-	(1,725,372)
Education	24,513,798	-	-	-	(24,513,798)	-	(24,513,798)	-	-	-	(24,513,798)
Interest on long-term debt	1,900,707	-	-	-	(1,900,707)	-	(1,900,707)	-	-	-	(1,900,707)
Total governmental activities	95,751,403	7,118,914	20,373,566	2,144,953	(66,113,970)	-	(66,113,970)	-	-	-	(66,113,970)
Business-type activities:											
Water and Sewer	2,599,265	2,369,800	-	886,537	-	657,072	657,072	-	-	-	657,072
Solid Waste	2,642,404	2,872,529	-	-	-	230,125	230,125	-	-	-	230,125
Total business-type activities	5,241,669	5,242,329	-	886,537	-	887,197	887,197	-	-	-	887,197
Total primary government	\$ 100,993,072	\$ 12,361,243	\$ 20,373,566	\$ 3,031,490	\$ (66,113,970)	\$ 887,197	\$ (65,226,773)	\$ -	\$ -	\$ -	\$ (65,226,773)
Component Units:											
Nash County Tourism Development	\$ 749,898	\$ -	\$ 937,330	\$ -	\$ -	\$ -	\$ -	187,432	\$ -	\$ -	187,432
Nash Health Care Systems	\$ 233,029,656	\$ 218,008,085	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(15,021,571)	\$ -	(15,021,571)
Nash County ABC Board	\$ 10,327,343	\$ 10,636,469	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	309,126	309,126
Total component units	\$ 244,106,897	\$ 228,644,554	\$ 937,330	\$ -	\$ -	\$ -	\$ -	187,432	(15,021,571)	309,126	(14,525,013)
General revenues:											
Taxes:											
Property taxes, levied for general purpose					53,962,364	-	53,962,364	-	-	-	53,962,364
Local option sales tax					14,334,997	-	14,334,997	-	-	-	14,334,997
Excise tax					245,636	-	245,636	-	-	-	245,636
Other taxes and licenses					91,602	-	91,602	-	-	-	91,602
Investment earnings, unrestricted					400,211	36,797	437,008	-	15,160,355	4,190	15,601,553
Transfers					302,423	(302,423)	-	-	-	-	-
Total general revenues, special items, and transfers					69,337,233	(265,626)	69,071,607	-	15,160,355	4,190	83,990,516
Change in net position					3,223,263	621,571	3,844,834	187,432	138,784	313,316	4,484,366
Net position-beginning					33,997,054	22,572,034	56,569,088	696,422	295,858,600	4,177,959	357,302,069
Restatement					(932,222)	-	(932,222)	-	-	(213,813)	(1,146,035)
Net position-beginning, restated					33,064,832	22,572,034	55,636,866	696,422	295,858,600	3,964,146	356,156,034
Net position-ending					\$ 36,288,095	\$ 23,193,605	\$ 59,481,700	\$ 883,854	\$ 295,997,384	\$ 4,277,462	\$ 360,640,400

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

Nash County, North Carolina
Balance Sheet
Governmental Funds
June 30, 2017

	Major		Non-Major	Total Governmental Funds
	General Fund	Courthouse Expansion Capital Fund	Other Governmental Funds	
ASSETS				
Cash and cash equivalents	38,151,153	12,522,928	\$ 6,790,450	\$ 57,464,531
Taxes Receivable - net	2,347,910	-	-	2,347,910
Accounts Receivable - net	841,138	-	244,543	1,085,681
Due from other governments	5,178,157	-	-	5,178,157
Prepaid items	21,083	-	-	21,083
Total assets	<u>\$ 46,539,441</u>	<u>\$ 12,522,928</u>	<u>\$ 7,034,993</u>	<u>\$ 66,097,362</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND				
Liabilities:				
Accounts payable and accrued liabilities	1,598,855	6,868	274,902	1,880,625
Total liabilities	<u>1,598,855</u>	<u>6,868</u>	<u>274,902</u>	<u>1,880,625</u>
Deferred inflows of resources				
Prepaid taxes	103,406	-	-	103,406
Reserve for taxes receivable	2,347,910	-	-	2,347,910
Total deferred inflows of resources	<u>2,451,316</u>	<u>-</u>	<u>-</u>	<u>2,451,316</u>
Fund balances:				
Non-Spendable:				
Prepaid assets	21,083	-	-	21,083
Restricted:				
Stabilization by State statute	6,019,295	-	244,543	6,263,838
General Government	-	-	25,440	25,440
Public Safety	55,175	12,516,060	942,549	13,513,784
Transportation	-	-	25,900	25,900
Economic Development	-	-	264,296	264,296
Human Services	1,756,397	-	-	1,756,397
Committed:				
Economic Development	850,664	-	1,206,044	2,056,708
Cultural and Recreational	-	-	1,143,894	1,143,894
Tax Revaluation	117,481	-	-	117,481
Assigned:				
Public Safety	-	-	106,134	106,134
Education	-	-	750,000	750,000
General Government	-	-	2,219,082	2,219,082
Subsequent year's expenditures	3,382,670	-	-	3,382,670
Unassigned:	30,286,505	-	(167,791)	30,139,797
Total fund balances	<u>42,489,270</u>	<u>12,516,060</u>	<u>6,760,091</u>	<u>61,765,421</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 46,539,441</u>	<u>\$ 12,522,928</u>	<u>\$ 7,034,993</u>	<u>\$ 66,097,362</u>

Nash County, North Carolina
Reconciliation of the Governmental Funds Balance Sheet To
The Statement of Net Position
Governmental Fund
June 30, 2017

Amounts reported for governmental activities in the statement of net position (Exhibit 1) are different because:	
Total Fund Balance - Governmental Funds	\$ 61,765,421
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds (total capital assets on government-wide	90,183,402
Less accumulated depreciation	<u>(41,249,336)</u>
Net capital assets	48,934,066
Net investment in joint venture	986,267
Net Pension Asset (Register of Deeds)	155,609
Deferred outflows of resources:	
Contributions to the pension plan in the current fiscal year	
LGERS	2,008,552
Register of Deeds	7,240
Benefit payments and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	55,592
Pension related deferrals	
LGERS	6,095,595
Register of Deeds	43,081
Accrued interest receivable less the amount claimed as unearned revenue in the government-wide statements as these funds are unavailable in the fund statements	500,950
Deferred charges related to advance refunding bond issued - included on government-wide statements of net position but are not current financial resources	1,611,155
Deferred inflows of resources reported in the government-wide statements but not the fund statements	
Deferred inflows of resources for taxes receivable	2,347,910
Pension related deferrals	
LGERS	(368,371)
Register of Deeds	(2,014)
LEOSSA	(47,518)
Assets and liabilities of the internal service funds used by management to account for insurance costs are included in governmental activities in the Statement of Net Position.	1,276,203
Liabilities that, because they are not due and payable in the current period, do not require current resources to pay and are therefore not reported in the fund statements:	
Bonds, leases, and installment financing	(57,335,479)
Compensated absences	(2,571,868)
Other postemployment benefits	(17,175,244)
Total pension liability - LEOSSA	(2,019,702)
Net pension liability - LGERS	(9,473,626)
Accrued interest payable	<u>(505,724)</u>
Total adjustment	<u>(25,477,326)</u>
Net position of governmental activities	<u>\$ 36,288,095</u>

Nash County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Funds
For the Year Ended June 30, 2017

	Major		Non-Major	Total Governmental Funds
	General Fund	Courthouse Expansion Capital Fund	Other Governmental Funds	
REVENUES				
Ad valorem taxes	\$ 50,342,437	\$ -	\$ 3,276,553	\$ 53,618,990
Other taxes and licenses	14,672,235	-	-	14,672,235
Restricted intergovernmental	19,906,176	-	2,099,228	22,005,404
Unrestricted intergovernmental	334,647	-	-	334,647
Permits and fees	1,086,008	-	-	1,086,008
Sales and services	5,136,007	-	-	5,136,007
Investment earnings	337,037	43,546	19,628	400,211
Miscellaneous	1,013,369	13,916	16,400	1,043,685
Total revenues	<u>92,827,916</u>	<u>57,462</u>	<u>5,411,809</u>	<u>98,297,187</u>
EXPENDITURES				
Current:				
General government	8,800,137	-	27,453	8,827,590
Public safety	21,031,487	2,959,403	4,072,001	28,062,891
Cultural and recreational	1,694,920	-	256,106	1,951,026
Transportation	143,591	-	164,746	308,337
Economic and physical development	2,270,514	-	1,035,141	3,305,655
Human Services	26,059,435	-	-	26,059,435
Intergovernmental:				
Education	24,447,474	-	-	24,447,474
Debt service:				
Principal	3,269,070	-	-	3,269,070
Interest	1,565,740	-	-	1,565,740
Debt issuance cost	162,704	-	-	162,704
Total expenditures	<u>89,445,072</u>	<u>2,959,403</u>	<u>5,555,447</u>	<u>97,959,922</u>
Revenues over expenditures	<u>3,382,844</u>	<u>(2,901,941)</u>	<u>(143,638)</u>	<u>337,265</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	209,190	-	1,387,808	1,596,998
Transfers (out)	(1,381,767)	-	87,192	(1,294,575)
Debt proceeds	-	14,000,000	-	14,000,000
Refunding bonds issued	19,034,000	-	-	19,034,000
Payment to refunded bond escrow agent	(18,871,296)	-	-	(18,871,296)
Total other financing sources and uses	<u>(1,009,873)</u>	<u>14,000,000</u>	<u>1,475,000</u>	<u>14,465,127</u>
Net change in fund balance	2,372,971	11,098,059	1,331,362	14,802,392
Fund balances-beginning	<u>40,116,299</u>	<u>1,418,001</u>	<u>5,428,729</u>	<u>46,963,029</u>
Fund balances-ending	<u>\$ 42,489,270</u>	<u>\$ 12,516,060</u>	<u>\$ 6,760,091</u>	<u>\$ 61,765,421</u>

Nash County, North Carolina
Reconciliation of the Statement of Revenues, Expenditures,
And Changes In Fund Balance of Governmental Funds
To The Statement of Activities
For the Year Ended June 30, 2017

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

Net changes in fund balances - total governmental funds	\$ 14,802,392
Capital outlay expenditures recorded in the fund statements but capitalized as assets in the statement of activities	4,900,783
Depreciation expense, the allocation of those assets over their useful lives, that is recorded on the statement of activities but not in the fund statements	(2,413,429)
New debt issued during the year is recorded as a source of funds on the fund statements; it has no effect on the statement of activities - it affects only the government-wide statement of net position	(33,034,000)
Principal payments on debt owed are recorded as a use of funds on the fund statements but again affect only the statement of net position in the government-wide statements	19,809,070
Amortization on deferred premium payments on debt that is recorded in the statement of activities but not in the fund statements.	685,583
Change in net investment in joint venture	31,692
Expenses reported on fund statements that are capitalized on government-wide statements - bond refunding costs	1,668,362
Contributions to the pension plan in the current fiscal year are not included on the Statement of Activities	
LGERS	2,007,943
ROD	7,240
Benefit payment and pension administration costs for LEOSSA are deferred outflows of resources on the Statement of Net Position	55,592
Expenses reported in the statement of activities that do not require the use of current resources to pay are not recorded as expenditures in the fund statements:	
Difference in interest expense between fund statements (modified accrual) and government-wide statements (full accrual)	(128,496)
Compensated absences	(406,405)
Other postemployment benefits	(1,786,387)
Amortization on deferred charges - refunding costs that is recorded in the statement of activities but not in the fund statements	(66,416)
Pension expense	
LGERS	(2,562,625)
ROD	(13,210)
LEOSSA	(169,062)
Revenues in the statement of activities that do not provide current resources are not reported as revenues in the fund statements.	
Increase in deferred inflows of resources - taxes receivable - at end of year	(157,576)
Increase in accrued interest receivable at end of year	500,950
Internal Service Fund	<u>(508,738)</u>
Total changes in net position of governmental activities	<u>\$ 3,223,263</u>

Nash County, North Carolina
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
General Fund
For the Fiscal Year Ended June 30, 2017

	General Fund			Variance With Final Positive (Negative)
	Original Budget	Final Budget	Actual	
Revenues:				
Ad valorem taxes	\$ 47,709,500	\$ 47,709,500	\$ 50,342,437	\$ 2,632,937
Other taxes and licenses	13,638,000	13,638,000	14,672,235	1,034,235
Restricted intergovernmental	20,034,046	21,011,949	19,860,451	(1,151,498)
Unrestricted intergovernmental	328,894	338,894	334,647	(4,247)
Permits and fees	978,400	995,700	1,086,008	90,308
Sales and services	4,784,820	4,807,574	5,136,007	328,433
Investment earnings	140,000	140,000	336,355	196,355
Miscellaneous	779,296	860,082	1,013,369	153,287
Total revenues	<u>88,392,956</u>	<u>89,501,699</u>	<u>92,781,509</u>	<u>3,279,810</u>
Expenditures				
Current:				
General government	8,824,993	9,779,306	8,572,669	1,206,637
Public safety	21,234,500	22,119,163	21,031,487	1,087,676
Transportation	149,532	149,532	143,591	
Economic and physical development	2,190,357	2,353,516	2,224,789	128,727
Human services	27,509,239	28,323,634	26,059,435	2,264,199
Cultural and recreational	1,696,341	1,724,811	1,694,920	29,891
Intergovernmental:				
Education	24,367,151	24,447,474	24,447,474	-
Debt service	5,031,856	5,194,560	4,997,514	197,046
Total expenditures	<u>91,003,969</u>	<u>94,091,996</u>	<u>89,171,879</u>	<u>4,914,176</u>
Revenues over (under) expenditures	<u>(2,611,013)</u>	<u>(4,590,297)</u>	<u>3,609,630</u>	<u>8,193,986</u>
Other financing sources (uses):				
Appropriated fund balance	2,766,013	5,582,593	-	(5,582,593)
Contingency	(40,000)	(40,000)	-	40,000
Refunding bonds issued	-	19,034,000	19,034,000	-
Payment to refunded bond escrow agent	-	(18,871,296)	(18,871,296)	-
Transfers from other funds	-	31,760	56,755	5
Transfers to other funds	(115,000)	(1,146,760)	(1,146,755)	(5,517,593)
Total other financing sources (uses)	<u>2,611,013</u>	<u>4,590,297</u>	<u>(927,296)</u>	<u>(5,517,593)</u>
Revenues and Other Financing Sources over expenditures and other financing uses	<u>\$ -</u>	<u>\$ -</u>	<u>2,682,334</u>	<u>\$ 2,676,393</u>
Fund balances:				
Beginning of year, July 1			<u>38,838,791</u>	
End of year, June 30			<u>\$ 41,521,125</u>	
A legally budgeted Tax Revaluation Fund is consolidated into the General Fund for reporting purposes:				
Investment Earnings			682	
Revaluation Expense			(227,468)	
Transfer from General Fund			115,000	
Fund balance, beginning of year			229,267	
A legally adopted Economic Development Fund is consolidated into the General Fund for reporting purposes:				
Restricted intergovernmental revenues			45,725	
Economic Development Expense			(45,725)	
Transfers-in from General Fund			37,435	
Transfer-out to General Fund			(235,012)	
Fund Balance, Beginning			<u>1,048,241</u>	
Fund balance, ending (Exhibit 4)			<u>\$ 42,489,270</u>	

Nash County, North Carolina
Statement of Net Position
Proprietary Funds
June 30, 2017

	Water and Sewer Fund	Solid Waste Fund	Central Nash Water and Sewer Fund	Total	Governmental Activities Internal Service Funds
ASSETS					
Current assets:					
Cash and investments	\$ 733,057	\$ 6,179,720	\$ -	\$ 6,912,777	\$ 1,983,612
Accounts receivable (net)	258,643	18,329	-	276,972	11,172
Restricted cash and investments	105,418	-	-	105,418	-
Due from other governments	-	50,861	-	50,861	-
Total current assets	<u>1,097,118</u>	<u>6,248,910</u>	<u>-</u>	<u>7,346,028</u>	<u>1,994,784</u>
Noncurrent assets:					
Capital assets:					
Land, improvements and construction in progress	-	335,427	-	335,427	-
Other capital assets, net of depreciation	14,540,580	322,963	18,521,463	33,385,006	-
Total capital assets	<u>14,540,580</u>	<u>658,390</u>	<u>18,521,463</u>	<u>33,720,433</u>	<u>-</u>
Total noncurrent assets	<u>14,540,580</u>	<u>658,390</u>	<u>18,521,463</u>	<u>33,720,433</u>	<u>-</u>
Total assets	<u>15,637,698</u>	<u>6,907,300</u>	<u>18,521,463</u>	<u>41,066,461</u>	<u>1,994,784</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>131,010</u>	<u>98,156</u>	<u>-</u>	<u>229,166</u>	<u>-</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION					
Current liabilities:					
Accounts Payable	290,731	181,127	-	471,858	718,581
Accrued interest payable	8,494	-	35,597	44,091	-
Current portion of compensated absences	1,395	107	-	1,502	-
Current portion of long-term debt	131,100	-	193,000	324,100	-
Customer deposits	105,418	-	-	105,418	-
Total current liabilities	<u>537,138</u>	<u>181,234</u>	<u>228,597</u>	<u>946,969</u>	<u>718,581</u>
Noncurrent liabilities:					
Non-current portion of long-term debt	1,142,400	-	11,911,000	13,053,400	-
Net pension liability	153,149	114,743	-	267,892	-
OPEB liability	223,619	261,888	-	485,507	-
Accrued landfill closure and post-closure costs	-	3,309,309	-	3,309,309	-
Compensated absences	26,502	2,026	-	28,529	-
Total noncurrent liabilities	<u>1,545,670</u>	<u>3,687,966</u>	<u>11,911,000</u>	<u>17,144,637</u>	<u>-</u>
Total liabilities	<u>2,082,808</u>	<u>3,869,200</u>	<u>12,139,597</u>	<u>18,091,605</u>	<u>718,581</u>
DEFERRED INFLOWS OF RESOURCES	<u>5,955</u>	<u>4,462</u>	<u>-</u>	<u>10,417</u>	<u>-</u>
NET POSITION					
Net investment in capital assets	13,267,080	658,390	6,417,463	20,342,933	-
Unrestricted	412,865	2,473,404	(35,597)	2,850,672	1,276,203
Total net position	<u>\$ 13,679,945</u>	<u>\$ 3,131,794</u>	<u>\$ 6,381,866</u>	<u>\$ 23,193,605</u>	<u>\$ 1,276,203</u>

Nash County, North Carolina
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For The Fiscal Year Ended June 30, 2017

	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	Totals	Governmental Activities Internal Service Funds
Operating Revenues:					
Charges for sales and services					
Other operating revenue	\$ 2,112,438	\$ 2,870,647	\$ 257,362	\$ 5,240,447	\$ 4,170,797
Total operating revenues	<u>2,112,438</u>	<u>2,870,647</u>	<u>257,362</u>	<u>5,240,447</u>	<u>4,170,797</u>
Operating Expenses:					
Water and sewer operations	1,505,209	-	66,968	1,572,177	-
Solid waste disposal operations	-	2,519,409	-	2,519,409	-
Depreciation	376,816	122,995	155,643	655,454	-
Insurance claims	-	-	-	-	3,967,165
Wellness costs	-	-	-	-	722,327
Total operating expenses	<u>1,882,025</u>	<u>2,642,404</u>	<u>222,611</u>	<u>4,747,040</u>	<u>4,689,492</u>
Operating income (loss)	<u>230,413</u>	<u>228,243</u>	<u>34,751</u>	<u>493,407</u>	<u>(518,695)</u>
Nonoperating Revenues (Expenses)					
Interest and fees paid	(47,843)	-	(446,786)	(494,629)	-
Investment earnings	3,720	33,077	-	36,797	9,957
Insurance Proceeds	-	1,882	-	1,882	-
Total Nonoperating Revenues(Expenses)	<u>(44,123)</u>	<u>34,959</u>	<u>(446,786)</u>	<u>(455,950)</u>	<u>9,957</u>
Income (loss) before contributions and transfers	186,290	263,202	(412,035)	37,457	(508,738)
Capital contributions	386,577	-	499,960	886,537	-
Transfers to other funds	(932,002)	-	-	(932,002)	-
Transfers from other funds	<u>290,829</u>	<u>-</u>	<u>338,750</u>	<u>629,579</u>	<u>-</u>
Change in net position	(68,306)	263,202	426,675	621,571	(508,738)
Total net position, July 1	<u>13,748,251</u>	<u>2,868,592</u>	<u>5,955,191</u>	<u>22,572,034</u>	<u>1,784,941</u>
Total net position, June 30	<u>\$ 13,679,945</u>	<u>\$ 3,131,794</u>	<u>\$ 6,381,866</u>	<u>\$ 23,193,605</u>	<u>\$ 1,276,203</u>

Nash County, North Carolina
Statement of Cash Flows
Proprietary Funds
For The Fiscal Year Ended June 30, 2017

	MAJOR			Totals June 30, 2017
	Water and Sewer	Solid Waste	Central Nash Water and Sewer District	
Cash flows from operating activities:				
Cash received from customers	\$ 2,104,569	\$ 2,866,241	\$ 257,362	\$ 5,228,172
Cash paid for goods and services	(1,545,000)	(1,935,157)	(66,968)	(3,547,125)
Cash paid to employees for services	(406,340)	(553,886)	-	(960,226)
Customer deposits	10,768	-	-	10,768
Net cash provided (used) by operating activities	<u>163,997</u>	<u>377,198</u>	<u>190,394</u>	<u>731,589</u>
Cash flows from noncapital financing activities				
Change in due to other funds	311,664	-	-	311,664
Change in due from other funds	-	-	(311,664)	(311,664)
Transfers to other funds	(932,002)	-	-	(932,002)
Transfers from other funds	290,829	-	338,750	629,579
Net cash provided (used) by noncapital financial activities	<u>(329,509)</u>	<u>-</u>	<u>27,086</u>	<u>(302,423)</u>
Cash flows from capital and related financing activities:				
Capital contributions	386,577	-	499,960	886,537
Principal paid on long-term debt	(305,500)	-	(188,000)	(493,500)
Interest paid on long term debt	(53,051)	-	(447,339)	(500,390)
Acquisition of capital assets	(282,253)	(27,465)	(270,101)	(579,819)
Net cash provided (used) by capital and related financing activities	<u>(254,227)</u>	<u>(27,465)</u>	<u>(405,480)</u>	<u>(687,172)</u>
Cash flows from investing activities:				
Insurance Proceeds	-	1,882	-	1,882
Investment earnings	3,720	33,077	-	36,797
Net cash flows from investing activities	<u>3,720</u>	<u>34,959</u>	<u>-</u>	<u>38,679</u>
Net increase (decrease) in cash and cash equivalents	(416,019)	384,692	(188,000)	(219,327)
Cash and cash equivalents, July 1	<u>1,254,494</u>	<u>5,795,028</u>	<u>188,000</u>	<u>7,237,522</u>
Cash and cash equivalents, June 30	<u>\$ 838,475</u>	<u>\$ 6,179,720</u>	<u>\$ -</u>	<u>\$ 7,018,195</u>

Nash County, North Carolina
Proprietary Funds
Combining Statement of Cash Flows
For The Fiscal Year Ended June 30, 2017

Reconciliation of operating income to net cash provided by operating activities:

Operating income (loss)	\$ 230,413	\$ 228,243	\$ 34,751	\$ 493,407
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	376,816	122,995	155,643	655,454
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(7,869)	(4,406)	-	(12,275)
(Increase) decrease in deferred outflows of resources for pensions	(106,174)	(69,498)	-	(175,672)
Increase (decrease) in accounts payable and accrued liabilities	(469,770)	31,858	-	(437,912)
Increase (decrease) in deferred inflows of resources for pensions	(8,198)	(11,868)	-	(20,066)
Increase (decrease) in customer deposits	10,768	-	-	10,768
Increase (decrease) in net pension liability	126,641	84,157	-	210,798
Increase (decrease) in accrued postclosure liability	-	(27,007)	-	(27,007)
Increase (decrease) in compensated absences	(6,431)	(1,682)	-	(8,113)
Increase (decrease) in OPEB	17,801	24,406	-	42,207
Total adjustments	<u>(66,416)</u>	<u>148,955</u>	<u>155,643</u>	<u>238,182</u>
Net cash provided (used) by operating activities	<u>\$ 163,997</u>	<u>\$ 377,198</u>	<u>\$ 190,394</u>	<u>\$ 731,589</u>

Nash County, North Carolina
Statement of Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2017

	Agency Funds
ASSETS	
Cash and investments	\$ 60,171
Accounts Receivable	290,880
Total Assets	<u>\$ 351,051</u>
LIABILITIES AND NET POSITION	
Liabilities:	
Miscellaneous Liability	\$ 351,051
Total liabilities	<u>351,051</u>
Net position:	
Held in trust (Fiduciary net assets)	-
Total Liabilities and Net Pension	<u>\$ 351,051</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE I: Summary of Significant Accounting Policies

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

A. Reporting Entity

Nash County is located in the eastern part of North Carolina in the coastal plains area and has a population of approximately 94,000. The County Seat is located in Nashville, North Carolina. The County, which is governed by a seven-member board of commissioners, is one of the 100 counties established in North Carolina under North Carolina General Statute 153A-10. As required by generally accepted accounting principles, these financial statements present the County and its component units, legally-separate entities for which the County is financially accountable.

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

Component Units

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

- **Nash County Tourism Development Authority** - The fifteen members of the Nash County Tourism Development Authority's governing board, including the Chairman are appointed by the County. The Finance Officer for the County serves as ex-officio Finance Officer for the Authority. The County levies, collects, and remits a room occupancy tax on behalf of the Authority. The Authority, which has a June 30 year-end, is presented as a Component Unit.
- **Nash Health Care Systems and Subsidiaries of Nash County, North Carolina** - Nash Health Care Systems and Subsidiaries of Nash County is a Hospital Authority created under the provisions of Article 12 of Chapter 131 of the State statutes. The County appoints the fourteen-member governing board of the Authority, and there is a potential financial benefit/burden to the County. The Authority includes the operations of Nash Hospitals Inc. and subsidiary, Nash Community Health Services, Inc., Nash MSO, In., Nash Medical Development Authority, and Nash Health Care Foundation. The County leases the hospital facilities to the Authority in accordance with a thirty-year operating agreement (Note 5). The Authority, which has a June 30 year-end, is presented as a component unit.
- **Nash County ABC Board** - The five members of the Nash County ABC Board's governing board are appointed by the County. The ABC Board is required by State Statute to distribute its surplus to the General Fund of the County. The ABC Board which has a June 30 year-end, is presented as a component unit.

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

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

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

Nash County ABC Board
1206 Eastern Avenue
Nashville, NC 27856

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

B. Basis of Presentation – Basis of Accounting

Basis of Presentation, Measurement Focus - Basis of Accounting

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government net position (the County) and its component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type* activities of the County. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

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

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

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

The County reports the following major governmental fund:

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

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Capital Project Funds - The County has six capital project funds: Nash Community College Bond Fund Project, Capital Reserve Fund, Middlesex Industrial Park Fund, Nashville EMS Station Fund, Senior Center Park Fund, and School Capital Project Fund.

Enterprise Funds - The County reports the following enterprise funds:

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

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

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

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

Fiduciary Funds - include the following fund type:

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

C. Measurement Focus, Basis of Accounting

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

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

Amounts 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.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

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

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

D. Budgetary Data

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

1. Deposits and Investments

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

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

The majority of the County, Nash County Tourism Development Authority, Nash Health Care Systems and Subsidiaries, and Nash County ABC Board's investments are carried at fair value. Non-participating interest earnings contracts are accounted for at cost. The NC Capital management Trust Cash Portfolio, a SEC-registered 2a-7 external investment pool, is measured at amortized cost, which is the NCCMT's share price. The NCCMT Term Portfolio's securities are valued at fair value. Money market investments that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost. Non-participating interest earnings and investment contracts are reported at cost.

2. Cash and Cash Equivalents

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

3. Restricted Assets

The unexpended General Obligation bonds are restricted in the governmental activities because their use is completely restricted to the purpose for which the bonds and installment purchase notes were issued. Money in the Tax Revaluation Fund is also classified as restricted assets because its use is restricted per North Carolina General Statute 153A-150. The Reserve Contribution for Middlesex Elementary School is a required annual reserve contribution equivalent to 1/10th of the annual installment for a period of ten years and accumulation equivalent to one annual installment. Customer deposits held by the County in the Utilities Fund before any services are supplied are restricted to the service for which the deposit was collected. In the Central Nash Water and Sewer District the 2018 debt service payment on the USDA loan is restricted for future payment.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Governmental Activities

General Fund	Tax Revaluation	\$ 117,481
General Fund	Reserve Contribution - School Debt	<u>163,285</u>
Total Governmental Activities		<u>280,766</u>

Business-Type Activities

Utilities Fund	Customer Deposits	105,418
Central Nash Water and Sewer District	Debt Service Reserve	<u>193,000</u>
Total Business-Type Activities		<u>298,418</u>

Total Restricted Cash		<u>\$ 579,184</u>
-----------------------	--	-------------------

4. Ad Valorem Taxes Receivable

In accordance with State law [G.S. 105-347 and G.S. 159-13(a)], the County levies ad valorem taxes on property other than motor vehicles July 1, the beginning of the fiscal year. The taxes are due on September 1 (lien date); however, penalties and interest do not accrue until the following January 6. These taxes are based on the assessed values as of January 1, 2016.

5. Allowance for Doubtful Accounts

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

6. Prepaid Items

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

7. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets received prior to July 1, 2015 are recorded at their estimated fair value at the date of donation. Donated capital assets received after July 1, 2015 are recorded at acquisition value. Minimum capitalization costs are: \$5,000 for all asset categories. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

The County holds title to certain Nash Community College and Nash Rocky Mount Schools properties that have not been included in capital assets. The properties have been deeded to the County to permit installment purchase financing of acquisition and construction costs and to permit the County to receive refunds of sales tax paid for construction costs. Agreements between the County and Nash Community College and Nash Rocky Mount Schools give those entities the facilities, and provide that the County will convey title to the property back to the respective entities, once all restrictions of the financing agreements and all sales tax reimbursement requirements have been met. The properties are reflected as capital assets in the financial statements of Nash Community College and Nash Rocky Mount Schools, respectively.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

8. Deferred Outflows/Inflows of resources

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

9. Long-Term Obligations

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

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

10. Compensated Absences

The vacation policies of the County provide for the accumulation of up to thirty days earned vacation leave with such leave being fully vested when earned. The County's liability for accumulated earned vacation and the salary-related payments as of June 30, 2017 is recorded in the governmental activities of the government-wide financial statements. For the County's proprietary funds, an expense and a liability for compensated absences and the salary-related payments are recorded within those funds as the benefits accrue to the employees. The County has assumed a first in, first out method of using accumulated compensated time. The portion of that time estimated to be used in the next fiscal year has been designated as a current liability in the government-wide financial statements.

The sick leave policies of the County provide for an unlimited accumulation of earned sick leave. Sick leave does not vest, but any unused sick leave accumulated at the time of retirement may be used in the determination of length of service for retirement benefit purposes. Since neither the County has no obligation for accumulated sick leave until it is actually taken, no accruals for sick leave have been made.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

11. Net Position/Fund Balances

Net Position

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

Fund Balances

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

The governmental fund types classify fund balances as follows:

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

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

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

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

Restricted for General Government - portion of fund balance that is restricted by revenue source for technology and storm water maintenance.

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

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

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

Restricted for Economic Development - portion of fund balance that is restricted by revenue source for Economic Development through Travel and Tourism.

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

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

Committed for Cultural and Recreation- portion of fund balance that can only be used for recreation and aging services debt service or projects

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Committed for Economic Development - portion of fund balance that can only be used for Economic Development for a debt service shell building project and corporate park projects.

Committed for Economic Development - portion of fund balance that can only be used for Economic Development for a debt service projects

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

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

Assigned for Subsequent Year's Expenditures - portion of fund balance that is appropriated in the next year's budget that is not already classified in restricted or committed

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

Assigned for Public Safety - State asset forfeiture fund balance assigned by management for public safety

Assigned for Education - portion of fund balance assigned by management for education purposes.

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

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

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

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

Total fund balance - General Fund	\$ 42,489,270
Less:	
Prepaid assets	21,083
Stabilization by State statute	6,019,295
Total available fund balance	<u>\$ 36,448,892</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

12 Defined Benefit Pension Plans

The County participates in two cost-sharing, multiple-employer, defined benefit pension plans that are administered by the State; the Local Governmental Employees' Retirement System (LGERS) and the Registers of Deeds' Supplemental Pension Fund (RODSPF), and the Law Enforcement Officers' Separation Allowance (LEOSSA) (collectively, the "state-administered defined benefit pension plans"). For purposes of measuring the net pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the state-administered defined benefit pension plans and additions to/deductions from the state-administered defined benefit pension plans' fiduciary net positions have been determined on the same basis as they are reported by the state-administered defined benefit pension plans. For this purpose, plan member contributions are recognized in the period in which the contributions are due. The County's employee 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 Accounting Estimates

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

NOTE II: Stewardship, Compliance and Accountability

Deficit Fund Balance or Net Position of Individual Funds

None

Excess of Expenditures over Appropriations

None

NOTE III: Detail Notes on All Funds

A. Assets

1. Deposits

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

At June 30, 2017 the County's deposits had a carrying amount of \$8,815,449 and a bank balance of \$10,549,892. Of the bank balance, \$250,000 was covered by federal depository insurance; and \$10,299,892 in interest bearing deposits was covered by collateral held under the Pooling Method. At June 30, 2017, Nash County had \$3,095 cash on hand.

At June 30, 2017, the carrying amount of deposits for the Nash County Tourism Development Authority's deposits was \$635,086 and a bank balance of \$635,121. Of the bank balance, \$250,000 was covered by federal depository insurance and \$1,704,420 was covered under the pooling method.

At June 30, 2017, the carrying amount of deposits for the Nash Health Care Systems and Subsidiaries' deposits was \$7,048,894 and a bank balance of \$8,549,353. Of the bank balance, \$1,708,310 was covered by federal depository insurance and \$6,158,071 was covered by collateral held by the State Treasurer. \$682,972 was held in non-interest bearing accounts.

At June 30, 2017, the carrying amount of deposits for the Nash County ABC Board's deposits was \$2,200,305 and a bank balance of \$2,204,420. Of the bank balance, \$500,000 was covered by federal depository insurance and \$1,704,420 was covered by collateral held by the State Treasurer..

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

2. Investments

At June 30, 2017, the County had the following investments and maturities:

	Valuation Measurement Method	Fair Value	Less Than 6 Months	6-12 Months	Greater Than One Year	% Concentration
U.S. Government Agencies:						
Federal Home Loan	Fair Value- Level 1	\$ 1,245,644	-	498,806	746,838	2%
Commercial Paper:						
Abbey National	Fair Value- Level 2	1,981,957	1,981,957	-	-	3%
Toyota Motor Credit	Fair Value- Level 2	1,997,947	1,997,947	-	-	3%
ING US Funding	Fair Value- Level 2	2,996,157	2,996,157	-	-	5%
Canadian Imperial Hlds	Fair Value- Level 2	2,990,334	2,990,334	-	-	5%
Toyota Motor Credit	Fair Value- Level 2	1,990,760	1,990,760	-	-	3%
Credit Suisse NY	Fair Value- Level 2	1,984,757	-	1,984,757	-	3%
Credit Suisse NY	Fair Value- Level 2	2,983,584	2,983,584	-	-	5%
Natixis NY	Fair Value- Level 2	1,988,077	1,988,077	-	-	3%
DCAT LLC	Fair Value- Level 2	1,997,144	1,997,144	-	-	3%
Mitsub UFJ T&B	Fair Value- Level 2	1,994,369	1,994,369	-	-	3%
DCAT LLC	Fair Value- Level 2	1,996,984	1,996,984	-	-	3%
NCCMT - Government Portfolio	Amortized Cost	18,362,627	n/a	n/a	n/a	32%
NCCMT - Term Portfolio*	Fair Value- Level 1	13,266,401	13,266,401	-	-	23%
Total		\$ 57,776,742	\$ 36,183,714	\$ 2,483,563	\$ 746,838	100%

* Because the NC Capital Management Trust Term Portfolio has a weighted average maturity of less than 90 days, it was presented as an investment with a maturity of less than 6 months.

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

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

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Credit Risk - State law limits investments in commercial paper to the top rating issued by nationally recognized statistical rating organizations (NRSROs). The County policy allows investments in the NC Capital Management Trust Government Portfolio, US Treasury Securities, US Agency Securities specifically authorized in NCGS 159 and rated no lower than AAA, and commercial paper meeting the requirements of NCGS 159. As of June 30, 2017, the County's investments in commercial paper were rated P1 by Standard and Poor's, F1 by Fitch Ratings, and A1 by Moody's Investors Service. The County's investments in the NC Capital Management Trust Government Portfolio carried a credit rating of AAAM by Standard & Poor's as of June 30, 2017. The County's investment in the NC Capital Management Trust Term Portfolio is unrated. The Term Portfolio is authorized to invest in obligations of the US government and agencies, and in high grade money market instruments as permitted under North Carolina General Statute 159-30 as amended.

Concentration of Credit Risk - The County limits amounts invested in US Treasury of Agencies to no more than 20% of total investments and commercial paper to no more than 10% per investment. A minimum of 20% of available investments must be liquid. At June 30, 2017, investments in U.S. government agencies and commercial paper representing greater than 5% of the County's total investments were: NCCMT - Government Portfolio at 32%, and the NCCMT - Term Portfolio at 23%.

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

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

Year	Levied	Tax	Interest	Total
2014	\$	2,548,151	\$ 834,520	\$ 3,382,671
2015		2,538,453	602,883	3,141,336
2016		2,549,067	375,988	2,925,055
2017		2,564,075	-	2,564,075
Total	\$	10,199,746	\$ 1,813,390	\$ 12,013,136

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

4. Receivables

Receivables at the government-wide level at June 30, 2017, were as follows:

	Taxes and Related Accrued		
	Accounts	Interest	Total
Governmental Activities:			
General	\$ 841,138	\$ 4,390,464	\$ 5,231,602
Other Governmental	255,715	-	255,715
Total Receivables	\$ 1,096,853	\$ 4,390,464	\$ 5,487,317
Allowance for Doubtful Accts.	-	(1,541,604)	(1,541,604)
Total Gov't Activities	<u>\$ 1,096,853</u>	<u>\$ 2,848,860</u>	<u>\$ 3,945,713</u>
Business-type Activities:			
Water and Sewer	358,247	-	\$ 358,247
Solid Waste	19,222	-	19,222
Total Receivables	\$ 377,469	-	\$ 377,469
Allowance for Doubtful Accts.	(100,497)	-	(100,497)
Total Business-type	<u>\$ 276,972</u>	<u>\$ -</u>	<u>\$ 276,972</u>

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

Governmental Activities:	
Local Option Sales Tax	\$ 3,205,317
Sales Tax Refund	336,848
Other Reimbursements	1,635,992
Total	<u>\$ 5,178,157</u>
Business-type Activities:	
Solid Waste	50,861
Total	<u>\$ 50,861</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

5. Capital Assets

Primary Government

Capital asset activity for the year ended June 30, 2017, was as follows:

<u>Governmental Activities:</u>	Beginning				Ending
	Balances	Increases	Decreases	Adjustments	Balances
Capital assets not being depreciated:					
Land	\$ 10,178,934	\$ -	\$ -	\$ -	\$ 10,178,934
Construction in Progress	325,644	3,804,457	(454,633)	(234)	3,675,234
Infrastructure	-	-	-	-	-
Total capital assets not being depreciated	<u>10,504,578</u>	<u>3,804,457</u>	<u>(454,633)</u>	<u>(234)</u>	<u>13,854,168</u>
Capital assets being depreciated:					
Land Improvements	347,752	-	-	-	347,752
Infrastructure	566,636	-	-	-	566,636
Buildings	53,646,489	787,484	-	-	54,433,973
Vehicles	5,848,477	458,368	(149,217)	-	6,157,628
Equipment	14,526,332	205,341	(8,428)	100,000	14,823,245
Total capital assets being depreciated:	<u>74,935,686</u>	<u>1,451,193</u>	<u>(157,645)</u>	<u>100,000</u>	<u>76,329,234</u>
Less accumulated depreciation for:					
Land Improvements	127,467	17,387	-	-	144,854
Infrastructure	186,491	14,166	-	-	200,657
Buildings	22,094,532	1,187,528	-	-	23,282,060
Vehicles	5,004,492	567,631	(149,217)	-	5,422,906
Equipment	11,580,570	626,717	(8,428)	-	12,198,859
Total accumulated depreciation:	<u>38,993,552</u>	<u>2,413,429</u>	<u>(157,645)</u>	<u>-</u>	<u>41,249,336</u>
Total capital assets being depreciated, net	<u>35,942,134</u>				<u>35,079,898</u>
Governmental activity capital assets, net	<u>\$ 46,446,712</u>				<u>\$ 48,934,066</u>

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

General Government	\$ 1,164,561
Public Safety	999,452
Cultural and Recreational	3,367
Economic and Physical Development	125,191
Human Services	54,534
Education	66,324
Total Depreciation Expense	<u>\$ 2,413,429</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Business-type activities:

	Beginning				Ending
	Balances	Increases	Decreases	Adjustments	
Water and Sewer Fund					
Capital assets not being depreciated:					
Construction in progress	\$ 2,422,527	\$ 201,111	\$ (2,623,638)	\$ -	\$ -
Total capital assets not being depreciated:	2,422,527	201,111	(2,623,638)	-	-
Capital assets being depreciated:					
Infrastructure	15,849,032	2,678,545	-	-	18,527,577
Furniture, fixtures, and equipment	45,577	-	-	-	45,577
Vehicles	131,438	26,235	-	-	157,673
Total capital assets being depreciated :	16,026,047	2,704,780	-	-	18,730,827
Less accumulated depreciation for:					
Infrastructure	3,674,885	370,020	-	-	4,044,905
Furniture, fixtures, and equipment	41,094	2,448	-	-	43,542
Vehicles	97,452	4,348	-	-	101,800
Total accumulated depreciation:	3,813,431	\$ 376,816	\$ -	\$ -	4,190,247
Total capital assets being depreciated, net	12,212,616				14,540,580
Water and Sewer activity capital assets, net	\$ 14,635,143				\$ 14,540,580
Solid Waste Fund					
Capital assets not being depreciated:					
Construction in Progress	\$ -	\$ 27,242	\$ -	\$ -	\$ 27,242
Land	238,000	-	-	-	238,000
Total capital assets not being depreciated:	238,000	27,242	-	-	265,242
Capital assets being depreciated:					
Land improvements	1,439,542	-	-	-	1,439,542
Buildings and building improvements	34,375	-	-	-	34,375
Furniture, fixtures, and equipment	1,857,120	-	-	-	1,857,120
Vehicles	26,541	-	-	-	26,541
Total capital assets being depreciated:	3,357,578	-	-	-	3,357,578
Less accumulated depreciation for:					
Land improvements	1,145,040	68,242	-	-	1,213,282
Buildings and building improvements	22,318	317	-	-	22,635
Furniture, fixtures, and equipment	1,727,273	52,279	-	-	1,779,552
Vehicles	26,541	-	-	-	26,541
Total accumulated depreciation	2,921,172	120,838	-	-	3,042,010
Total capital assets being depreciated, net	436,406				315,568
Solid Waste activity capital assets net	674,406				580,810

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Convenience Center Activity	Beginning				Ending
	Balances	Increases	Decreases	Adjustments	Balances
Capital assets not being depreciated:					
Land	70,185	-	-	-	70,185
Total capital assets not being depreciated:	70,185	-	-	-	70,185
Capital assets being depreciated:					
Land improvements	293,241	-	-	-	293,241
Buildings and building improvements	94,379	-	-	-	94,379
Furniture, fixtures, and equipment	108,667	-	-	-	108,667
Total capital assets being depreciated:	496,287	-	-	-	496,287
Less accumulated depreciation for:					
Land improvements	288,747	712	-	-	289,459
Buildings and building improvements	89,321	1,445	-	-	90,766
Furniture, fixtures, and equipment	108,890	-	(223)	-	108,667
Total accumulated depreciation	486,958	2,157	(223)	-	488,892
Total capital assets being depreciated, net	9,329				7,395
Convenience Center activity capital assets net	79,514				77,580
Total Solid Waste Fund capital assets net	\$ 753,920				\$ 658,390
Central Nash Water and Sewer District	Beginning				Ending
	Balances	Increases	Decreases	Adjustments	Balances
Capital assets not being depreciated :					
Construction in progress	\$ 18,407,005	\$ 270,101	\$ (18,677,106)	\$ -	\$ -
Total capital assets not being depreciated	18,407,005	270,101	(18,677,106)	-	-
Capital assets being depreciated					
Infrastructure	-	18,677,106	-	-	18,677,106
Total capital assets being depreciated	-	18,677,106	-	-	18,677,106
Less accumulated depreciation for:					
Infrastructure	-	155,643	-	-	155,643
Total accumulated depreciation	-	\$ 155,643	\$ -	\$ -	155,643
Total capital assets being depreciated ,net	-				18,521,463
CNWS D capital assets-net	\$ 18,407,005				\$ 18,521,463
Business-type activities capital assets, net	\$ 33,796,068				\$ 33,720,433

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Net Investment in Capital Assets

The total net investment in capital assets at June 30, 2017 is composed of the following elements:

	Governmental Activities	Business-Type Activities
Capital assets	\$ 48,934,066	\$ 33,720,433
Total debt, gross	57,335,479	13,377,500
Less:		
Other non-capital related debt	230,769	-
Capital related unspent debt proceeds	10,458,599	-
Total capital debt	46,646,111	13,377,500
Net investment in capital assets	\$ 2,287,955	\$ 20,342,933

B. Liabilities

1. Payables

Payables at the government-wide level at June 30, 2017, were as follows :

	Vendors
Governmental Activities:	
General	\$ 1,598,855
Other Governmental	274,902
Total Governmental Activities	\$ 1,873,757
Business-type Activities:	
Water and Sewer	\$ 290,731
Solid Waste	181,127
Total Business-type Activities	\$ 471,858

2. Pension Plan Obligations

a. Local Governmental Employees' Retirement System

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

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

Contributions. Contribution provisions are established by General Statute 128-30 and may be amended only by the North Carolina General Assembly. County employees are required to contribute 6% of their compensation. Employer contributions are actuarially determined and set annually by the LGERS Board of Trustees. The County's contractually required contribution rate for the year ended June 30, 2017, was 8.00% of compensation for law enforcement officers, 7.32% for general employees and firefighters, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year. Contributions to the pension plan from the County were \$2,065,349 for the year ended June 30, 2017.

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

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

At June 30, 2017, the County reported a liability of \$9,741,518 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 utilizing update procedures incorporating the actuarial assumptions. The County's proportion of the net pension liability was based on a projection of the County's long-term share of future payroll covered by the pension plan, relative to the projected future payroll covered by the pension plan of all participating LGERS employers, actuarially determined. At June 30, 2016, the County's proportion was 0.4590%, which was an increase of 0.0046% from its proportion measured as of June 30, 2015.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

For the year ended June 30, 2017, the County recognized pension expense of \$2,635,086. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 183,026	\$ 341,454
Changes in assumptions	\$ 667,207	\$ -
Net difference between projected and actual earnings on pension plan investments	5,385,833	-
Changes in proportion and differences between County contributions and proportionate share of contributions	31,898	37,434
County contributions subsequent to the measurement date	2,065,349	-
Total	\$ 8,333,313	\$ 378,888

\$2,065,349 reported as deferred outflows of resources related to pensions resulting from County contributions subsequent to the measurement date will be recognized as a decrease of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows and outflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 899,189
2019	899,770
2020	2,546,442
2021	1,543,789
2022	-
Thereafter	-
	\$ 5,889,190

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0 Percent
Salary Increases	3.50 to 7.75 percent, including inflation and productivity factor
Investment Rate of Return	7.25 percent, net of pension plan investment expense, including inflation

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

The actuarial assumptions used in the December 31, 2015 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.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2016 are summarized in the following table:

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

The information above is based on 30 year expectations developed with the consulting actuary for the 2016 asset, liability, and investment policy study for the North Carolina Retirement Systems, including LGERS. The long-term nominal rates of return underlying the real rates of return are arithmetic annualized figures. The real rates of return are calculated from nominal rates by multiplicatively subtracting a long-term inflation assumption of 3.00%. All rates of return and inflation are annualized.

Discount rate. The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 7.25 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 (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	<u>1% Decrease (6.25%)</u>	<u>Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
County's proportionate share of the net pension liability (asset)	\$ 23,121,166	\$ 9,741,518	\$ (1,434,159)

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.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

b. Law Enforcement Officers' Special Separation Allowance

1 *Plan Description*

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

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

Retirees receiving benefits	3
Terminated plan members entitled to but not yet receiving benefits.	-
Active plan members	81
Total	84

Summary of Significant Accounting Policies:

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

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

Actuarial Assumptions

The entry age actuarial cost method was used in the December 31, 2015 valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.0 percent
Salary increases	3.50 to 7.35 percent, including inflation and productivity factor
Discount rate	3.86 percent

The discount rate is based on the weekly average of the Bond Buyer General Obligation 20-year Municipal Bond Index determined at the end of each month.

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

Contributions

The County is required by article 12D of G.S. Chapter 143 to provide these retirement benefits and has chosen to fund the benefit payments on a pay as you go basis through appropriations made in the General Fund operating budget. The County's obligation to contribute to this plan is established and may be amended by the North Carolina General Assembly. The County paid \$55,592 as benefits came due for the reporting period.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

At June 30, 2017, the County reported a total pension liability of \$2,019,702. The total pension liability was measured as of December 31, 2016 based on a December 31, 2015 actuarial valuation. The total pension liability was rolled forward to December 31, 2016 utilizing update procedures incorporating the actuarial assumptions. For the year ended June 30, 2017, the County recognized pension expense of \$169,062.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	47,518
County benefit payments and plan administrative expense made subsequent to the measurement date	55,592	-
Total	\$ 55,592	\$ 47,518

\$55,592 reported as deferred outflows of resources related to pensions resulting for benefit payments made and administrative expenses incurred subsequent to the measurement date will be recognized as a decrease of the total pension liability in the year ended June 30, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:			
2018	\$	8,351	
2019		8,351	
2020		8,351	
2021		8,351	
2022		8,351	
Thereafter		5,763	

Sensitivity of the County's pension liability to changes in the discount rate. The following presents the County's total pension liability calculated using the discount rate of 3.86 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 (2.86 percent) or 1-percentage-point higher (4.86 percent) than the current rate:

	1% Decrease (2.86%)	Discount Rate (3.86%)	1% Increase (4.86%)
County's proportionate share of the net pension liability (asset)	\$ 2,218,682	\$ 2,019,702	\$ 1,838,193

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

	2017
Beginning balance	\$ 1,939,698
Service Cost	108,605
Interest on the total pension liability	68,511
Changes of benefit terms	-
 Differences between expected and actual experience in the measurement of the total pension liability	 -
Changes of assumptions or other inputs	(55,869)
Benefit payments	(41,243)
Other changes	-
Ending balance of the total pension liability	\$ 2,019,702

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

The actuarial assumptions used in the December 31, 2015 valuation were based on the results of an actuarial experience study for the period January 1, 2010 through December 31, 2014.

c. Supplemental Retirement Income Plan for Law Enforcement Officers

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

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

The County's contributions for the year ended June 30, 2017 were \$280,759, which consisted of \$213,577 from the County; \$57,968 and \$9,214 (Roth) from the law enforcement officers for Supplemental Law Funding (401K).

d. Deferred Compensation Plan 401(k)

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

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The County's contributions were calculated using a covered payroll amount of \$23,475,314. Total contributions for the year ended June 30, 2017 were \$1,661,646, which consisted of \$1,173,768 from the County; \$394,879 from the employees; and \$92,999 (Roth). The County's required contributions and the employees' voluntary contributions represented 5% and 2% of the covered payroll amount, respectively.

e. Registers of Deeds' Supplemental Pension Fund

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

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

Contributions. Benefits and administrative expenses are funded by investment income and 1.5% of the receipts collected by each County Commission under Article 1 of Chapter 161 of the North Carolina General Statutes. The statutory contribution currently has no relationship to the actuary's required contribution. The actuarially determined contribution this year and for the foreseeable future is zero. Registers of Deeds do not contribute. Contribution provisions are established by General Statute 161-50 and may be amended only by the North Carolina General Assembly. Contributions to the pension plan from the County were \$7,240 for the year ended June 30, 2017.

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

At June 30, 2017, the County reported an asset of \$155,609 for its proportionate share of the net pension asset. The net pension asset was measured as of June 30, 2016. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2015. The total pension liability was then rolled forward to the measurement date of June 30, 2016 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, 2016, the County's proportion was 0.8323%, which was a decrease of 0.0027% from its proportion measured as of June 30, 2015.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

For the year ended June 30, 2017, the County recognized pension expense of \$13,210. At June 30, 2017, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 166	\$ 2,014
Changes of assumptions	41,457	-
Net difference between projected and actual earnings on pension plan investments	266	-
Changes in proportion and differences between County contributions and proportionate share of contributions	1,192	-
County contributions subsequent to the measurement date	7,240	-
Total	<u>\$ 50,321</u>	<u>\$ 2,014</u>

\$7,240 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, 2018. Other amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended June 30:	
2018	\$ 17,509
2019	17,953
2020	7,341
2021	(1,743)
2022	-
Thereafter	-
	<u>\$ 41,060</u>

Actuarial Assumptions. The total pension liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

The actuarial assumptions used in the December 31, 2015 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.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The projected long-term investment returns and inflation assumptions are developed through review of current and historical capital markets data, sell-side investment research, consultant whitepapers, and historical performance of investment strategies. Fixed income return projections reflect current yields across the U.S. Treasury yield curve and market expectations of forward yields projected and interpolated for multiple tenors and over multiple year horizons. Global public equity return projections are established through analysis of the equity risk premium and the fixed income return projections. Other asset categories and strategies' return projections reflect the foregoing and historical data analysis. These projections are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The adopted asset allocation policy for the RODSPF is 100% in the fixed income asset class. The best estimate of arithmetic real rate of return for the fixed income asset class as of June 30, 2016 is 1.4%.

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

Discount rate. The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rate and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's proportionate share of the net pension asset to changes in the discount rate. The following presents the County's proportionate share of the net pension asset calculated using the discount rate of 5.75 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease (4.75%)	Discount Rate (5.75%)		1% Increase (6.75%)
County's proportionate share of the net pension liability (asset)	\$ (125,471)	\$ (155,609)		\$ (180,928)

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

f. Other Postemployment Benefits

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Effective for employees hired on or after July 1, 2007 and before July 1, 2012, the County will provide postemployment healthcare benefits to retirees to age 65 provided that they retire (including disability retirement) with unreduced benefits from the North Carolina Local Governmental Employees' System (System) and have at least twenty years of continuous credible service to Nash County. There is no supplement offered at age 65 to either the retiree or dependent. Retired employees may continue dependent coverage at the same level as prior to retirement at their personal expense. Employees hired on or after July 1, 2012 are not eligible to participate in the plan. The County pays the costs of coverage for these benefits as incurred on a pay-as-you-go basis. The County maintains health care coverage through a combination of self-insurance and private insurers.

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

Membership of the Plan consisted of the following at June 30, 2016, the date of the latest actuarial valuation:

	General Employees	Law Enforcement Officers
Retirees and dependents receiving benefits	128	11
Terminated plan members entitled to but not yet receiving benefits	-	-
Active members	344	57
Total	472	68

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

The current ARC rate is 17.34% of annual covered payroll. For the current year, the County contributed \$1,071,621 or 5.9% of annual covered payroll. The County obtains healthcare coverage through private insurers. The County's required contributions, under a Board resolution, for employees not engaged in law enforcement and for law enforcement officers represented 5.28% and 0.62% of covered payroll, respectively. In 2017, employee contributions totaled \$101,460, which includes dependent coverage. The County's obligation to contribute to the Plan is established and may be amended by the County Board.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Summary of Significant Accounting Policies. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. No funds are set aside to pay benefits and administration costs. These expenditures are paid as they come due.

Annual OPEB Cost and Net OPEB Obligation. The County's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the County's annual OPEB cost for the current year, the amount actually contributed to the plan, and changes in the County's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 3,147,290
Interest on net OPEB obligation	633,286
Adjustment to annual required contribution	<u>(880,361)</u>
Annual OPEB cost (expense)	\$ 2,900,215
Contributions made	<u>(1,071,621)</u>
Increase (decrease) in net OPEB obligation	\$ 1,828,594
Net OPEB obligation, beginning of year	<u>15,832,157</u>
Net OPEB obligation, end of year	<u>\$ 17,660,751</u>

The County's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2017 were as follows:

For Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2015	\$ 2,603,030	42.5%	\$ 13,603,633
2016	\$ 2,934,993	24.1%	\$ 15,832,157
2017	\$ 2,900,215	36.9%	\$ 17,660,751

Funded Status and Funding Progress. As of June 30, 2016, the most recent actuarial valuation date, the plan was not funded. The actuarial accrued liability for benefits and, thus, the unfunded actuarial liability (UAAL) was \$48,170,230. The covered payroll (annual payroll of active employees covered by the plan) was \$18,149,878, and the ratio of UAAL to the covered payroll was 265.4%.

Actuarial valuations of an ongoing plan involve estimates of the value of the reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about the future employment, morality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with the past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value assets, consistent with the long-term perspective of the calculations.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

In the June 30, 2016, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 percent investment rate of return (net of administrative expenses), which is the expected long-term investment returns on plan assets and on the employer's own investments calculated based on the funded level of the plan at the valuation date and an annual medical cost trend increase of 7.75% and 5.00%. The actuarial value of assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five year period. The UAAL is being amortized as a level dollar amount on a closed basis. The remaining amortization period at June 30, 2016, was 30 years.

As of June 30, 2017, management had not decided on the funding options for this outstanding obligation; therefore, OPEB will continue to be funded on a pay-as-you-go basis going into the next fiscal year. Management will continue their efforts to find a way to fund the annual required contribution while maintaining the level of service as prioritized by the County Commissioners.

g. Other Employment Benefits

The County has elected to provide death benefits to employees through the Death Benefit Plan for members of the Local Governmental Employees' Retirement System (Death Benefit Plan), a multiple-employer, State administered, cost-sharing plan funded on a one-year term cost basis. The beneficiaries of those employees who die in active service after one year of contributing membership in the System, or who die within 180 days after retirement or termination of service and have at least one year of contributing membership service in the System at the time of death are eligible for death benefits. Lump sum death benefit payments to beneficiaries are equal to the employee's 12 highest months salary in a row during the 24 months prior to the employee's death, but the benefit will be a minimum of \$25,000 and will not exceed \$50,000. Because all death benefit payments are made from the Death Benefit Plan and not by the County, the County does not determine the number of participants. The County has no liability beyond the payment of monthly contributions. The contributions to the Death Benefit Plan cannot be separated between the post employment benefit amount and the other benefit amount. Contributions are determined as a percentage of monthly payroll based upon rates established annually by the State. Separate rates are established for employees not engaged in laws enforcement and for law enforcement officers. The County considers these contributions to be immaterial.

3 Closure and Post-Closure Costs

State and federal laws and regulations require the County to place a final cover on its landfill facility when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post closure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$773,500 reported as landfill closure and post closure care liability at June 30, 2017 represents a cumulative amount reported to date based on the use of 100% of the total estimated capacity of the landfill. The County closed the facility on December 31, 1998. Actual costs may be higher due to inflation, changes in technology, or changes in regulations. The County currently operates a Construction and Demolition landfill which is anticipated to close in late 2018. C & D closure liability is \$2,535,809 at June 30, 2017 based on the use of 90% of total estimated capacity. The County currently reports a combined liability of \$3,309,309 and will recognize the remaining estimated cost of closure and post closure care as the remaining estimated capacity is filled.

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

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

4 Deferred Outflows and Inflows of Resources

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Charge on refunding of debt	\$ 1,611,155	\$ -
Pensions - difference between expected and actual experience		
LGERS	183,026	341,354
Register of Deeds	166	2,014
Changes of assumptions		
LGERS	667,207	-
Register of Deeds	41,457	-
Pensions - difference between projected and actual investment		
LGERS	5,385,833	-
Register of Deeds	266	-
Pensions - change in proportion and difference between employer contributions and proportionate share of contributions		
LGERS	31,898	37,434
Register of Deeds	1,192	-
Contributions to pension plan in 2016-2017 fiscal year		
LGERS	2,065,349	-
Register of Deeds	7,240	-
Prepaid taxes not yet earned (General Fund)	-	103,406
Taxes receivable, net (General)	-	2,347,910
Total	<u>\$ 9,994,789</u>	<u>\$ 2,832,118</u>

4 Risk Management

The County is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County participates in two self-funded risk financing pools administered by the North Carolina Association of County Commissioners. Through these pools, the County obtains property coverage equal to replacement cost values of owned property subject to a pool limit of \$150,000,000 for any one occurrence, with an annual aggregate of \$65 million for flood and earthquake.

The County purchases general, auto, and professional liability coverage up to \$2,000,000 each occurrence, auto physical damage coverage for owned autos at actual cash value, crime coverage of \$250,000 each occurrence, and workers' compensation coverage up to statutory limits subject to a \$50,000 deductible and a \$140,000 annual aggregate. These pools are reinsured through a multi-state public entity captive for single occurrence liability losses in excess of \$500,000 per occurrence and an additional \$500,000 annual aggregate up to \$2,000,000 each occurrence property losses in excess of \$100,000 each occurrence and an additional \$1,000,000 annual aggregate, and workers' compensation losses in excess of \$350,000 each loss and an additional \$300,000 annual aggregate.

The County maintains flood coverage at \$1,000,000 limit per occurrence with a \$1,000,000 annual aggregate for zones A and V. The County maintains flood coverage at \$5,000,000 limit per occurrence with a \$5,000,000 annual aggregate for zones A and V.

The County carries cyber liability coverage, covering up to \$1,000,000 in losses with a \$5,000 deductible.

The County carries commercial coverage for all other risks of loss except employee health and dental. The County has self-insured dental insurance and has self-insured health insurance through December 31, 2016, at which time the County joined the State Health Plan for active employees effective January 1, 2017

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The settled claims of the self-insured plans did not exceed coverage in any of the past three fiscal years including the current fiscal year. The County purchased excess employee health insurance for individual claims in excess of \$125,000 for the year ended June 30, 2017. The self-funded insurance for dental is administered by a third-party agency. All funds of the County participate in the dental program and are charged on actuarial estimates of the amounts needed to pay current year claims. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred, but no reported (IBNR's).

Changes in the balances of claims liabilities during the past year are as follows:

	2016	2017
Unpaid claims, beginning	\$ 793,125	\$ 1,131,356
Incurred claims	7,084,575	2,354,061
Claim payments	(6,746,344)	(3,473,831)
Unpaid claims, ending	\$ 1,131,356	\$ 11,586

In accordance with G.S. 159-29, the County's employees that access to \$100 or more of the County's funds at any given time are performance bonded through a commercial surety bond. The Director of Finance, Sheriff and Tax Collector are individually bonded for \$100,000 each, and the Register of Deeds is bonded for \$50,000. The remaining employees that have access to funds are bonded under a blanket bond for \$250,000.

5 Contingent Liabilities

a. Claims and Judgments

At June 30, 2017, the County was a defendant to various lawsuits. In the opinion of the County's management and the County attorney, the ultimate effect of these legal matters will not have a material adverse effect on the County's financial position. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

b. Environmental Matters

During may 1993, the County discovered that property owned by the County, which was formerly leased to a service station is contaminated as a result of leakage from underground fuel storage tanks. Consultants hired by the County have assessed the extent of the contamination and estimated the cleanup cost to total approximately \$200,000. By letter dated November 30, 1993, the County has been notified that the cost is eligible for reimbursement fro the North Carolina Commercial Trust Fund. In order to retain eligibility, the County must continue to proceed with corrective action. The Trust Fund has a \$20,000 deductible, which the County believes has been met as of June 30, 2017. To date, \$65,912 has been submitted fore reimbursement of which \$42,079 has been reimbursed. The State has frozen spending pending revision of regulations governing cleanup of contaminated soil.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

6 Long-Term Obligations

a. Capital Leases

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

An agreement was executed on January 10, 2014 for the lease of EMS ambulances and requires four annual payments of \$42,313, beginning in 2014 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on April 22, 2014 for the lease of a security system and requires three annual payments of \$68,014, beginning in 2014 and ending in 2016. Under the terms of the agreement, title passes to the County at the end of the lease term.

An agreement was executed on July 21, 2014 for the lease of 3 EMS ambulance remounts and 2 QRV Expeditions and requires four annual payments of \$82,625, beginning in 2014 and ending in 2017. Under the terms of the agreement, title passes to the County at the end of the lease term.

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

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

<u>Classes of Property</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Equipment	\$ 1,191,727	\$ 525,354	\$ 666,373
Vehicles and motorized equipment	486,194	405,694	80,500
Total	<u>\$ 1,677,921</u>	<u>\$ 931,048</u>	<u>\$ 746,873</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 were as follows:

<u>Year Ending June 30</u>	
2018	\$ 296,644
2019	214,019
2020	214,019
2021	65,217
2022	-
Total minimum lease payment	<u>789,899</u>
Less: amount representing interest	<u>45,120</u>
Present Value of minimum lease payments	<u>\$ 744,779</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

b. Installment Purchase

Serviced by Governmental Activities:

\$19,034,000 Limited Obligation Refunding Bond Series 2016 on November 15, 2016, with interest due semi-annually on October 1 and April 1 and principal due on Oct 1 through 2030, interest rate of 2.07%	\$ 19,034,000
\$14,000,000 October 11, 2016 to fund the courthouse expansion project, principal payments plus interest, at 1.85% rate, are due in annual installments through October 2031.	14,000,000
\$3,787,000 issued December 18, 2014 for Refunding Certificate of Participation 2004, due in principal annual installments , plus semi-annual interest, interest rate of 1.42% through December 2021. COPS debt includes \$1,486,551 for community College, \$1,346,516 for schools, \$599,648 for Industrial Development and \$354,285 for Courthouse renovations.	2,254,000
\$7,342,300 issued March 17,2010 for Middlesex Elementary due in interest only quarterly installments through September 2012, thereafter, annual principal plus interest installments of \$399,274, interest rate of 2.05% through November 2042.	6,742,542
\$576,923 issued May 20, 2014 for economic development, due in annual installments of fixed principal of \$115,385, without interest through April 2019.	230,769
Total	<u><u>\$ 42,261,311</u></u>

Refunding

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

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

Serviced by Business-Type Activities:

\$1,122,000 issued on December 31, 2006 for Bailey Water Project, due in semi-annual installments of fixed principal \$56,100, plus interest of 2.305% through May 2027	\$ 561,000
\$1,500,000 issued on October 19, 2006 for Bailey/BOR/Bentridge water line construction project due in semi-annual installments of fixed principal \$75,000, plus interest of 4.35% through October 2026	712,500
Total	<u><u>\$ 1,273,500</u></u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 2,247,670	\$ 905,466	\$ 131,100	\$ 43,109
2019	2,231,385	873,127	131,100	38,554
2020	1,728,915	836,297	131,100	33,998
2021	1,733,037	802,017	131,100	29,442
2022	3,301,373	751,128	131,100	24,887
2023-2027	14,928,950	2,799,644	618,000	56,100
2028-2032	12,498,136	1,288,290	-	-
2033-2037	1,466,953	529,417	-	-
2038-2042	1,742,281	254,090	-	-
2043-2047	382,611	13,391	-	-
Total	\$ 42,261,311	\$ 9,052,867	\$ 1,273,500	\$ 226,090

c. Limited Obligation Bonds

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

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

\$6,100,000 from the Limited Obligation Bonds, Series 2010 remains as the unrefunded bond debt service with principal installments due annually and interest due at semi-annual rates ranging from 3.5% to 5.0% through October 1, 2020.

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

Year Ending June 30	Governmental Activities	
	Principal	Interest
2018	\$ 1,405,000	\$ 237,488
2019	1,405,000	179,475
2020	1,645,000	113,150
2021	1,645,000	40,125
Total	\$ 6,100,000	\$ 570,238

d. General Obligation Indebtedness

The County issued \$9,310,000 General Obligation Bonds on October 15, 2013, which will be used to finance construction of two buildings at Nash Community College. Principal and interest are due annually, in installments ranging from \$470,000 to \$465,000, beginning fiscal year 2015 through November 2033; interest due in semi-annual installments at rates ranging from 2.0% to 3.7%. Outstanding balance at June 30, 2017 is \$7,905,000.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

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

The County's general obligation bonds payable at June 30, 2017, which are serviced by the business-type activities are comprised of the following individual issues:

Serviced by Business-Type Activities:

\$5,239,000 of General Obligation Water Bonds issued May 26, 2009, due on June 1 in annual installments \$ 4,773,000 ranging from \$60,000 to \$235,000 through December 2048; interest rate of 3.625% to 4.5%.

\$2,804,400 of General Obligation Water Bonds issued January 23, 2012, due on June 1 in annual installments 2,632,000 ranging from \$42,000 to \$119,000 through December 2051; interest rate of 3.0%.

\$4,766,000 of General Obligation Water Bonds issued June 23, 2014, due on June 1 in annual installments 4,699,000 ranging from \$67,000 to \$209,000 through December 2054; interest rate of 3.25%.

Total \$ 12,104,000

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

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2018	\$ 465,000	\$ 260,633	\$ 193,000	\$ 440,495
2019	465,000	247,845	199,000	433,460
2020	465,000	233,895	207,000	426,195
2021	465,000	217,620	215,000	418,640
2022	465,000	199,020	223,000	410,774
2023-and thereafter	5,580,000	1,153,666	11,067,000	6,826,297
Total	<u>\$ 7,905,000</u>	<u>\$ 2,312,679</u>	<u>\$ 12,104,000</u>	<u>\$ 8,955,861</u>

e. Long-Term Obligation Activity:

The following is a summary of changes in the County's long-term obligations for the fiscal year ended June 30, 2017:

Governmental Activities:	Balance			Balance June 30, 2017	Current Portion
	July 1, 2016	Increases	Decreases		
Compensated Absences	\$ 2,165,463	\$ 2,406,618	\$ 2,000,213	\$ 2,571,868	128,593
OPEB liability	15,388,857	3,684,707	1,898,320	17,175,244	-
Net pension liability (LEOSSA)	1,939,698	80,004	-	2,019,702	-
Net pension liability (LGERS)	1,982,001	7,491,625	-	9,473,626	-
Capital lease	1,117,702	-	372,923	744,779	296,644
Installment purchase contracts	10,253,458	33,034,000	1,026,147	42,261,311	1,942,670
Limited obligation bonds	24,045,000	-	17,945,000	6,100,000	1,710,000
General obligation bonds	8,370,000	-	465,000	7,905,000	465,000
Unamortized premium/discounts	1,009,972	-	685,583	324,389	-
Total governmental activities	<u>\$ 66,272,151</u>	<u>\$ 46,696,954</u>	<u>\$ 24,393,186</u>	<u>\$ 88,575,919</u>	<u>\$ 4,542,907</u>

Business-type Activities:

Central Nash Water and Sewer District:

General Obligation Water Bonds	\$ 12,292,000	\$ -	\$ 188,000	\$ 12,104,000	\$ 193,000
Total	<u>12,292,000</u>	<u>-</u>	<u>188,000</u>	<u>12,104,000</u>	<u>193,000</u>

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Water and Sewer Fund:					
Installment purchase contracts	1,579,000	-	305,500	1,273,500	131,100
Net pension liability (LGERS)	26,508	126,641	-	153,149	-
OPEB liability	205,818	42,518	24,717	223,619	-
Compensated absences	34,328	17,366	23,797	27,897	1,395
Total	1,845,654	186,525	354,014	1,678,165	132,495
Solid Waste Fund:					
Net pension liability (LGERS)	30,586	84,157	-	114,743	-
OPEB liability	237,482	53,352	28,946	261,888	-
Compensated absences	3,815	2,214	3,896	2,133	107
Accrued landfill closure and post-closure costs	3,336,316	-	27,007	3,309,309	-
Total	3,608,199	139,723	59,849	3,688,073	107
Total Business-type activities	\$ 17,745,853	\$ 326,248	\$ 601,863	\$ 17,470,238	\$ 325,602

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

State statutes provide for a legal debt margin of 8% of the County's appraised valuation. The County had a legal debt margin of \$579,341,448 at June 30, 2017.

f. Conduit Debt Obligation

Nash County Industrial Facility and Pollution Control Authority has issued industrial revenue bonds to provide financial assistance to private businesses for economic development purposes. These bonds are secured by the properties financed, as well as letters of credit and are payable solely from the payments received from the private businesses involved. Ownership of the acquired facilities is in the name of the private business served by the bond issuance. Neither the county, the Authority, the State, nor any political subdivision, thereof, is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2017, there were no outstanding balances.

C. Interfund Balances and Activity

	Transfers	
	From	To
General Fund	\$ 1,266,767	\$ 94,190
Nonmajor governmental funds	56,755	1,531,755
Water and Sewer Funds	876,185	235,012
Central Nash Water and Sewer District	-	338,750
Total	\$ 2,199,707	\$ 2,199,707

Transfers to/from other funds at June 30, 2017 consist of the following:

From the General Fund to the School Capital Projects to accumulate resources for the Early College Renovation Project	\$ 750,000
From the General Fund to the Park Capital Reserve Fund to accumulate resources for the Park Project	250,000
From the General Fund- Economic Development to the Water/Sewer Fund to supplement other funding sources	180,012
From the General Fund- Economic Development to the Water/Sewer Fund to purchase the Castalia Water System	55,000

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

From the General Fund to the School Capital Project Fund for the close out of the Nash Community College Bond Fund Project	31,755
From the close out of the Nash Community College Bond Fund Project to the General Fund for excess funds to be used for Nash Community College debt service	31,755
From the Controlled Substance Fund to the General Fund for reimbursement of building purchase	25,000
From the Water and Sewer Fund to the Central Nash Water and Sewer District for debt service payments	338,750
From the Water and Sewer Fund close out of the Highway 97 Sewer Project of excess funds received from Economic Development to the Middlesex Industrial Park Project.	500,000
From the Water and Sewer Fund close out of the Highway 97 Sewer Project of excess funds received from Economic Development back to Economic Development reserve.	37,435
Total	<u>\$ 2,199,707</u>

D. Fund Balance

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

<u>Total Fund Balance - General Fund</u>	\$ 42,489,270
Less:	
Prepaid Assets	21,083
Stabilization by State Statute	6,019,295
Public Safety	55,175
Human Services	1,756,397
Economic Development	850,664
Tax Revaluation	117,481
Appropriated fund balance in 2017 budget	3,382,670
<u>Remaining Fund Balance</u>	30,286,505

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

	<u>General Fund</u>	Nonmajor Governmental <u>Funds</u>	Solid Waste <u>Fund</u>
Encumbrances	\$ 329,914	\$ 4,517	\$ 16,721

NOTE IV: Joint Ventures

Nash Community College

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

The County, in conjunction with the State of North Carolina and the Rocky Mount Nash Board of Education, participates in a joint venture to operate the Nash Community College (Community College). Each of the three entities appoints four members of the twelve-member Board of Trustees of the Community College. The Community College is a component unit of the State. The County has the basic responsibility for providing funding for the facilities of the Community College and for providing some financial support for the Community College's operation. The County has an ongoing financial responsibility for the college because of statutory responsibility to provide funding for the Community College's facilities. The County contributed \$2,000,000 to the Community College for operating purposes and \$250,000 for capital outlay during the year ended June 30, 2017. The participants in the joint venture do not have any equity interest in the Community College; therefore no equity interest has been reflected in the County's financial statements at June 30, 2017. Complete financial statements for the Community College may be obtained from the college's administrative offices at Old Carriage Road, Rocky Mount, North Carolina 27804.

Eastpointe

The County, in conjunction with eleven other counties is a member of Eastpointe Local Management entity (LME) for mental health services. In addition to Nash, the following counties are served: Bladen, Columbus, Duplin, Edgecombe, Greene, Lenoir, Robeson, Sampson, Scotland, Wayne and Wilson. Nash County Board of Commissioners appoint three of the twenty-seven members to the Eastpointe Board of Directors. The County did not make a contribution to the LME during the year ended June 30, 2017. Complete financial statements for the LME may be obtained from the administrative offices at 514 E. Main St., P.O. Box 896, Beulaville, North Carolina, 28518.

Rocky Mount - Wilson Airport Authority

The County is a participant with the County of Wilson, City of Rocky Mount, County of Edgecombe and County of Nash in a joint venture to operate the Rocky Mount-Wilson Airport Authority (the Authority) for the joint benefit of all co-sponsors. Upon dissolution of the Authority the assets would be shared in proportion to each sponsor's original contribution. The County's initial contribution totaled \$100,000 which represents one-seventh of the total contribution. A seven-member board governs the Authority, two from each City and one from each County. All co-sponsors are obligated by contract to contribute funds on an annual basis, as needed, to enable the Authority to operate the airport. The County contributed \$47,857 to the Authority during the year ended June 30, 2017. The participating governments have an equity interest in the joint venture. The County has a share of 14% in the joint venture, and accordingly, an equity interest has been reflected in the County's financial statements in the Statement of Net Position as a non-current asset in the amount of \$986,267 at June 30, 2017. This amount represents 14% of the net position of the Authority shown in their audited June 30, 2016 financial statements. Complete financial statements for the Authority can be obtained from the Authority's administrative office at 250 Airport Drive, Elm City, North Carolina 27822,

Joint Cooperative Agreement - Down East Home Consortium

The County, in conjunction with the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Down East Home Consortium, (the "DEHC"). The agreement commenced on June 30, 1996; the members of the DEHC may choose to continue as a consortium or may notify HUD that it has dissolved. The participating governments mutually agree that Rocky Mount shall act as the lead entity. Each of the entities appoints one member of a three-member DEHC Home Coordinating committee. Each participating government shall receive a percentage of the home funds based on a proration of the population. Each participating government shall be responsible for providing matching funds required by the federal regulations for any home funds allocated and accepted for use by that government. As of June 30, 2017, the County contribution was not required due to other funds leveraged by the consortium. Complete financial statements for the DEHC may be obtained from the DEHC's administrative offices at 331 S. Franklin Street, Rocky Mount, North Carolina 27802.

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

Carolinas Gateway Partnership, Inc.

The County, in conjunction with Edgecombe County, the Town of Tarboro, the Town of Nashville, and the City of Rocky Mount, participates in a joint venture to operate Carolinas Gateway Partnership, Inc. (Partnership). As of June 30, 2017, \$289,745 in pledges and contributions have been received from 130 donors from the private sector and \$700,011 in public funding. As of June 30, 2017, the County contributed \$309,463 to support the Partnership. Complete financial statements for the Partnership may be obtained from the Partnership's administrative offices at 427 Falls Road, Rocky Mount, North Carolina 27804.

Braswell Memorial Library

The County, in conjunction with the Library Association, the City of Rocky Mount and Edgecombe County, participates in a joint venture to operate the Braswell Memorial Library (Library). Each of the entities appoints members of the twelve-member Board of Trustees of the Library. The County appoints two of the twelve Board members. The County contributed \$850,739 to the Library's operating purposes and \$13,500 for branch library needs during the year ended June 30, 2017. In addition, the County has contributed \$130,598 of federal and State funds; primarily the State equalizing and block grants, to supplement the County's funding. Complete financial statements for the Library may be obtained from the Library's administrative offices at 727 N. Grace Street, Rocky Mount, North Carolina 27804.

NOTE V: Related Party Transactions

Nash County Healthcare Systems

During 1995, Nash County Healthcare Systems (Systems) renegotiated the existing operating lease agreement with Nash County for the use of the land and building originally purchased by the County (the "First Amendment"). Systems prepaid the lease amount of \$12 million in 1995. The renegotiated lease agreement, before extensions, was scheduled to expire in May 2000. During December 1997, Systems and the County extended the lease through May 2011 (the "Second Amendment"). Under the Second Amendment, additional considerations of \$300,000 per year was paid through 2001. During May 2001, Systems and the County extended the lease through May 2031 (the "Third Amendment"). Under the Third Amendment, Systems will pay the County additional consideration of 4.5 percent of System's net income, as defined from its immediately preceding fiscal year beginning with the lease year starting May 2002. In addition, the Third Amendment provided that additional consideration of \$300,000 would be paid to the County for the lease year ending April 2002. There were no other payments made to the County in 2017, 2016 and 2015.

NOTE VI: Benefit Payments Issued by the State

Certain amounts were paid directly to individual recipients by the State from federal and State monies. County personnel are involved with certain functions, primarily eligibility determinations that cause benefit payments to be issued by the State. This additional aid to County recipients does not appear in the basic financial statement because it does not represent revenues and expenditures of the County.

	Federal	State
Medicaid	\$ 90,821,631	\$ 48,778,179
WIC	2,161,898	-
TANF/Work First-Direct Benefits Payments	344,900	(82)
Foster Care - Title IV-E-Direct Benefit Payments	198,571	49,375
Adoption Assistance-Direct Benefit Payments	270,863	67,130
Energy Assistance Payments-Direct Benefit Payments	390,430	-
State Children's Insurance Program	2,305,265	8,860
CWS Adopt Subsidy and Vendor	-	160,316
AFDC Incentive Program Integrity	-	435
SC/SA Domiciliary Care Payment	-	713,109
SFHF Maximization	-	78,944
State Foster Home	-	43,909
Totals	\$ 96,493,558	\$ 49,900,175

**NASH COUNTY, NORTH CAROLINA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2017**

NOTE VII: Summary Disclosure of Significant Contingencies

Federal and State Assisted Programs

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

NOTE VIII: Significant Effects of Subsequent Events

Effective July 1, 2017, the County transitioned its joint venture Local Management Entity (LME) participation from Eastpointe to Trillium Health Resources (Trillium). Trillium now operated with twenty-five other counties (including Nash County). Nash County appoints two board members to the seventeen Central Regional Advisory board of Trillium. The County will have an ongoing financial responsibility of the joint venture because the Center's continued existence depends on the participating governments' continued funding. None of the participating governments have any equity interest in the Center, so no equity will be reflected in the financial statements. In accordance with the intergovernmental agreement between the participating governments, the County appropriated \$200,000 to Trillium to supplement its activities for the fiscal year ending June 30, 2018. Complete financial statements for Trillium may be obtained from Trillium's office at 1708 E. Arlington Blvd., Greenville, NC 27858-5872.

On September 20, 2017, the County entered an installment purchase contract for the construction of the Middlesex Corporate Centre Shell Building for \$1,700,000 with principal payments due in five annual installments of \$340,000, plus interest (interest rate of 2.04%).

NOTE IX: Change in Accounting Principles/ Restatement

In accordance with Governmental Accounting Standards Board (GASB) Statement 73, the County reclassified the Law Enforcement Officers' Special Separation Allowance trust fund to the General Fund. As a result, net position for the governmental activities decreased by \$932,222.

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

REQUIRED SUPPLEMENTAL FINANCIAL DATA

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

- ~ Schedule of Funding Progress for the Other Postemployment Benefits
- ~ Schedule of County's Proportionate Share of Net Pension Liability (Asset) for (LGERS)
- ~ Schedule of County Contributions (LGERS)
- ~ Schedule of County's Proportionate Share of Net Pension Asset (ROD)
- ~ Schedule of County Contributions (ROD)
- ~ Schedule of Changes in Total Pension Liability for the Law Enforcement Officers' Special Separation Allowance.
- ~ Schedule of Liability as a Percentage of Covered Payroll for the Law Enforcement Officers' Special Separation Allowance.

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

**Nash County, North Carolina
Other Postemployment Benefits
Required Supplementary Information
Schedule of Funding Progress
June 30, 2017**

Exhibit A-1

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Proj Unit Credit (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll for Year Ending On Val Date (c)	UAAL as a Percentage of Covered Payroll ((b-a) / c)
12/31/2010	\$ -	\$ 29,377,801	\$ 29,377,801	0.00%	\$ 26,374,745	111.4%
12/31/2012	-	29,202,377	29,202,377	0.00%	24,433,547	119.5%
12/31/2014	-	34,248,851	34,248,851	0.00%	22,239,735	154.0%
6/30/2016	-	48,170,230	48,170,230	0.00%	18,149,878	265.4%

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contribution	Percentage Contributed
2010	2,149,966	13.11%
2011	2,476,515	13.72%
2012	2,476,515	16.22%
2013	2,550,810	18.90%
2014	2,550,810	18.90%
2015	2,791,976	39.64%
2016	3,147,290	22.45%
2017	3,147,290	34.05%

Notes to the Required Schedules:

The information presented in the required supplementary schedules was determined as part actuarial valuation follows:

Valuation date	6/30/2016
Actuarial cost method	Projected unit credit
Amortization method	Level dollar amount, closed
Remaining amortization period	30 years
Asset valuation method	Market Value
Actuarial assumptions:	
Investment rate of return*	5.00%
Medical cost trend Rate	7.75% - 5.00%
Year of ultimate trend rate	2022
*Includes inflation at	3.00%

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

Local Government Employees' Retirement System				
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportion of the net pension liability (asset) (%)	0.459%	0.454%	0.133%	0.140%
County's proportion of the net pension liability (asset) (\$)	\$ 9,741,518	\$ 2,039,095	\$ (2,729,877)	\$ 5,559,231
County's covered-employee payroll	\$ 23,356,637	\$ 26,653,776	\$ 26,582,280	\$ 24,856,328
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	41.71%	7.65%	-10.27%	22.37%
Plan fiduciary net position as a percentage of the total pension liability**	91.47%	98.09%	102.64%	94.35%

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

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

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

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

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

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's proportionate share of the net pension liability (%)	0.832%	0.835%	0.841%	0.857%
County's proportionate share of the net pension liability (\$)	\$ (155,609)	\$ (193,505)	\$ (190,650)	\$ (183,092)
County's covered-employee payroll	\$ 60,621	\$ 59,079	\$ 58,696	\$ 57,921
County's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	-256.69%	-327.54%	-324.81%	-316.11%
Plan fiduciary net position as a percentage of the total pension liability	160.17%	197.29%	193.88%	190.50%

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

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

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

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
County's required contribution	\$ 7,240	\$ 6,799	\$ 6,682	\$ 6,867
Contributions in relation to contractually required contribution	<u>7,240</u>	<u>6,799</u>	<u>6,682</u>	<u>6,867</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
County's covered-employee payroll	\$ 63,631	\$ 60,621	\$ 59,079	\$ 58,696
Contributions as a percentage of covered-employee payroll	11.38%	11.22%	11.31%	11.70%

* Information is not required to be presented retroactively.

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

Nash County, North Carolina
Schedule of Changes in Total Pension Liability
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

Exhibit A-6

	2017
Beginning Balance	\$ 1,939,698
Service Cost	108,605
Interest on the total pension liability	68,511
Changes of benefit terms	-
Differences between expected and actual experience in the measurement of the total pension liability	-
Changes of assumptions or other inputs	(55,869)
Benefit payments	(41,243)
Other changes	-
Ending balance of the total pension liability	\$ 2,019,702

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

- * Information is not required to be presented retroactively.
This schedule will not present 10 years' worth of information until fiscal year 2027.

Nash County, North Carolina
Schedule of Pension Liability as a Percentage of Covered Payroll
Law Enforcement Officers' Special Separation Allowance
For the Year Ended June 30, 2017

Exhibit A-7

	<u>2017</u>
Total pension liability	\$ 2,019,702
Covered payroll	4,064,900
Total pension liability as a percentage of covered payroll	49.69%

Note to the schedules:

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

* Information is not required to be presented retroactively.

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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Combining and Individual Fund Statements and Schedules

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

MAJOR GOVERNMENTAL FUNDS

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Revenues				
Ad valorem Taxes				
Current year	\$ 46,629,500	\$ 49,433,732	\$ 2,804,232	\$47,943,980
Prior Year	750,000	630,984	(119,016)	838,995
Penalties and interest	330,000	277,721	(52,279)	276,828
Total	<u>47,709,500</u>	<u>50,342,437</u>	<u>2,632,937</u>	<u>49,059,803</u>
Other Taxes and Licenses				
Local option sales taxes	13,370,000	14,334,997	964,997	13,429,467
Real estate transfer taxes	200,000	245,636	45,636	261,290
Rental vehicle tax	65,000	85,957	20,957	80,535
Privilege licenses	3,000	5,645	2,645	5,965
Total	<u>13,638,000</u>	<u>14,672,235</u>	<u>1,034,235</u>	<u>13,777,257</u>
Unrestricted Intergovernmental Revenues				
Beer and wine	195,000	185,632	(9,368)	180,226
ABC 5% bottle tax	46,000	38,002	(7,998)	37,033
Video programming tax	84,000	111,013	27,013	110,103
Total	<u>325,000</u>	<u>334,647</u>	<u>9,647</u>	<u>327,362</u>
Restricted Intergovernmental Revenues				
Restricted state DSS	11,315,457	11,288,449	(27,008)	10,546,747
Restricted State health	1,968,989	1,746,945	(222,044)	1,959,062
Restricted State other	3,191,057	3,313,557	122,500	3,560,638
Restricted federal health	4,259,346	3,107,640	(1,151,706)	3,411,667
Restricted local grants	277,100	403,860	126,760	260,076
Total	<u>21,011,949</u>	<u>19,860,451</u>	<u>(1,151,498)</u>	<u>19,738,190</u>
Permits and Fees				
Register of Deeds	330,000	356,121	26,121	331,464
Building permits	327,000	330,859	3,859	390,628
Imaging system payback	18,300	17,891	(409)	6,657
Other permits and fees	320,400	381,137	60,737	397,721
Total	<u>995,700</u>	<u>1,086,008</u>	<u>90,308</u>	<u>1,126,470</u>
Sales and Services				
Sheriff's officer fees	16,000	16,167	167	15,689
Jail Fees	125,000	144,476	19,476	134,378
Home health - other	1,370	4,652	3,282	834
Environmental fees	115,000	109,899	(5,101)	107,968
Ambulance collections	3,625,000	3,789,759	164,759	3,697,355
Ambulance cost settlement	500,000	607,898	107,898	606,079
Local health	139,750	165,802	26,052	42,028
Other sales and services	285,454	297,354	11,900	507,867
Total	<u>4,807,574</u>	<u>5,136,007</u>	<u>328,433</u>	<u>5,112,198</u>
Interest on investments	140,000	336,355	196,355	152,962

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Miscellaneous				
Nash general lease	100,000	-	(100,000)	-
Contribution from ABC Board	340,000	400,113	60,113	378,347
TDA funds - economic development	75,000	75,000	-	75,000
Miscellaneous	345,082	538,256	193,174	475,243
Total	<u>860,082</u>	<u>1,013,369</u>	<u>153,287</u>	<u>928,590</u>
 Total Revenues	 <u>89,487,805</u>	 <u>92,781,509</u>	 <u>3,293,704</u>	 <u>90,222,832</u>
 Expenditures				
General Government:				
Governing Body				
Salaries and employee benefits	69,766	69,728	38	68,790
Professional services	1,570	1,470	100	-
Other operating expenditures	46,775	42,365	4,410	45,115
Total	<u>118,111</u>	<u>113,563</u>	<u>4,548</u>	<u>113,905</u>
Administration				
Salaries and employee benefits	589,974	584,309	5,665	562,178
Professional services	4,000	2,302	1,698	4,198
Other operating expenditures	35,085	33,080	2,005	32,500
Total	<u>629,059</u>	<u>619,691</u>	<u>7,670</u>	<u>598,876</u>
Finance				
Salaries and employee benefits	529,976	528,024	1,952	483,505
Other operating expenditures	20,040	16,020	4,020	17,872
Total	<u>550,016</u>	<u>544,044</u>	<u>5,972</u>	<u>501,377</u>
Disaster Recovery				
Salaries and employee benefits	205,000	46,430	158,570	-
Other operating expenditures	95,000	50,586	44,414	-
Total	<u>300,000</u>	<u>97,016</u>	<u>202,984</u>	<u>-</u>
Human Resources				
Salaries and employee benefits	290,956	287,889	3,067	283,880
Other operating expenditures	10,200	9,103	1,097	10,401
Total	<u>301,156</u>	<u>296,992</u>	<u>4,164</u>	<u>294,281</u>
Board of Elections				
Salaries and employee benefits	198,039	194,010	4,029	189,197
Other operating expenditures	75,700	73,944	1,756	82,105
Capital Outlay	-	-	-	-
Total	<u>273,739</u>	<u>267,954</u>	<u>5,785</u>	<u>271,302</u>
Election Cost				
Salaries and employee benefits	98,892	98,891	1	117,846
Other operating expenditures	69,778	69,736	42	153,241
Total	<u>168,670</u>	<u>168,627</u>	<u>43</u>	<u>271,087</u>

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Tax Supervisor and Data Processing				
Salaries and employee benefits	1,334,231	1,325,871	8,360	1,293,087
Professional services	69,650	38,155	31,495	91,399
Other operating expenditures	307,610	289,950	17,660	254,164
Total	1,711,491	1,653,976	57,515	1,638,650
Legal				
Professional services	160,000	123,270	36,730	164,541
Total	160,000	123,270	36,730	164,541
Register of Deeds				
Salaries and employee benefits	276,348	267,754	8,594	266,006
Other operating expenditures	64,054	62,895	1,159	50,780
Total	340,402	330,649	9,753	316,786
Management Information Services				
Salaries and employee benefits	682,537	669,497	13,040	656,651
Professional services	2,000	435		2,048
Other operating expenditures	60,801	44,442	16,359	12,926
Capital Outlay	8,725	-	8,725	21,192
Total	754,063	714,374	38,124	692,817
Technology				
Other operating expenditures	761,651	690,852	70,799	1,009,232
Capital Outlay	52,696	32,683	20,013	27,512
Total	814,347	723,535	90,812	1,036,744
Public Buildings				
Other operating expenditures	330,828	280,506	50,322	255,905
Capital Outlay	307,308	223,365	83,943	134,483
Total	638,136	503,871	134,265	390,388
Non-Departmental Costs				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	1,333,887	1,083,852	250,035	1,074,045
Capital Outlay	-	-	-	-
Total	1,333,887	1,083,852	250,035	1,074,045
Administration Building				
Salaries and employee benefits	554,206	505,550	48,656	541,762
Professional services	6,600	6,484	116	3,323
Other operating expenditures	285,720	236,375	49,345	249,080
Capital Outlay	39,098	20,098	19,000	50,062
Total	885,624	768,507	117,117	844,227
Court Facilities				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	186,560	181,080	5,480	171,454
Capital Outlay	-	-	-	14,565
Total	186,560	181,080	5,480	186,019

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
County Capital Improvements				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	52,445	45,848	6,597	33,721
Capital Outlay	561,600	335,820	225,780	121,750
Total	614,045	381,668	232,377	155,471
Total General Government	9,779,306	8,572,669	1,203,374	8,550,516
Public safety:				
Sheriff				
Salaries	4,569,319	4,505,761	63,558	4,189,107
Other operating expenditures	1,540,999	1,419,321	121,678	927,970
Capital Outlay	275,544	275,544	-	311,566
Total	6,385,862	6,200,626	185,236	5,428,643
Court Security				
Salaries and employee benefits	937,373	932,870	4,503	935,324
Total	937,373	932,870	4,503	935,324
School Officers NRMS				
Salaries and employee benefits	315,653	308,717	6,936	305,103
Other operating expenditures	22,250	18,919	3,331	15,143
Total	337,903	327,636	10,267	320,246
Jail				
Salaries and employee benefit	2,793,043	2,597,382	195,661	2,570,075
Professional services	421,500	408,368	13,132	395,618
Other operating expenditures	998,124	912,389	85,735	1,002,960
Capital outlay	59,707	31,491	28,216	-
Total	4,272,374	3,949,630	322,744	3,968,653
Court Liaison Grant - ARRA				
Salaries and employee benefits	55,933	55,648	285	55,808
Other operating expenditures	47,500	44,338	3,162	42,769
Total	103,433	99,986	3,447	98,577
Communications				
Salaries and employee benefits	1,557,807	1,469,346	88,461	1,418,207
Other operating expenditures	122,415	109,025	13,390	116,693
Capital outlay	2,335	2,334	1	-
Total	1,682,557	1,580,705	101,852	1,534,900
Emergency services				
Salaries and employee benefits	561,468	557,009	4,459	541,714
Other operating expenditures	115,090	87,209	27,881	76,814
Capital outlay	33,319	33,319	-	-
Total	709,877	677,537	32,340	618,528

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Emergency Medical Services				
Salaries and employee benefit	5,677,931	5,393,100	284,831	5,377,115
Professional services	240,380	238,638	1,742	238,214
Other operating expenditures	965,348	886,850	78,498	925,841
Capital Outlay	-	-	-	657,978
Total	<u>6,883,659</u>	<u>6,518,588</u>	<u>365,071</u>	<u>7,199,148</u>
Fire and Rescue				
Professional services	235,660	235,660	-	235,660
Total	<u>235,660</u>	<u>235,660</u>	<u>-</u>	<u>235,660</u>
Animal Control				
Salaries and employee benefits	268,688	267,165	1,523	257,034
Professional services	42,100	41,318	782	40,023
Other operating expenditures	61,499	42,219	19,280	51,826
Capital outlay	350	350	-	3,604
Total	<u>372,637</u>	<u>351,052</u>	<u>21,585</u>	<u>352,487</u>
Forestry				
Other operating expenditures	107,828	71,897	35,931	94,804
Total	<u>107,828</u>	<u>71,897</u>	<u>35,931</u>	<u>94,804</u>
Medical Examiner				
Professional services	90,000	85,300	4,700	75,000
Total	<u>90,000</u>	<u>85,300</u>	<u>4,700</u>	<u>75,000</u>
Total Public Safety	<u>22,119,163</u>	<u>21,031,487</u>	<u>1,087,676</u>	<u>20,861,970</u>
Transportation:				
Airport				
Other operating expenditures	47,857	47,857	-	47,857
Total	<u>47,857</u>	<u>47,857</u>	<u>-</u>	<u>47,857</u>
Rural Transportation Planning				
Salaries and employee benefits	71,225	70,504	721	69,047
Other operating expenditures	30,450	25,230	5,220	39,118
Total	<u>101,675</u>	<u>95,734</u>	<u>5,941</u>	<u>108,165</u>
Total transportation	<u>149,532</u>	<u>143,591</u>	<u>5,941</u>	<u>156,022</u>
Economic and Physical Development:				
Planning				
Salaries and employee benefits	291,317	282,636	8,681	283,230
Professional services	15,000	11,783	3,217	11,649
Other operating expenditures	26,875	23,616	3,259	26,613
Total	<u>333,192</u>	<u>318,035</u>	<u>15,157</u>	<u>321,492</u>
Inspections				
Salaries and employee benefits	326,870	318,335	8,535	314,086
Other operating expenditures	29,915	28,573	1,342	26,099
Total	<u>356,785</u>	<u>346,908</u>	<u>9,877</u>	<u>340,185</u>

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Cooperative Extension				
Salaries and employee benefits	259,618	197,250	62,368	188,367
Other operating expenditures	73,133	69,818	3,315	68,981
Capital outlay	27,500	27,500	-	-
Total	360,251	294,568	65,683	257,348
Soil Conservation				
Salaries and employee benefits	319,759	314,719	5,040	303,094
Other operating expenditures	61,278	51,085	10,193	45,780
Capital outlay	-	-	-	9,425
Total	381,037	365,804	15,233	358,299
Economic Development				
Other operating expenditures	922,251	899,474	22,777	772,489
Total	922,251	899,474	22,777	772,489
Total Economic and Physical Develop	2,353,516	2,224,789	128,727	2,049,813
Human services:				
Health				
Administration				
Salaries and employee benefits	1,389,461	1,240,026	149,435	1,275,753
Professional services	125,769	124,014	1,755	126,732
Other operating expenditures	489,400	328,959	160,441	348,850
Capital outlay	-	-	-	-
Total	2,004,630	1,692,999	311,631	1,751,335
Family Planning				
Salaries and employee benefits	744,139	741,586	2,553	647,748
Professional services	53,602	50,819	2,783	55,010
Other operating expenditures	162,833	144,200	18,633	150,824
Capital outlay	-	-	-	-
Total	960,574	936,605	23,969	853,582
Home Health				
Salaries and employee benefits	1,330,119	1,043,250	286,869	1,080,577
Professional services	625,456	508,584	116,872	544,884
Other operating expenditures	320,094	197,608	122,486	193,070
Capital outlay	-	-	-	-
Total	2,275,669	1,749,442	526,227	1,818,531
CAP				
Salaries and employee benefits	208,207	208,001	206	203,548
Professional services	-	-	-	-
Other operating expenditures	41,180	30,209	10,971	23,196
Capital outlay	-	-	-	-
Total	249,387	238,210	11,177	226,744
Child Service Coordinator				
Salaries and employee benefits	239,403	186,306	53,097	166,084
Professional services	105	105	-	105
Other operating expenditures	88,414	13,206	75,208	14,133
Capital outlay	-	-	-	-
Total	327,922	199,617	128,305	180,322

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Child Health				
Salaries and employee benefits	300,120	292,181	7,939	263,093
Professional services	34,161	34,161	-	33,326
Other operating expenditures	277,956	275,539	2,417	275,303
Capital outlay	-	-	-	14,218
Total	612,237	601,881	10,356	585,940
Maternal Health				
Salaries and employee benefits	588,714	538,610	50,104	547,210
Professional services	66,798	61,055	5,743	61,056
Other operating expenditures	46,107	40,771	5,336	33,876
Capital outlay	-	-	-	-
Total	701,619	640,436	61,183	642,142
AIDS				
Salaries and employee benefits	60,405	48,387	12,018	73,123
Professional services	-	-	-	-
Other operating expenditures	35,095	27,340	7,755	19,795
Capital outlay	-	-	-	-
Total	95,500	75,727	19,773	92,918
Health Promotion				
Salaries and employee benefits	74,190	73,529	661	63,221
Professional services	-	-	-	-
Other operating expenditures	17,300	5,153	12,147	9,709
Capital outlay	-	-	-	-
Total	91,490	78,682	12,808	72,930
Environmental Health				
Salaries and employee benefits	734,526	634,405	100,121	707,703
Professional services	-	-	-	-
Other operating expenditures	64,660	40,267	24,393	50,610
Capital outlay	-	-	-	-
Total	799,186	674,672	124,514	758,313
Diabetic Care				
Salaries and employee benefits	-	-	-	-
Professional services	1,750	125	1,625	3,053
Other operating expenditures	-	-	-	-
Capital outlay	-	-	-	-
Total	1,750	125	1,625	3,053
Tuberculosis				
Salaries and employee benefits	143,054	141,406	1,648	138,200
Professional services	5,458	5,105	353	7,100
Other operating expenditures	10,150	9,060	1,090	7,705
Capital outlay	-	-	-	-
Total	158,662	155,571	3,091	153,005
WIC Administration				
Salaries and employee benefits	525,531	492,096	33,435	496,240
Professional services	-	-	-	-
Other operating expenditures	28,764	16,389	12,375	15,488
Capital outlay	-	-	-	-
Total	554,295	508,485	45,810	511,728

**Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Communicable Disease				
Salaries and employee benefits	140,479	131,720	8,759	131,158
Professional services	32,108	31,808	300	30,213
Other operating expenditures	19,232	16,260	2,972	34,971
Capital outlay	-	-	-	-
Total	<u>191,819</u>	<u>179,788</u>	<u>12,031</u>	<u>196,342</u>
Healthy Start Baby Love Plus				
Salaries and employee benefits	96,806	81,079	15,727	80,877
Professional services	-	-	-	-
Other operating expenditures	18,718	13,888	4,830	7,709
Capital outlay	-	-	-	-
Total	<u>115,524</u>	<u>94,967</u>	<u>20,557</u>	<u>88,586</u>
Breast and Cervical Cancer				
Salaries and employee benefits	13,416	13,105	311	13,079
Professional services	56,874	48,341	8,533	43,118
Other operating expenditures	-	-	-	830
Capital outlay	-	-	-	-
Total	<u>70,290</u>	<u>61,446</u>	<u>8,844</u>	<u>57,027</u>
Immunization Action Pan				
Salaries and employee benefits	32,003	31,490	513	31,255
Professional services	-	-	-	-
Other operating expenditures	800	621	179	632
Capital outlay	-	-	-	-
Total	<u>32,803</u>	<u>32,111</u>	<u>692</u>	<u>31,887</u>
NAPSACC				
Salaries and employee benefits	-	-	-	45,550
Professional services	-	-	-	-
Other operating expenditures	-	-	-	5,298
Capital outlay	-	-	-	-
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,848</u>
Lead Grant				
Salaries and employee benefits	6,459	3,203	3,256	10,671
Professional services	-	-	-	-
Other operating expenditures	16,283	55	16,228	-
Capital outlay	-	-	-	-
Total	<u>22,742</u>	<u>3,258</u>	<u>19,484</u>	<u>10,671</u>
Bioterrorism Program				
Salaries and employee benefits	34,365	34,235	130	25,879
Professional services	-	-	-	-
Other operating expenditures	3,050	2,837	213	6,503
Capital outlay	-	-	-	-
Total	<u>37,415</u>	<u>37,072</u>	<u>343</u>	<u>32,382</u>

**Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Community Care of Eastern North Carolina				
Salaries and employee benefits	158,305	157,039	1,266	130,045
Professional services	-	-	-	-
Other operating expenditures	26,618	9,163	17,455	32,078
Capital outlay	-	-	-	-
Total	<u>184,923</u>	<u>166,202</u>	<u>18,721</u>	<u>162,123</u>
OB Case Management				
Salaries and employee benefits	275,214	214,847	60,367	208,779
Professional services	-	-	-	-
Other operating expenditures	21,814	12,639	9,175	19,532
Capital outlay	-	-	-	-
Total	<u>297,028</u>	<u>227,486</u>	<u>69,542</u>	<u>228,311</u>
Triple P Health				
Salaries and employee benefits	57,658	-	57,658	73,860
Professional services	46,814	-	46,814	173,151
Other operating expenditures	10,528	-	10,528	17,897
Capital outlay	-	-	-	-
Total	<u>115,000</u>	<u>-</u>	<u>115,000</u>	<u>264,908</u>
EBOLA Preparedness				
Other operating expenditures	11,100	3,161	7,939	-
Total	<u>11,100</u>	<u>3,161</u>	<u>7,939</u>	<u>-</u>
Total Health	<u>9,911,565</u>	<u>8,357,943</u>	<u>1,553,622</u>	<u>8,773,628</u>
Office of Juvenile Justice				
Other operating expenditures	290,889	290,889	-	350,391
Total	<u>290,889</u>	<u>290,889</u>	<u>-</u>	<u>350,391</u>
Mental Health				
Other operating expenditures	352,860	233,854	119,006	43,893
Total	<u>352,860</u>	<u>233,854</u>	<u>119,006</u>	<u>43,893</u>
Home Care Community Block Grant				
Other operating expenditures	751,937	743,399	8,538	757,200
Total	<u>751,937</u>	<u>743,399</u>	<u>8,538</u>	<u>757,200</u>
Social Services:				
General				
Salaries	8,339,653	8,261,795	77,858	7,685,795
Professional services	18,550	9,702	8,848	42,938
Assistance payments	847,526	833,005	14,521	838,188
Other operating expenditures	443,398	364,503	78,895	501,702
Capital outlay	36,100	35,990	110	14,000
Total	<u>9,685,227</u>	<u>9,504,995</u>	<u>180,232</u>	<u>9,082,623</u>
Title IVD-1571				
Salaries and employee benefits	1,196,395	1,181,903	14,492	1,118,369
Professional services	1,650	1,426	224	1,594
Other operating expenditures	48,875	43,627	5,248	40,915
Total	<u>1,246,920</u>	<u>1,226,956</u>	<u>19,964</u>	<u>1,160,878</u>

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Work First				
Salaries and employee benefits	474,154	367,164	106,990	461,252
Professional services	-	-	-	-
Other operating expenditures	49,475	37,175	12,300	40,603
Total	<u>523,629</u>	<u>404,339</u>	<u>119,290</u>	<u>501,855</u>
Social Services - Other				
WFFA charges	1,000	-	1,000	-
Special assistance	729,334	713,492	15,842	724,247
Other assistance	4,231,104	4,041,734	189,370	3,576,243
Total	<u>4,961,438</u>	<u>4,755,226</u>	<u>206,212</u>	<u>4,300,490</u>
DNS - County Only Participation				
Non-reimbursable	13,950	12,129	1,821	12,382
Foster children	5,500	5,377	123	3,318
Pauper burials	3,300	3,022	278	600
Total	<u>22,750</u>	<u>20,528</u>	<u>2,222</u>	<u>16,300</u>
Total social services	<u>16,439,964</u>	<u>15,912,044</u>	<u>527,920</u>	<u>15,062,146</u>
Aging				
Salaries and employee benefits	176,192	156,543	19,649	162,221
Other operating expenditures	47,299	41,980	5,319	29,371
Contracts and grants	61,016	40,660	20,356	46,665
Total	<u>284,507</u>	<u>239,183</u>	<u>45,324</u>	<u>238,257</u>
Senior Center Caregiver Grant				
Salaries and employee benefits	14,651	14,651	-	26,050
Other operating expenditures	6,853	5,905	948	29,734
Total	<u>21,504</u>	<u>20,556</u>	<u>948</u>	<u>55,784</u>
Senior Health Insurance Info Program				
Salaries and employee benefits	-	-	-	-
Other operating expenditures	2,025	1,686	339	1,500
Total	<u>2,025</u>	<u>1,686</u>	<u>339</u>	<u>1,500</u>
Medical Impr Patient Provider Act				
Other operating expenditures	1,773	-	1,773	-
Total	<u>1,773</u>	<u>-</u>	<u>1,773</u>	<u>-</u>
Veteran's Services				
Salaries and employee benefits	68,285	65,431	2,854	54,248
Other operating expenditures	3,750	2,900	850	-
Total	<u>72,035</u>	<u>68,331</u>	<u>3,704</u>	<u>54,248</u>

Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Local Human Services				
Contributions	44,375	41,350	3,025	41,375
Tri-County industries	42,000	42,000	-	42,000
My Sisters House	9,200	9,200	-	9,200
Beaver Control BMAP	4,000	4,000	-	4,000
Nash County Arts Council	30,000	30,000	-	30,000
Nashville Boys Cub	25,000	25,000	-	25,000
House the Children	30,000	30,000	-	30,000
Downeast Partnership for Children	10,000	10,000	-	10,000
Total	<u>194,575</u>	<u>191,550</u>	<u>3,025</u>	<u>191,575</u>
Total Human Services	<u>28,323,634</u>	<u>26,059,435</u>	<u>2,264,199</u>	<u>25,528,622</u>
Cultural:				
Recreation				
Salaries and employee benefits	359,140	359,128	12	306,495
Other operating expenditures	174,194	172,409	1,785	143,849
Total	<u>533,334</u>	<u>531,537</u>	<u>1,797</u>	<u>450,344</u>
Facility Maintenance				
Salaries and employee benefits	72,029	64,391	7,638	64,533
Other operating expenditures	60,409	44,953	15,456	50,570
Total	<u>132,438</u>	<u>109,344</u>	<u>23,094</u>	<u>115,103</u>
Libraries				
Braswell Library	850,739	850,739	-	850,739
NC Library Block Grant	135,800	135,800	-	173,865
Local libraries	72,500	67,500	5,000	72,500
Total	<u>1,059,039</u>	<u>1,054,039</u>	<u>5,000</u>	<u>1,097,104</u>
Total Cultural	<u>1,724,811</u>	<u>1,694,920</u>	<u>29,891</u>	<u>1,662,551</u>
Education:				
Nash Community College				
Operating expenditures	2,000,000	2,000,000	-	2,000,000
Capital outlay	250,000	250,000	-	634,943
Total	<u>2,250,000</u>	<u>2,250,000</u>	<u>-</u>	<u>2,634,943</u>
Nash Rocky Mount Schools				
Operating expenditures	20,400,584	20,400,584	-	20,020,261
Capital outlay	1,796,890	1,796,890	-	1,984,352
Total	<u>22,197,474</u>	<u>22,197,474</u>	<u>-</u>	<u>22,004,613</u>
Total Education	<u>24,447,474</u>	<u>24,447,474</u>	<u>-</u>	<u>24,639,556</u>
Debt service:				
Principal retirement	3,379,670	3,269,070	110,600	3,838,830
Interest and fees	1,652,186	1,565,740	86,446	1,667,537
Bond issuance cost	162,704	162,704	-	-
Total debt service	<u>5,194,560</u>	<u>4,997,514</u>	<u>197,046</u>	<u>5,506,367</u>
Total expenditures	<u>94,091,996</u>	<u>89,171,879</u>	<u>4,916,854</u>	<u>88,955,417</u>
Revenue over (under) expenditures	<u>(4,604,191)</u>	<u>3,609,630</u>	<u>8,213,821</u>	<u>1,267,415</u>

**Nash County, North Carolina
General Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

With Comparative Actual Amounts For the Fiscal Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
Other financing sources (uses):				
Transfers to other funds:				
Special revenue funds			-	(4,930)
Economic Development Fund			-	-
Capital project funds	(1,031,760)	(1,031,755)	5	(650,000)
Tax Revaluation Fund	(115,000)	(115,000)	-	(115,000)
Transfers from other funds				
Special revenue funds	-	25,000	25,000	-
Capital project funds	31,760	31,755	(5)	-
Capital lease obligations issued			-	995,887
Refunding bonds issued	19,034,000	19,034,000	-	-
Payment to refunded bond escrow agent	(18,871,296)	(18,871,296)	-	-
Contingency	(40,000)	-	40,000	-
Appropriated fund balance	5,596,487	-	(5,596,487)	-
Total other financing sources (uses)	<u>4,604,191</u>	<u>(927,296)</u>	<u>(5,531,487)</u>	<u>225,957</u>
Excess of revenues and other sources over (under expenditures and other uses)	<u>\$ -</u>	<u>2,682,334</u>	<u>\$ 2,682,334</u>	<u>1,493,372</u>
Fund balance- July 1		<u>38,838,791</u>		<u>37,345,419</u>
Fund balance- June 30		<u>\$ 41,521,125</u>		<u>\$38,838,791</u>

Nash County, North Carolina
Revaluation Fund
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts for the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Investment earnings	\$ -	\$ 682	\$ 682	\$ 467
EXPENDITURES				
Revaluation of tax base	435,063	227,468	207,595	308,790
Revenues over (under) expenditures	(435,063)	(226,786)	208,277	(308,323)
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	115,000	115,000	-	115,000
Appropriated fund balance	320,063	-	(320,063)	-
Total other financing sources (uses)	435,063	115,000	(320,063)	115,000
Revenues and other sources over (under) expenditures and other uses	\$ -	(111,786)	\$ (111,786)	(193,323)
Fund balance, beginning		229,267		422,590
Fund balance, ending		\$ 117,481		\$ 229,267

Nash County, North Carolina
Economic Development Fund
Schedule of Revenues, Expenditures
And Changes in Fund Balance- Budget and Actual
For the Year Ended June 30, 2017
With Comparative Actual Amounts For The Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Restricted intergovernmental	\$ 45,725	\$ 45,725	\$ -	\$ -
EXPENDITURES				
Economic and physical development	45,725	45,725	-	-
Revenues Over (Under) Expenditures	-	-	-	-
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	-	37,435	37,435	-
Transfers to other funds	(235,012)	(235,012)	-	(2,004,743)
Appropriated fund balance	235,012	-	(235,012)	-
Total other financing sources (uses)	-	(197,577)	(197,577)	(2,004,743)
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	(197,577)	<u>\$ (197,577)</u>	(2,004,743)
FUND BALANCE				
Beginning of year- July 1		<u>1,048,241</u>		<u>3,052,984</u>
End of year- June 30		<u>\$ 850,664</u>		<u>\$ 1,048,241</u>

Nash County, North Carolina
Courthouse Expansion Capital Project Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Sales tax refund	\$ -	\$ -	\$ 13,916	\$ 13,916	\$ 13,916
Interest on investments	-	-	43,546	43,546	43,546
Total Revenue	-	-	57,462	57,462	57,462
EXPENDITURES					
Capital Outlay:					
Public Safety:					
Construction	12,470,012	-	2,724,765	2,724,765	9,745,247
Legal and professional services	55,000	581,998	(553,038)	28,960	26,040
Engineering, survey, and design	915,775	-	787,676	787,676	128,099
Contingency	559,213	-	-	-	559,213
Total	14,000,000	581,998	2,959,403	3,541,401	10,458,599
Revenues over (under) expenditures	(14,000,000)	(581,998)	(2,901,941)	(3,483,939)	10,516,061
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	-	2,000,000	-	2,000,000	2,000,000
Proceeds from financing	14,000,000	-	14,000,000	14,000,000	-
Total Other Financing Sources (Uses)	14,000,000	2,000,000	14,000,000	16,000,000	2,000,000
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 1,418,002	11,098,059	\$ 12,516,061	\$ 12,516,061
Fund balance, beginning			1,418,001		
Fund balance, ending			\$ 12,516,060		

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

NON-MAJOR GOVERNMENTAL FUNDS

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

**Nash County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017**

	Special Revenue Funds					
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund
ASSETS						
Current Assets:						
Cash and cash equivalents	93,937	499,864	223,124	108,679	244,417	25,440
Accounts receivable	-	39,298	36,307	1,024	-	-
Total assets	<u>\$ 93,937</u>	<u>\$ 539,162</u>	<u>\$ 259,431</u>	<u>\$ 109,703</u>	<u>\$ 244,417</u>	<u>\$ 25,440</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	68,037	-	18,689	2,545	6,167	-
Total liabilities	<u>68,037</u>	<u>-</u>	<u>18,689</u>	<u>2,545</u>	<u>6,167</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	39,298	36,307	1,024	-	-
Public Safety	-	499,864	204,435	-	238,250	-
Transportation	25,900	-	-	-	-	-
Economic Development	-	-	-	-	-	-
General Government	-	-	-	-	-	25,440
Committed:						
Economic Development	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
Assigned:						
Public Safety	-	-	-	106,134	-	-
Education	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>25,900</u>	<u>539,162</u>	<u>240,742</u>	<u>107,158</u>	<u>238,250</u>	<u>25,440</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 93,937</u>	<u>\$ 539,162</u>	<u>\$ 259,431</u>	<u>\$ 109,703</u>	<u>\$ 244,417</u>	<u>\$ 25,440</u>

Nash County, North Carolina
 Non-Major Governmental Funds
 Combining Balance Sheet
 June 30, 2017

	Special Revenue Funds					CDBG Grant Fund
	Tourism Fund	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	Abandoned Manufactured Homes Fund	
ASSETS						
Current Assets:						
Cash and cash equivalents	275,846	123	\$ -	45,367	2,500	\$ -
Accounts receivable	-	167,914	-	-	-	-
Total assets	<u>\$ 275,846</u>	<u>\$ 168,037</u>	<u>\$ -</u>	<u>\$ 45,367</u>	<u>\$ 2,500</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	11,550	167,914	-	-	-	-
Total liabilities	<u>11,550</u>	<u>167,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Restricted:						
Stabilization by State Statute	-	167,914	-	-	-	-
Public Safety	-	-	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	264,296	-	-	-	-	-
General Government	-	-	-	-	-	-
Committed:						
Economic Development	-	-	-	45,367	2,500	-
Cultural and Recreational	-	-	-	-	-	-
Assigned:						
Public Safety	-	-	-	-	-	-
Education	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Unassigned	-	(167,791)	-	-	-	-
Total fund balances	<u>264,296</u>	<u>123</u>	<u>-</u>	<u>45,367</u>	<u>2,500</u>	<u>-</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 275,846</u>	<u>\$ 168,037</u>	<u>\$ -</u>	<u>\$ 45,367</u>	<u>\$ 2,500</u>	<u>\$ -</u>

**Nash County, North Carolina
Non-Major Governmental Funds
Combining Balance Sheet
June 30, 2017**

	Capital Projects Funds						Total Special Rev and Capital Proj Funds
	Nash Community College Bond Fund	Capital Reserve Fund	Middlesex Industrial Park Fund	Nashville EMS Station Fund	Senior Center Park Fund	School Capital Project Fund	
ASSETS							
Current Assets:							
Cash and cash equivalents	\$ -	2,219,082	1,158,177	\$ -	1,143,894	750,000	\$ 6,790,450
Accounts receivable	-	-	-	-	-	-	244,543
Total assets	\$ -	\$ 2,219,082	\$ 1,158,177	\$ -	\$ 1,143,894	\$ 750,000	\$ 7,034,993
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	-	-	-	-	-	-	274,902
Total liabilities	-	-	-	-	-	-	274,902
Fund balances:							
Restricted:							
Stabilization by State Statute	-	-	-	-	-	-	244,543
Public Safety	-	-	-	-	-	-	942,549
Transportation	-	-	-	-	-	-	25,900
Economic Development	-	-	-	-	-	-	264,296
General Government	-	-	-	-	-	-	25,440
Committed:							
Economic Development	-	-	1,158,177	-	-	-	1,206,044
Cultural and Recreational	-	-	-	-	1,143,894	-	1,143,894
Assigned:							
Public Safety	-	-	-	-	-	-	106,134
Education	-	-	-	-	-	750,000	750,000
General Government	-	2,219,082	-	-	-	-	2,219,082
Unassigned	-	-	-	-	-	-	(167,791)
Total fund balances	-	2,219,082	1,158,177	-	1,143,894	750,000	6,760,091
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 2,219,082	\$ 1,158,177	\$ -	\$ 1,143,894	\$ 750,000	\$ 7,034,993

Nash County, North Carolina
Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Special Revenue Fund					
	Rural Operating Assistance Fund	Fire Districts Fund	Emergency Telephone System Fund	Controlled Substance Fund	Federal Asset Forfeiture Fund	Stormwater Maint Fund
REVENUES						
Ad valorem taxes	\$ -	\$ 3,276,553	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	164,745	-	435,684	29,658	173,171	-
Investment earnings	485	3,171	1,243	578	1,320	107
Miscellaneous	-	-	-	10,400	-	6,000
Total revenues	<u>165,230</u>	<u>3,279,724</u>	<u>436,927</u>	<u>40,636</u>	<u>174,491</u>	<u>6,107</u>
EXPENDITURES						
Public Safety	-	3,187,183	394,853	18,872	149,795	-
Transportation	164,746	-	-	-	-	-
Economic Development	-	-	-	-	-	-
Cultural and Recreational	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Total expenditures	<u>164,746</u>	<u>3,187,183</u>	<u>394,853</u>	<u>18,872</u>	<u>149,795</u>	<u>-</u>
Revenues over (under) Expenditures	<u>484</u>	<u>92,541</u>	<u>42,074</u>	<u>21,764</u>	<u>24,696</u>	<u>6,107</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	(25,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(25,000)</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	484	92,541	42,074	(3,236)	24,696	6,107
Fund Balance- July 1	<u>25,416</u>	<u>446,621</u>	<u>198,668</u>	<u>110,394</u>	<u>213,554</u>	<u>19,333</u>
Fund Balance- June 30	<u>\$ 25,900</u>	<u>\$ 539,162</u>	<u>\$ 240,742</u>	<u>\$ 107,158</u>	<u>\$ 238,250</u>	<u>\$ 25,440</u>

**Nash County, North Carolina
 Combining Statement of Revenues, Expenses
 Changes in Fund Balances
 Non-Major Governmental Funds
 For the Fiscal Year Ended June 30, 2017**

	Special Revenue Fund					CDBG Grant Fund
	Tourism Fund	Homeland Security Grant Fund	Single Family Rehab Fund	Urgent Repair Program Fund	Abandoned Manufactured Homes Fund	
REVENUES						
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted intergovernmental	470,000	167,914	402,573	227,997	-	2,707
Investment earnings	1,454	-	-	135	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>471,454</u>	<u>167,914</u>	<u>402,573</u>	<u>228,132</u>	<u>-</u>	<u>2,707</u>
EXPENDITURES						
Public Safety	-	167,914	-	-	-	-
Transportation	-	-	-	-	-	-
Economic Development	447,096	-	402,573	182,765	-	2,707
Cultural and Recreational	-	-	-	-	-	-
General Government	-	-	-	-	-	-
Total expenditures	<u>447,096</u>	<u>167,914</u>	<u>402,573</u>	<u>182,765</u>	<u>-</u>	<u>2,707</u>
Revenues over (under) Expenditures	<u>24,358</u>	<u>-</u>	<u>-</u>	<u>45,367</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Transfers from other funds	-	-	-	-	-	-
Transfers to other funds	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Fund Balances	24,358	-	-	45,367	-	-
Fund Balance- July 1	<u>239,938</u>	<u>123</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>
Fund Balance- June 30	<u>\$ 264,296</u>	<u>\$ 123</u>	<u>\$ -</u>	<u>\$ 45,367</u>	<u>\$ 2,500</u>	<u>\$ -</u>

Nash County, North Carolina
Combining Statement of Revenues, Expenses and
Changes in Fund Balances
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2017

	Capital Projects Funds						Total Special Rev and Capital Proj Funds
	Nash Community College Bond Fund	Capital Reserve Fund	Middlesex Industrial Park Fund	Nashville EMS Station Fund	Senior Center Park Fund	School Capital Project Fund	
REVENUES							
Ad valorem taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,276,553
Restricted intergovernmental	-	-	-	24,779	-	-	2,099,228
Investment earnings	9	11,126	-	-	-	-	19,628
Miscellaneous	-	-	-	-	-	-	16,400
Total revenues	9	11,126	-	24,779	-	-	5,411,809
EXPENDITURES							
Public Safety	-	-	-	153,384	-	-	4,072,001
Transportation	-	-	-	-	-	-	164,746
Economic Development	-	-	-	-	-	-	1,035,141
Cultural and Recreational	-	-	-	-	256,106	-	256,106
General Government	-	-	27,453	-	-	-	27,453
Total expenditures	-	-	27,453	153,384	256,106	-	5,555,447
Revenues over (under) Expenditures	9	11,126	(27,453)	(128,605)	(256,106)	-	(143,638)
OTHER FINANCING SOURCES (USES)							
Transfers from other funds	-	137,808	500,000	-	-	750,000	1,387,808
Transfers to other funds	(31,755)	-	-	(106,053)	250,000	-	87,192
Total other financing sources (uses)	(31,755)	137,808	500,000	(106,053)	250,000	750,000	1,475,000
Change in Fund Balances	(31,746)	148,934	472,547	(234,658)	(6,106)	750,000	1,331,362
Fund Balance- July 1	31,746	2,070,148	685,630	234,658	1,150,000	-	5,428,729
Fund Balance- June 30	\$ -	\$ 2,219,082	\$ 1,158,177	\$ -	\$ 1,143,894	\$ 750,000	\$ 6,760,091

Nash County, North Carolina
Rural Operating Assistance Program
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Restricted Intergovernmental - Grants:				
EDTAP	86,432	86,431	\$ (1)	\$ 76,715
Workfirst	-	-	-	26,726
Rural General Public Program	78,314	78,314	-	69,580
Total restricted intergovernmental - grants	<u>164,746</u>	<u>164,745</u>	<u>(1)</u>	<u>173,021</u>
Investment earnings	-	485	485	201
Total revenues	<u>164,746</u>	<u>165,230</u>	<u>484</u>	<u>173,222</u>
EXPENDITURES				
Transportation:				
EDTAP	91,432	91,432	-	76,715
Workfirst	-	-	-	26,726
Rural General Public Program	73,314	73,314	-	69,580
Total Expenditures	<u>164,746</u>	<u>164,746</u>	<u>-</u>	<u>173,021</u>
Revenues and Other Sources over (under)				
Expenditures and other uses	<u>\$ -</u>	484	<u>\$ 484</u>	201
FUND BALANCE				
Fund balance, beginning- July 1		<u>25,416</u>		<u>25,215</u>
Fund balance, ending - June 30		<u>\$ 25,900</u>		<u>\$ 25,416</u>

Nash County, North Carolina
Fire Districts Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Ad valorem taxes	\$ 3,080,396	\$ 3,276,553	\$ 196,157	\$ 3,109,841
Investment earnings	-	3,171	3,171	967
Total Revenues	<u>3,080,396</u>	<u>3,279,724</u>	<u>199,328</u>	<u>3,110,808</u>
EXPENDITURES				
Public safety:				
Stanhope	70,086	70,086	-	62,031
Stony Creek	11,197	11,197	-	8,288
Green Hornet	162,364	162,364	-	109,267
Harrison	171,012	171,012	-	143,915
Ferrells	205,924	205,924	-	182,579
N.S. Gulley	435,679	435,679	-	427,415
Silver Lake	9,713	9,713	-	9,639
Sims	7,929	7,929	-	7,958
Tri-County	96,843	96,843	-	97,658
Salem	159,420	159,420	-	155,942
West Mount	349,044	349,044	-	333,307
Coopers	288,438	288,438	-	277,866
Castalia	126,231	126,231	-	112,825
Spring Hope	229,115	229,115	-	222,694
Middlesex	145,602	145,602	-	136,578
Whitakers	194,120	194,120	-	189,887
Red Oak	370,694	370,694	-	362,202
Momeyer	153,772	153,772	-	142,729
Total Expenditures	<u>3,187,183</u>	<u>3,187,183</u>	<u>-</u>	<u>2,982,780</u>
Revenues over (under) expenditures	<u>(106,787)</u>	<u>92,541</u>	<u>199,328</u>	<u>128,028</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	106,787	-	(106,787)	-
Total Other Financing Sources (uses)	<u>106,787</u>	<u>-</u>	<u>(106,787)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>92,541</u>	<u>\$ 92,541</u>	<u>128,028</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>446,621</u>		<u>318,593</u>
Fund balance, ending - June 30		<u>\$ 539,162</u>		<u>\$ 446,621</u>

Nash 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, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Restricted intergovernmental - Wireless E911	\$ 435,684	\$ 435,684	\$ -	\$ 366,837
Investment earnings	-	1,243	1,243	461
Total Revenues	435,684	436,927	1,243	367,298
EXPENDITURES				
Public safety:				
Telephone	152,179	125,157	27,022	171,749
Software	108,000	105,612	2,388	104,043
Hardware	79,785	71,689	8,096	73,668
Training	12,521	11,426	1,095	6,785
Implementation functions	93,606	69,548	24,058	89,142
Equipment	17,500	11,421	6,079	-
Total Expenditures	463,591	394,853	68,738	445,387
Revenues over (under) expenditures	(27,907)	42,074	69,981	(78,089)
OTHER FINANCING SOURCES (USES)				
Transfer from other funds	-	-	-	4,930
Appropriated fund balance	27,907	-	(27,907)	-
Total Other Financing Sources (uses)	27,907	-	(27,907)	4,930
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	42,074	\$ 42,074	(73,159)
FUND BALANCE				
Fund balance, beginning- July 1		198,668		271,827
Fund balance, ending - June 30		\$ 240,742		\$ 198,668

Nash County, North Carolina
Controlled Substance Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
<u>REVENUES</u>				
Controlled substance funds	\$ 20,000	\$ 29,658	\$ 9,658	\$ 67,685
Miscellaneous income	7,500	10,400	2,900	13,800
Investment earnings	-	578	578	170
Total Revenues	<u>27,500</u>	<u>40,636</u>	<u>13,136</u>	<u>81,655</u>
<u>EXPENDITURES</u>				
Public safety	58,000	18,872	39,128	55,471
Total Expenditures	<u>58,000</u>	<u>18,872</u>	<u>39,128</u>	<u>55,471</u>
Revenues over (under) expenditures	<u>(30,500)</u>	<u>21,764</u>	<u>52,264</u>	<u>26,184</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer to other funds	(25,000)	(25,000)	-	-
Appropriated fund balance	55,500	-	(55,500)	-
Total Other Financing Sources (uses)	<u>30,500</u>	<u>(25,000)</u>	<u>(55,500)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>(3,236)</u>	<u>\$ (3,236)</u>	<u>26,184</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>110,394</u>		<u>84,210</u>
Fund balance, ending - June 30		<u>\$ 107,158</u>		<u>\$ 110,394</u>

**Nash County, North Carolina
Federal Asset Forfeiture Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Federal asset forfeitures	\$ 15,000	\$ 173,171	\$ 158,171	\$ 184,129
Miscellaneous income	-	-	-	8,603
Investment earnings	-	1,320	1,320	278
Total Revenues	<u>15,000</u>	<u>174,491</u>	<u>159,491</u>	<u>193,010</u>
EXPENDITURES				
Public safety	166,953	149,795	17,158	169,249
Total Expenditures	<u>166,953</u>	<u>149,795</u>	<u>17,158</u>	<u>169,249</u>
Revenues over (under) expenditures	<u>(151,953)</u>	<u>24,696</u>	<u>176,649</u>	<u>23,761</u>
OTHER FINANCING SOURCES (USES)				
Appropriated fund balance	151,953	-	(151,953)	-
Total Other Financing Sources (uses)	<u>151,953</u>	<u>-</u>	<u>(151,953)</u>	<u>-</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>24,696</u>	<u>\$ 24,696</u>	<u>23,761</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>213,554</u>		<u>189,793</u>
Fund balance, ending - June 30		<u>\$ 238,250</u>		<u>\$ 213,554</u>

**Nash County, North Carolina
 Stormwater Maintenance Fund
 Schedule of Revenues, Expenditures
 and Changes In Fund Balance- Budget and Actual
 For the Fiscal Year Ended June 30, 2017
 With Comparative Actual Amounts For the Year Ended June 30, 2016**

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Stormwater maintenance fees	\$ -	\$ 6,000	\$ 6,000	\$ -
Investment earnings	-	107	107	35
Total Revenues	-	6,107	6,107	35
Revenues over (under) expenditures	-	6,107	6,107	35
Revenues and Other Sources over (under) Expenditures and other uses	\$ -	6,107	\$ 6,107	35
FUND BALANCE				
Fund balance, beginning- July 1		19,333		19,298
Fund balance, ending - June 30		\$ 25,440		\$ 19,333

Nash County, North Carolina
Tourism Fund
Schedule of Revenues, Expenditures
and Changes In Fund Balance- Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Actual Amounts For the Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Restricted intergovernmental	\$ 470,000	\$ 470,000	\$ -	\$ 472,273
Investment earnings	-	1,454	1,454	393
Total Revenues	<u>470,000</u>	<u>471,454</u>	<u>1,454</u>	<u>472,666</u>
EXPENDITURES				
Economic and physical development:				
Salaries	68,211	68,069	142	39,074
Operating expenditures	401,789	379,027	22,762	331,017
Total Expenditures	<u>470,000</u>	<u>447,096</u>	<u>22,904</u>	<u>370,091</u>
Revenues over (under) expenditures	<u>-</u>	<u>24,358</u>	<u>24,358</u>	<u>102,575</u>
Revenues and Other Sources over (under) Expenditures and other uses	<u>\$ -</u>	<u>24,358</u>	<u>\$ 24,358</u>	<u>102,575</u>
FUND BALANCE				
Fund balance, beginning- July 1		<u>239,938</u>		<u>137,363</u>
Fund balance, ending - June 30		<u>\$ 264,296</u>		<u>\$ 239,938</u>

Nash County, North Carolina
Homeland Security Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Public Safety:					
Homeland Security Grant	\$ 1,127,237	\$ 1,124,807	\$ -	\$ 1,124,807	\$ (2,430)
Restricted Local Grants	170,000	-	167,914	167,914	(2,086)
Emergency Operations Planning Grant	29,950	29,000	-	29,000	(950)
Investment earnings	-	1,832	-	1,832	1,832
Total Revenue	<u>1,327,187</u>	<u>1,155,639</u>	<u>167,914</u>	<u>1,323,553</u>	<u>(3,634)</u>
EXPENDITURES					
Public Safety:					
Planning	29,950	130,269	-	130,269	(100,319)
Supplies	76,040	74,350	-	74,350	1,690
Training	107,719	49,888	-	49,888	57,831
Equipment	1,122,940	901,009	167,914	1,068,923	54,017
Total	<u>1,336,649</u>	<u>1,155,516</u>	<u>167,914</u>	<u>1,323,430</u>	<u>13,219</u>
Revenues over (under) expenditures	<u>(9,462)</u>	<u>123</u>	<u>-</u>	<u>123</u>	<u>9,585</u>
OTHER FINANCING SOURCES (USES)					
Appropriated fund balance	<u>9,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,462)</u>
Total Other Financing Sources (Uses)	<u>9,462</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,462)</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 123</u>	<u>-</u>	<u>\$ 123</u>	<u>\$ 123</u>
Fund balance, beginning			<u>123</u>		
Fund balance, ending			<u>\$ 123</u>		

**Nash County, North Carolina
Single Family Rehabilitation
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Economic and physical development:					
Single Family Rehabilitation Grant 2004	\$ 1,491,810	\$ 190,929	#####	\$ 593,502	\$ (898,308)
Total Revenue	<u>1,491,810</u>	<u>190,929</u>	<u>402,573</u>	<u>593,502</u>	<u>(898,308)</u>
EXPENDITURES					
Economic and physical development:					
Single Family Rehabilitation Grant 2004	796,600	190,929	402,573	593,502	203,098
Administrative costs	59,472	-	-	-	59,472
Construction	635,738	-	-	-	635,738
Total	<u>1,491,810</u>	<u>190,929</u>	<u>402,573</u>	<u>593,502</u>	<u>898,308</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	-	<u>\$ -</u>	<u>\$ -</u>
Fund balance, beginning			-		
Fund balance, ending			<u>\$ -</u>		

**Nash County, North Carolina
Urgent Repair Program
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Economic and physical development:					
Urgent Repair Grant 2010	\$ -	\$ 53,000	\$ 61,364	\$ 114,364	\$ 114,364
Urgent Repair Grant 2012	-	74,967	74,983	149,950	149,950
Urgent Repair Grant	275,000	99,427	100,000	199,427	(75,573)
Owner Contributions	-	8,200	(8,200)	-	-
Program income	-	150	(150)	-	-
Investment earnings	-	68	135	203	203
Total Revenue	275,000	235,812	228,132	463,944	188,944
EXPENDITURES					
Economic and physical development:					
Urgent Repair Grant 2010	-	61,364	53,000	114,364	(114,364)
Urgent Repair Grant 2012	-	74,984	74,969	149,953	(149,953)
Housing Rehabilitation	100,000	99,464	-	99,464	536
Construction	75,000	-	-	-	75,000
Abandoned structures	100,000	-	54,796	54,796	45,204
Total	275,000	235,812	182,765	418,577	(143,577)
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	45,367	\$ 45,367	\$ 45,367
Fund balance, beginning			-		
Fund balance, ending			\$ 45,367		

**Nash County, North Carolina
Abandoned Manufactured Homes Grant
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Community Development Grants:					
Abandoned Manufactured Homes Grant	\$ 40,700	\$ 17,350	\$ -	\$ 17,350	\$ (23,350)
Total Revenue	<u>40,700</u>	<u>17,350</u>	<u>-</u>	<u>17,350</u>	<u>(23,350)</u>
EXPENDITURES					
Economic and physical development:					
Community Development Grants:					
Abandoned structures	40,700	14,850	-	14,850	25,850
Total	<u>40,700</u>	<u>14,850</u>	<u>-</u>	<u>14,850</u>	<u>25,850</u>
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 2,500</u>	<u>-</u>	<u>\$ 2,500</u>	<u>\$ 2,500</u>
Fund balance, beginning			<u>2,500</u>		
Fund balance, ending			<u>\$2,500</u>		

Nash County, North Carolina
CDBG Grant Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Community Development Grants:					
Mamie Lane	\$ -	\$ 664,965	\$ -	\$ 664,965	\$ 664,965
Infrastructure hookup	75,000	53,246	-	53,246	(21,754)
Nutkao	750,000	750,000	-	750,000	-
Commerce Fellows Grant	27,477	22,953	2,707	25,660	(1,817)
Total Revenue	852,477	1,491,164	2,707	1,493,871	641,394
EXPENDITURES					
Economic and physical development:					
Community Development Grants:					
Mamie Lane	-	667,965	-	667,965	(667,965)
Infrastructure hookup	75,000	53,246	-	53,246	21,754
Nutkao	750,000	750,000	-	750,000	-
Commerce Fellows Grant	27,477	22,953	2,707	25,660	1,817
Total	852,477	1,494,164	2,707	1,496,871	(644,394)
Revenues over (under) expenditures	-	(3,000)	-	(3,000)	(3,000)
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	-	10,000	-	10,000	10,000
Transfer to other funds	-	(7,000)	-	(7,000)	(7,000)
Total Other Financing Sources (Uses)	-	3,000	-	3,000	3,000
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ -	-	\$ -	\$ -
Fund balance, beginning			-		
Fund balance, ending			\$ -		

Nash County, North Carolina
Nash Community College Bond Fund Project
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Interest on investments	\$ -	\$ 7,949	\$ 9	\$ 7,958	\$ 7,958
Total Revenue	-	7,949	9	7,958	7,958
EXPENDITURES					
Capital Outlay:					
Education:					
Construction	9,690,066	9,666,268	-	9,666,268	23,798
Total	9,690,066	9,666,268	-	9,666,268	23,798
Revenues over (under) expenditures	(9,690,066)	(9,658,319)	9	(9,658,310)	31,756
OTHER FINANCING SOURCES (USES)					
Transfer to other funds	(31,760)	-	(31,755)	(31,755)	5
Proceeds from general obligation bonds	9,310,001	9,310,000	-	9,310,000	(1)
Premium on general obligation bonds	380,065	380,065	-	380,065	-
Appropriated fund balance	31,760	-	-	-	(31,760)
Total Other Financing Sources (Uses)	9,690,066	9,690,065	(31,755)	9,658,310	(31,756)
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 31,746	(31,746)	\$ -	\$ -
Fund balance, beginning			31,746		
Fund balance, ending			\$ -		

**Nash County, North Carolina
Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017
With Comparative Amounts For The Year Ended June 30, 2016**

	2017			2016
	Budget	Actual	Variance Positive (Negative)	Actual
<u>REVENUES</u>				
Investment earnings	\$ -	\$ 11,126	\$ 11,126	\$ 3,739
Revenues over (under) expenditures	-	11,126	11,126	3,739
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfer from other funds	31,760	137,808	106,048	-
Transfer to other funds	(31,760)	-	31,760	-
Total Other Financing Sources (uses)	-	137,808	137,808	-
Revenues and other sources over (under) expenditures and other uses	<u>\$ -</u>	148,934	<u>\$ 148,934</u>	3,739
Fund balance, beginning -July 1		<u>2,070,148</u>		<u>2,066,409</u>
Fund balance, ending- June 30		<u>\$ 2,219,082</u>		<u>\$ 2,070,148</u>

**Nash County, North Carolina
Middlesex Industrial Park
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
DOT Reimbursement	\$ 1,110,235	\$ 1,110,234	\$ -	\$ 1,110,234	\$ (1)
Rural Hope Grant	32,000	32,000	-	32,000	-
Investment earnings	-	1,533	-	1,533	1,533
Total Revenue	<u>1,142,235</u>	<u>1,143,767</u>	<u>-</u>	<u>1,143,767</u>	<u>1,532</u>
EXPENDITURES					
Economic Development					
Road Project	1,854,717	1,293,952	6,600	1,300,552	554,165
Shell Building Project	500,000	-	20,853	20,853	479,147
Total	<u>2,354,717</u>	<u>1,293,952</u>	<u>27,453</u>	<u>1,321,405</u>	<u>1,033,312</u>
Revenues over (under) expenditures	<u>(1,212,482)</u>	<u>(150,185)</u>	<u>(27,453)</u>	<u>(177,638)</u>	<u>1,034,844</u>
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	1,212,482	835,815	500,000	1,335,815	123,333
Total Other Financing Sources (Uses)	<u>1,212,482</u>	<u>835,815</u>	<u>500,000</u>	<u>1,335,815</u>	<u>123,333</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 685,630</u>	<u>472,547</u>	<u>\$ 1,158,177</u>	<u>\$ 1,158,177</u>
Fund balance, beginning			<u>685,630</u>		
Fund balance, ending			<u>\$ 1,158,177</u>		

Nash County, North Carolina
Nashville EMS Station
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
DOT Reimbursement	\$ 24,779	\$ -	\$ 24,779	\$ 24,779	\$ -
Sales tax refund	5,140	5,140	-	5,140	-
Total Revenue	29,919	5,140	24,779	29,919	-
EXPENDITURES					
Public Safety:					
Construction	473,866	320,482	153,384	473,866	-
Total	473,866	320,482	153,384	473,866	-
Revenues over (under) expenditures	(443,947)	(315,342)	(128,605)	(443,947)	-
OTHER FINANCING SOURCES (USES)					
Transfer from other funds	550,000	550,000	-	550,000	-
Transfer to other funds	(106,053)	-	(106,053)	(106,053)	-
Total Other Financing Sources (Uses)	443,947	550,000	(106,053)	443,947	-
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 234,658	(234,658)	\$ -	\$ -
Fund balance, beginning			234,658		
Fund balance, ending			\$ -		

Nash County, North Carolina
Senior Center/Park Capital Reserve Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	-	-	-	-	-
EXPENDITURES					
Human Services:					
Construction	773,500	-	-	-	773,500
Legal and professional services	13,500	-	6,915	6,915	6,585
Engineering, survey, and design	50,100	-	-	-	50,100
Contingency	62,900	-	-	-	62,900
Culture and Recreation:					
Engineering, survey, and design	250,000	-	249,191	249,191	809
Total	1,150,000	-	256,106	256,106	893,894
Revenues over (under) expenditures	(1,150,000)	-	(256,106)	(256,106)	893,894
OTHER FINANCING SOURCES (USES)					
Human Services: Transfers from other funds	900,000	900,000	0	900,000	-
Cultural: Transfers from other funds	250,000	250,000	250,000	500,000	250,000
Total Other Financing Sources (Uses)	1,150,000	1,150,000	250,000	1,400,000	250,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ 1,150,000	(6,106)	\$ 1,143,894	\$ 1,143,894
Fund balance, beginning			1,150,000		
Fund balance, ending			\$ 1,143,894		

**Nash County, North Carolina
 School Capital Fund
 Schedule of Revenues, Expenditures, and
 Changes in Fund Balances - Budget and Actual
 For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
<u>OTHER FINANCING SOURCES (USES)</u>					
Transfer from General Fund	-	-	750,000	750,000	750,000
Total Other Financing Sources (Uses)	-	-	750,000	750,000	750,000
Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Uses	\$ -	\$ -	750,000	\$ 750,000	\$ 750,000
Fund balance, beginning			-		
Fund balance, ending			\$ 750,000		

ENTERPRISE FUNDS

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

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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Nash County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017
With Comparative Amounts For The Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Operating Revenues:				
Changes for service	2,015,200	2,112,438	\$ 97,238	\$ 1,833,399
Total operating revenues	2,015,200	2,112,438	97,238	1,833,399
Non-Operating Revenues:				
Capital contributions	86,406	86,405	(1)	89,997
Interest on investments	1,000	3,720	2,720	1,172
Total non-operating revenues	87,406	90,125	2,719	91,169
Total Revenues	2,102,606	2,202,563	99,957	1,924,568
EXPENDITURES				
Operating Expenditures:				
Water Operations:				
Salaries and employee benefits	419,949	375,575	44,374	422,679
Professional services	60,345	59,292	1,053	12,007
Operating expenses	642,505	635,086	7,419	540,699
Repairs and maintenance	2,600	2,387	213	5,844
Capital outlay	82,000	26,235	55,765	-
Total	1,207,399	1,098,575	108,824	981,229
Sewer Operations:				
Salaries and employee benefits	37,262	30,765	6,497	31,569
Professional services	9,800	5,917	3,883	2,207
Operating expenses	388,036	372,548	15,488	281,192
Total	435,098	409,230	25,868	314,968
Total Operating Expenditures	1,642,497	1,507,805	134,692	1,296,197
Non-Operating Expenditures:				
Debt principal payment	305,500	305,500	-	305,500
Debt interest payment	53,279	53,051	228	65,313
Total Non-Operating Expenditures	358,779	358,551	228	370,813
Total Expenditures	2,001,276	1,866,356	134,920	1,667,010
Revenues over (under) expenditures	101,330	336,207	234,877	257,558
OTHER FINANCING SOURCES (USES)				
Transfers from other funds	235,012	290,829	55,817	687,493
Transfers to other funds	(635,342)	(338,750)	296,592	(565,728)
Appropriated fund balance	299,000	-	(299,000)	-
Total other financing sources (uses)	(101,330)	(47,921)	352,409	121,765
Revenues over (under) sources and other uses	-	288,286	587,286	379,323

Nash County, North Carolina
Water and Sewer Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017
With Comparative Amounts For The Year Ended June 30, 2016

RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL

Excess of revenues over (under) expenditures	288,286
Reconciling items:	
Capital Outlay	26,235
Depreciation	(376,816)
(Increase) decrease in accrued interest	5,208
Principal retirement	305,500
Increase (decrease) in deferred outflows of resources - pensions	106,174
(Increase) Decrease in deferred inflows of resources - pensions	8,198
(Increase) decrease in net pension liability	(126,641)
(Increase) decrease in OPEB liability	(17,801)
(Increase) decrease in accrued compensated absences	6,431
Contributed capital (Exh D-1b)	300,172
Interfund transfers (Exh D-1b)	(593,252)
Change in net position	<u>\$ (68,306)</u>

**Nash County, North Carolina
Rural Center Grants Fund
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2017**

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

Nash County, North Carolina
Hwy 97 Sewer Expansion
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Operating Revenues:					
Golden Leaf Grant	1,500,000	\$ 1,200,000	300,000	\$ 1,500,000	\$ -
Miscellaneous collections	37,435	37,435	172	37,607	172
Total Revenues	<u>1,537,435</u>	<u>1,237,435</u>	<u>300,172</u>	<u>1,537,607</u>	<u>172</u>
EXPENDITURES					
Operating Expenditures:					
Administration	335,331	30,593	7,195	37,788	297,543
Engineering and Construction	2,289,602	2,393,401	193,916	2,587,317	(297,715)
Contingency	-	-	-	-	-
Total Operating Expenditures	<u>2,624,933</u>	<u>2,423,994</u>	<u>201,111</u>	<u>2,625,105</u>	<u>(172)</u>
Revenues over (under) expenditures	<u>(1,087,498)</u>	<u>(1,186,559)</u>	<u>99,061</u>	<u>(1,087,498)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Transfer From Other Funds	1,680,750	1,680,750	-	1,680,750	-
Transfer To Other Funds	<u>(593,252)</u>	<u>-</u>	<u>(593,252)</u>	<u>(593,252)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,087,498</u>	<u>1,680,750</u>	<u>(593,252)</u>	<u>1,087,498</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ 494,191</u>	<u>\$ (494,191)</u>	<u>\$ -</u>	<u>\$ -</u>

Nash County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017
With Comparative Amounts For The Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
REVENUES				
Operating Revenues:				
Solid waste charges	343,049	467,137	\$ 124,088	\$ 374,019
Scrap tire disposal tax	126,000	126,349	349	125,362
Miscellaneous	10,000	55,813	45,813	107,783
Rural household fees	2,215,000	2,218,022	3,022	2,201,810
Recycling fees	-	1,111	1,111	2,176
Recycling Grant	10,000	2,215	(7,785)	-
Total Operating Revenues	2,704,049	2,870,647	166,598	2,811,150
Non-Operating Revenues:				
Interest on investments	6,300	33,077	26,777	12,074
Total Non-Operating Revenues	6,300	33,077	26,777	12,074
Total Revenues	2,710,349	2,903,724	193,375	2,823,224
EXPENDITURES				
Operating Expenditures:				
Salaries and employee benefits	605,447	553,886	51,561	568,781
Professional services	38,589	32,975	5,614	55,430
Operating expenses	1,838,386	1,737,764	100,622	1,561,666
Repairs and maintenance	214,735	196,276	18,459	132,819
Capital outlay	15,761	-	15,761	21,250
Total Operating Expenditures	2,712,918	2,520,901	192,017	2,339,946
Revenues over (under) expenditures	(2,569)	382,823	385,392	483,278
OTHER FINANCING SOURCES (USES)				
Transfer to other funds	(400,000)	(400,000)	-	(500,000)
Appropriated fund balance	400,687	-	(400,687)	-
Insurance proceeds	1,882	1,882	-	-
Total other financing sources (uses)	2,569	(398,118)	(400,687)	(500,000)
Revenues over (under) sources and other uses	-	(15,295)	(15,295)	(16,722)

Nash County, North Carolina
Solid Waste Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017
With Comparative Amounts For The Year Ended June 30, 2016

	2017		Variance Positive (Negative)	2016
	Budget	Actual		Actual
<u>RECONCILIATION FROM BUDGETARY BASIS (MODIFIED ACCRUAL) TO FULL ACCRUAL BASIS:</u>				
Excess of revenues over (under) expenditures		(15,295)		
Reconciling items:				
Depreciation		(122,995)		
Increase (decrease) in deferred outflows of resources - pensions		69,498		
(Increase) Decrease in deferred inflows of resources - pensions		11,868		
(Increase) decrease in net pension liability		(84,157)		
(Increase) decrease in OPEB liability		(24,406)		
(Increase) decrease in accrued compensated absences		1,682		
(Increase) decrease in landfill post-closure liability		27,007		
Transfer to capital project fund (Exh D-2a)		<u>400,000</u>		
Change in net position		<u>\$ 263,202</u>		

Nash County, North Carolina
Solid Waste C&D Expansion
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2017

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
EXPENDITURES					
Solid Waste C&D:					
Administration	56,000	-	25,575	25,575	30,425
Engineering and Construction	326,125	-	1,667	1,667	324,458
Contingency	17,875	-	-	-	17,875
Total Operating Expenditures	<u>400,000</u>	<u>-</u>	<u>27,242</u>	<u>27,242</u>	<u>372,758</u>
Total Expenditures	<u>400,000</u>	<u>-</u>	<u>27,242</u>	<u>27,242</u>	<u>372,758</u>
Revenues over (under) expenditures	<u>(400,000)</u>	<u>-</u>	<u>(27,242)</u>	<u>(27,242)</u>	<u>372,758</u>
OTHER FINANCING SOURCES (USES)					
Transfer From Other Funds	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>400,000</u>	<u>-</u>	<u>400,000</u>	<u>400,000</u>	<u>-</u>
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 372,758</u>	<u>\$ 372,758</u>	<u>\$ 372,758</u>

**Nash County, North Carolina
Central Nash Water and Sewer District
Schedule of Revenues, Expenditures, and
Changes in Fund Balances - Budget and Actual (Non-GAAP)
For the Fiscal Year Ended June 30, 2017**

	Project Authorization	Actual			Variance Positive (Negative)
		Actual Prior Years	Actual Current Year	Actual Total to Date	
REVENUES					
Operating Revenues:					
Tap Fees	\$ 366,062	\$ 108,700	\$ 257,362	\$ 366,062	\$ -
Miscellaneous collections	53,159	53,162	-	53,162	3
Total Operating Revenues	419,221	161,862	257,362	419,224	3
Non-Operating Revenues:					
Capital Contributions - Grants	5,958,912	5,458,954	499,960	5,958,914	2
Interest in Investments	60,723	74,926	-	74,926	14,203
Total Non-Operating Revenues	6,019,635	5,533,880	499,960	6,033,840	14,205
Total Revenues	6,438,856	5,695,742	757,322	6,453,064	14,208
EXPENDITURES					
Operating Expenditures:					
Water Project Startup					
Administration	-	7,500	-	7,500	(7,500)
Engineering and Construction	-	41,565	66,968	108,533	(108,533)
Total	-	49,065	66,968	116,033	(116,033)
Highway 97 Project:					
Administration	16,250	16,250	-	16,250	-
Engineering and Construction	901,651	887,630	-	887,630	14,021
Total	917,901	903,880	-	903,880	14,021
Capital Items:					
Phase I	3,541,261	3,465,523	-	3,465,523	75,738
Phase II	3,315,991	3,238,461	-	3,238,461	77,530
Phase III	4,222,175	4,219,164	-	4,219,164	3,011
Phase IV	7,152,733	6,768,092	270,101	7,038,193	114,540
Total	18,232,160	17,691,240	270,101	17,961,341	270,819
Total Operating Expenditures	19,150,061	18,644,185	337,069	18,981,254	168,807
Non-Operating Expenditures:					
Debt Principal Payment	705,000	5,162,000	188,000	5,350,000	(4,645,000)
Debt Interest Payment	2,673,478	2,363,615	411,189	2,774,804	(101,326)
Total Non-Operating Expenditures	3,378,478	7,525,615	599,189	8,124,804	(4,746,326)
Total Expenditures	22,528,539	26,169,800	936,258	27,106,058	(4,577,519)
Revenues over (under) expenditures	(16,089,683)	(20,474,058)	(178,936)	(20,652,994)	(4,563,311)
OTHER FINANCING SOURCES (USES)					
Transfer From Other Funds	3,280,683	2,915,653	338,750	3,254,403	(26,280)
Debt Issued	12,809,000	17,575,000	-	17,575,000	4,766,000
Total Other Financing Sources (Uses)	16,089,683	20,490,653	338,750	20,829,403	4,739,720
Revenues and Other Financing Sources Over (Under) Expenditures and Other Uses	\$ -	\$ 16,595	\$ 159,814	\$ 176,409	\$ 176,409

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

Revenues and Other Financing Sources over (under) Expenditures and Other Financing Uses	\$ 159,814
Reconciling Items:	
Capital assets purchased	270,101
Depreciation	(155,643)
(Increase) decrease in accrued interest	(35,597)
Principal payment	<u>188,000</u>
Change in net position	<u>\$ 426,675</u>

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

INTERNAL SERVICE FUNDS

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

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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Nash County, North Carolina
Internal Service Funds
Combining Statement of Net Position
June 30, 2017

	<u>Employee Healthcare Benefits</u>	<u>Workers' Compensation Fund</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	604,257	1,379,355	\$ 1,983,612
Accounts receivable	11,172	-	\$ 11,172
Total assets	<u>615,429</u>	<u>1,379,355</u>	<u>1,994,784</u>
Liabilities			
Current Liabilities:			
Accounts payable and accrued liabilities	<u>157,925</u>	<u>560,656</u>	<u>718,581</u>
Net Position			
Unrestricted	<u>\$ 457,504</u>	<u>\$ 818,699</u>	<u>\$ 1,276,203</u>

Nash County, North Carolina
Internal Service Funds
Combining Statement of Revenues, Expenses, and Changes in Net Position
For Year Ended June 30, 2017

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
OPERATING REVENUES			
Contributions from employer	\$ 3,965,033	\$ 205,764	\$ 4,170,797
OPERATING EXPENDITURES			
Claims costs	3,638,947	328,218	3,967,165
Wellness Program costs	722,327	-	722,327
Total operating expenditures	4,361,274	328,218	4,689,492
Operating Income (Loss)	(396,241)	(122,454)	(518,695)
Non-Operating Revenues			
Investment earnings	2,907	7,050	9,957
Income before transfers	(393,334)	(115,404)	(508,738)
Net Position			
Beginning of year - July 1	850,838	934,103	1,784,941
End of year - June 30	\$ 457,504	\$ 818,699	\$ 1,276,203

Nash County, North Carolina
Internal Service Funds
Combining Statement of Cash Flows
For Year Ended June 30, 2017

	Employee Healthcare Benefits	Workers' Compensation Fund	Total
Cash Flows from Operating Activities			
Cash received from employer	\$ 3,953,861	\$ 205,764	\$ 4,159,625
Cash paid for goods and services	<u>(4,723,554)</u>	<u>(378,713)</u>	<u>(5,102,267)</u>
Net cash provided (used) by operating activities	<u>(769,693)</u>	<u>(172,949)</u>	<u>(942,642)</u>
Cash Flows from Investing Activities			
Investment earnings	<u>2,907</u>	<u>7,050</u>	<u>9,957</u>
Net increase (decrease) in cash and cash equivalents	(766,786)	(165,899)	(932,685)
Cash and cash equivalents - July 1	<u>1,371,043</u>	<u>1,545,254</u>	<u>2,916,297</u>
Cash and cash equivalents - June 30	<u>\$ 604,257</u>	<u>\$ 1,379,355</u>	<u>\$ 1,983,612</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities			
Operating income (loss)	\$ (396,241)	\$ (122,454)	\$ (518,695)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Changes in assets and liabilities:			
(Increase) decrease in accounts receivable	(11,172)	-	(11,172)
Increase (decrease) in accounts payable and accrued liabilities	<u>(362,280)</u>	<u>(50,495)</u>	<u>(412,775)</u>
Net cash provided (used) by operating activities	<u>\$ (769,693)</u>	<u>\$ (172,949)</u>	<u>\$ (942,642)</u>

Nash County, North Carolina
Employee Healthcare Benefits
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Contributions from employer	<u>6,085,178</u>	<u>3,965,033</u>	<u>\$(2,120,145)</u>
OPERATING EXPENDITURES			
Claims costs	5,920,010	3,638,947	2,281,063
Wellness Program costs	<u>776,378</u>	<u>722,327</u>	<u>54,051</u>
Total operating expenditures	<u>6,696,388</u>	<u>4,361,274</u>	<u>2,335,114</u>
Operating Income (Loss)	<u>(611,210)</u>	<u>(396,241)</u>	<u>214,969</u>
Non-Operating Revenues			
Investment earnings	<u>1,500</u>	<u>2,907</u>	<u>1,407</u>
Other Financing Sources (Uses)			
Appropriated fund balance	<u>609,710</u>	<u>-</u>	<u>(609,710)</u>
Changes in net position	<u>\$ -</u>	<u>\$ (393,334)</u>	<u>\$ (393,334)</u>

**Nash County, North Carolina
Workers' Compensation Fund
Schedule of Revenues and Expenditures- Budget and Actual (Non-GAAP)
For Year Ended June 30, 2017**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
OPERATING REVENUES			
Contributions from employer	<u>302,450</u>	<u>\$ 205,764</u>	<u>\$ (96,686)</u>
OPERATING EXPENDITURES			
Workers' compensation claims	<u>465,000</u>	<u>328,218</u>	<u>136,782</u>
Operating Income (Loss)	<u>(162,550)</u>	<u>(122,454)</u>	<u>40,096</u>
Non-Operating Revenues			
Investment earnings	<u>-</u>	<u>7,050</u>	<u>7,050</u>
Other Financing Sources (Uses)			
Appropriated fund balance	<u>162,550</u>	<u>-</u>	<u>(162,550)</u>
Changes in net position	<u>\$ -</u>	<u>\$ (115,404)</u>	<u>\$ (115,404)</u>

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

AGENCY FUND

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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

**Nash County, North Carolina
Agency Fund
Combining Statement of Net Position
June 30, 2017**

	Agency Fund					Total
	Social Service Fund	Jail Inmate Fund	Property Tax Fund	Fines & Forfeitures Fund	Rental Vehicle Tax Fund	June 30, 2017
ASSETS						
Cash	\$ 25,319	\$ 29,527	\$ 5,325	\$ -	\$ -	\$ 60,171
Accounts receivable	-	-	290,880	-	-	290,880
Total Assets	<u>\$ 25,319</u>	<u>\$ 29,527</u>	<u>\$ 296,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,051</u>
LIABILITIES AND NET POSITION						
Liabilities:						
Miscellaneous liabilities	\$ 25,319	\$ 29,527	\$ 296,205	\$ -	\$ -	\$ 351,051
Total Liabilities	<u>\$ 25,319</u>	<u>\$ 29,527</u>	<u>\$ 296,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,051</u>
Net Position						
Assets held in trust for beneficiary benef	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities and Fund Balances	<u>\$ 25,319</u>	<u>\$ 29,527</u>	<u>\$ 296,205</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 351,051</u>

Nash County, North Carolina
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
<u>Social Service Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 11,624	\$ 249,210	\$ 235,515	\$ 25,319
Liabilities				
Accounts Payable	\$ 11,624	\$ 249,210	\$ 235,515	\$ 25,319
<u>Jail Inmate Fund</u>				
Assets				
Cash and cash equivalents	\$ 56,159	\$ 276,426	\$ 303,058	\$ 29,527
Liabilities				
Miscellaneous Liabilities	\$ 56,159	\$ 276,426	\$ 303,058	\$ 29,527
<u>Property Tax Agency Fund</u>				
Assets				
Cash and cash equivalents	\$ 4,648	\$ 3,570,498	\$ 3,569,821	\$ 5,325
Receivables	210,349	290,880	210,349	290,880
Total Assets	\$ 214,997	\$ 3,861,378	\$ 3,780,170	\$ 296,205
Liabilities				
Intergovernmental payable	\$ 214,997	\$ 3,861,378	\$ 3,780,170	\$ 296,205
<u>Fines and Forfeitures Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Miscellaneous Liabilities	\$ -	\$ -	\$ -	\$ -
<u>Rental Vehicle Taxes Fund</u>				
Assets				
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
Liabilities				
Miscellaneous Liabilities	\$ -	\$ -	\$ -	\$ -
<u>Total- All Agency Funds</u>				
Assets				
Cash and cash equivalents	\$ 72,431	\$ 4,096,134	\$ 4,108,394	\$ 60,171
Accounts Receivable	210,349	290,880	210,349	290,880
Total Assets	\$ 282,780	\$ 4,387,014	\$ 4,318,743	\$ 351,051
Liabilities				
Accounts payable	\$ 67,783	\$ 525,636	\$ 538,573	\$ 54,846
Intergovernmental Payable	214,997	3,861,378	3,780,170	296,205
Total Liabilities	\$ 282,780	\$ 4,387,014	\$ 4,318,743	\$ 351,051

OTHER SCHEDULES

This schedule contains additional information required on property taxes

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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

Nash County, North Carolina
General Fund
Schedule of Ad Valorem Taxes Receivable
June 30, 2017

Exhibit G-1

<u>Fiscal Year</u>	<u>Uncollected Balance June 30, 2016</u>	<u>Additions</u>	<u>Collections And Credits</u>	<u>Uncollected Balance June 30, 2017</u>
2016-2017	\$ -	\$ 50,210,757	\$ 49,490,769	\$ 719,988
2015-2016	754,883	-	277,202	477,681
2014-2015	438,461	3,686	114,037	328,110
2013-2014	425,291	-	69,395	355,896
2012-2013	542,889	-	76,889	466,000
2011-2012	437,923	-	56,328	381,595
2010-2011	347,227	-	39,489	307,738
2009-2010	287,537	-	19,035	268,502
2008-2009	304,320	-	16,814	287,506
2007-2008	310,896	-	14,398	296,498
2006-2007	320,603	-	320,603	-
Totals	\$ <u>4,170,030</u>	\$ <u>50,214,443</u>	\$ <u>50,494,959</u>	\$ <u>3,889,514</u>
				<u>(1,541,604)</u>
				\$ <u>2,347,910</u>
 <u>Reconciliation with revenues:</u>				
				\$ 50,342,437
				320,603
				(277,721)
				70,583
				\$ <u>39,057</u>
				\$ <u>50,494,959</u>

**Nash County
Analysis of Current Tax Levy
County-Wide Levy
June 30, 2017**

County Wide					
	Property Valuation	Rate	Total Levy	Property Excluding Registered Motor Vehicles	Registered Motor Vehicles
Original Levy:					
County- Wide	\$ 7,488,442,537	0.67	\$ 50,172,565	\$ 44,215,355	\$ 5,957,210
Dogs			15,157	15,157	
Total	<u>7,488,442,537</u>		<u>50,187,722</u>	<u>44,230,512</u>	<u>5,957,210</u>
Discoveries:	14,208,955	0.67	95,200	95,200	-
Releases:	(10,770,896)	0.67	(72,165)	(72,165)	
Total Property Valuation	<u>\$ 7,491,880,596</u>				
Net Levy			50,210,757	44,253,547	5,957,210
Uncollected taxes June 30, 2017			719,988	719,988	-
Current years taxes collected			<u>\$ 49,490,769</u>	<u>\$ 43,533,559</u>	<u>\$ 5,957,210</u>
Current levy collection percentage			<u>98.57%</u>	<u>98.37%</u>	<u>100.00%</u>
Prior year collection percentage			<u>98.45%</u>	<u>98.25%</u>	<u>100.00%</u>

STATISTICAL SECTION

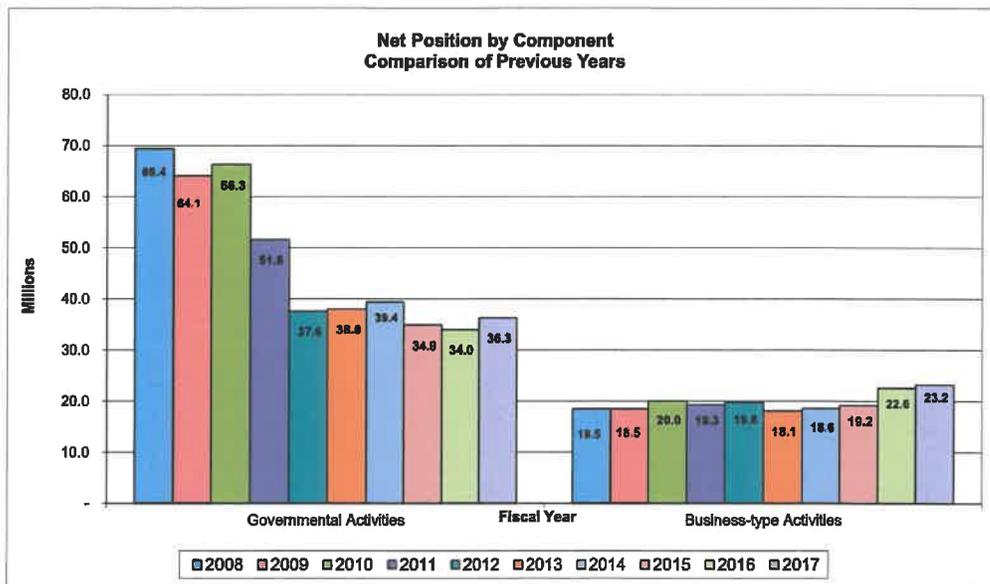
**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

NASH COUNTY, NORTH CAROLINA

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Governmental activities										
Net investment in capital assets	\$ 43,816	\$ 36,778	\$ 38,100	\$ 26,720	\$ 10,065	\$ 8,212	\$ 6,576	\$ 250	\$ 2,028	\$ 2,288
Restricted	551	647	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093
Unrestricted	25,081	26,846	27,497	18,170	16,346	21,635	21,345	24,959	22,372	13,907
Total Governmental activities net position	\$ 69,448	\$ 64,071	\$ 66,302	\$ 51,588	\$ 37,572	\$ 38,046	\$ 39,399	\$ 34,871	\$ 33,997	\$ 36,288
Business-type activities										
Net investment in capital assets	\$ 11,028	\$ 12,052	\$ 15,355	\$ 16,852	\$ 14,599	\$ 15,616	\$ 16,973	\$ 17,472	\$ 19,925	\$ 20,343
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	7,464	6,469	4,663	2,483	5,241	2,488	1,588	1,732	2,647	2,851
Total business-type activities net position	\$ 18,492	\$ 18,521	\$ 20,018	\$ 19,335	\$ 19,840	\$ 18,104	\$ 18,561	\$ 19,204	\$ 22,572	\$ 23,194
Primary government										
Net investment in capital assets	\$ 54,844	\$ 48,830	\$ 53,455	\$ 43,572	\$ 24,664	\$ 23,828	\$ 23,549	\$ 17,722	\$ 21,953	\$ 22,631
Restricted	551	647	705	6,698	11,161	8,199	11,478	9,662	9,597	20,093
Unrestricted	32,545	33,115	32,160	20,653	21,587	24,123	22,933	26,691	25,019	16,758
Total primary government net position	\$ 87,940	\$ 82,592	\$ 86,320	\$ 70,923	\$ 57,412	\$ 56,150	\$ 57,960	\$ 54,075	\$ 56,569	\$ 59,482



NASH COUNTY, NORTH CAROLINA

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Expenses										
Governmental activities:										
General government	\$ 7,285	\$ 18,240	\$ 9,249	\$ 10,626	\$ 10,641	\$ 9,106	\$ 9,411	\$ 8,971	\$ 11,128	\$ 10,643
Public safety	19,569	21,374	22,426	22,185	23,518	24,181	24,142	23,903	26,065	26,162
Transportation	250	356	411	408	409	338	322	300	329	308
Economic and physical development	2,928	2,889	2,936	3,513	2,825	3,849	3,265	1,533	2,563	3,358
Human services	29,653	28,933	27,004	25,781	26,593	26,211	26,866	25,982	26,151	27,150
Cultural	1,456	1,669	1,583	1,704	1,614	1,602	1,682	1,605	1,684	1,725
Education	22,393	23,720	26,042	51,507	38,579	25,383	26,031	30,548	24,706	24,514
Interest on long-term debt	1,000	829	708	2,012	1,904	1,858	2,424	1,991	1,626	1,901
Total governmental activities expenses	84,534	98,010	90,359	117,736	106,083	92,528	94,143	94,833	94,252	95,751
Business-type activities:										
Water and sewer	1,437	1,538	1,988	2,179	1,965	2,099	2,292	2,684	2,018	2,599
Solid waste disposal	2,330	2,944	2,336	3,023	2,368	3,944	2,058	2,065	2,608	2,643
Convenience centers	-	-	-	-	-	-	-	-	-	-
Total business-type activities	3,767	4,482	4,324	5,202	4,333	6,043	4,350	4,749	4,626	5,242
Total primary governmental expenses	88,301	102,492	94,683	122,938	110,416	98,571	98,493	99,582	98,878	100,993
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,755	\$ 1,916	\$ 3,097	\$ 3,116	\$ 2,445	\$ 3,782	\$ 2,832	\$ 1,967	\$ 2,005	\$ 1,949
Public safety	4,164	4,388	4,525	4,009	3,575	3,798	3,382	4,433	4,671	4,889
Economic & physical development	-	15	-	-	-	-	-	-	-	-
Human services	602	541	570	614	1,511	1,048	720	515	551	280
Operating grants and contributions	18,660	21,432	22,778	34,239	22,819	22,406	24,480	22,868	21,578	20,374
Capital grants and contributions	815	5,607	856	1,236	114	65	57	82	252	2,145
Total governmental activities program revenues	26,996	33,879	31,826	43,214	30,464	31,099	31,471	29,865	29,057	29,637
Business-type activities:										
Charges for services:										
Water and sewer	696	899	1,097	1,205	1,167	1,232	1,534	1,615	1,833	2,370
Solid waste disposal	2,142	2,218	2,056	2,046	3,267	2,157	2,150	2,180	2,853	2,873
Convenience centers	-	-	-	-	-	-	-	-	-	-
Operating grants and contributions	-	-	-	-	-	-	-	-	-	-
Capital grants and contributions	543	1,127	2,587	1,239	379	889	1,120	1,134	1,790	886
Total business-type activities program revenues	3,381	4,244	5,740	4,490	4,813	4,278	4,804	4,939	6,476	6,129
Total primary governmental program revenues	\$ 30,377	\$ 38,123	\$ 37,566	\$ 47,704	\$ 35,277	\$ 35,377	\$ 36,275	\$ 34,804	\$ 35,533	\$ 35,766
Net (expense)/revenue										
Governmental activities	(57,538)	(\$64,132)	(\$58,533)	(\$74,522)	(\$75,619)	(\$61,429)	(\$ 62,672)	(\$ 64,968)	(\$ 65,195)	(\$ 68,114)
Business-type activities	(388)	(237)	1,416	(712)	480	(1,764)	454	190	1,850	887
Total primary governmental net expense	\$ (57,924)	(\$64,369)	(\$57,117)	(\$75,234)	(\$75,139)	(\$63,193)	(\$62,218)	(\$64,778)	(\$63,345)	(\$65,227)

NASH COUNTY, NORTH CAROLINA

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 44,151	\$ 43,224	\$ 48,476	\$ 48,436	\$ 49,155	\$ 49,874	\$ 51,846	\$ 51,317	\$ 51,884	\$ 53,862
Sales taxes	17,553	14,353	11,758	10,810	12,071	11,619	11,747	12,841	13,429	14,335
Excise taxes	319	202	182	142	144	186	203	211	281	246
Other taxes	74	67	68	72	77	80	82	79	87	92
Unrestricted grants and contributions	-	-	-	-	-	-	-	-	-	-
Investment earnings	1,522	910	280	348	156	143	147	122	165	400
Transfers	-	-	-	-	-	-	-	(558)	(1,505)	302
Total governmental activities	63,619	58,756	60,764	59,808	61,603	61,902	64,025	63,812	64,321	69,337
Business-type activities:										
Other taxes & licenses	-	-	-	-	-	-	-	-	-	-
Investment earnings	702	266	81	29	25	29	3	5	13	37
Transfers	-	-	-	-	-	-	-	558	1,505	(302)
Total business-type activities	702	266	81	29	25	29	3	563	1,518	(265)
Total primary government	\$ 64,321	\$ 59,022	\$ 60,845	\$ 59,837	\$ 61,628	\$ 61,931	\$ 64,028	\$ 64,375	\$ 65,839	\$ 69,072
Change in Net Position										
Governmental activities	\$ 6,081	\$ (5,376)	\$ 2,231	\$ (14,714)	\$ (14,016)	\$ 474	\$ 1,353	\$ (1,156)	\$ (874)	\$ 3,223
Business-type activities	316	28	1,497	(683)	505	(1,736)	457	753	3,388	622
Total primary government	\$ 6,397	\$ (5,348)	\$ 3,728	\$ (15,397)	\$ (13,511)	\$ (1,262)	\$ 1,810	\$ (403)	\$ 2,494	\$ 3,845

NASH COUNTY, NORTH CAROLINA

**Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(accrual basis of accounting)
(amounts expressed in thousands)**

<u>Fiscal Year</u>	<u>Property Tax</u>	<u>Sales Tax</u>	<u>Real Estate Transfer Tax</u>	<u>Rental Vehicle Tax</u>	<u>Privilege Licenses</u>	<u>Total</u>
2008	\$44,151	\$17,552	\$319	\$55	\$19	\$62,096
2009	43,224	14,353	202	50	17	57,846
2010	48,476	11,758	182	54	14	60,484
2011	48,435	10,810	142	56	16	59,459
2012	49,155	12,071	144	63	14	61,447
2013	49,874	11,619	186	65	14	61,758
2014	51,846	11,746	203	69	14	63,878
2015	51,317	12,641	211	72	7	64,248
2016	51,884	13,429	261	81	6	65,661
2017	53,962	14,335	246	86	6	68,635

NASH COUNTY, NORTH CAROLINA

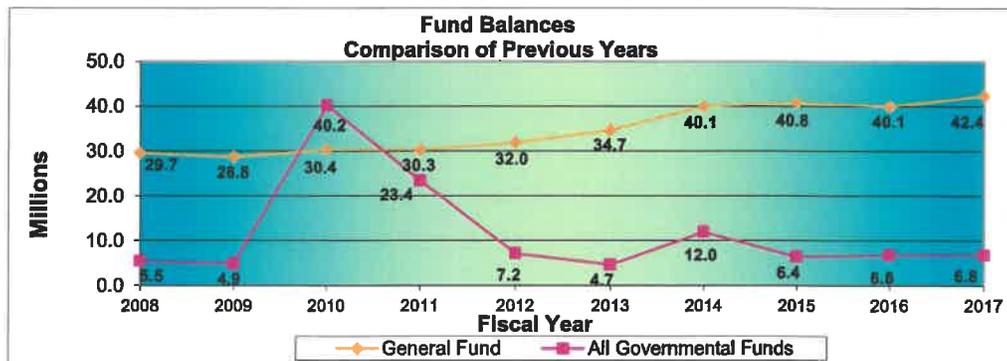
**Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General fund										
Reserved	\$7,365	\$7,564	\$7,242	-	-	-	-	-	-	-
Unreserved	22,367	21,264	23,169	-	-	-	-	-	-	-
Non Spendable				15	17	19	22	23	24	21
Restricted				5,543	6,524	6,980	11,032 ²	8,707	8,386	7,831
Committed				239	279	319	513	423	229	968
Assigned				3,323	2,199	4,476	7,061 ²	6,832	4,148	3,383
Unassigned				21,155	22,937	22,936	21,447	24,836	27,329	30,286
Total general fund	\$29,732	\$28,828	\$30,411	\$30,275	\$31,956	\$34,730	\$40,075	\$40,821	\$40,116	\$42,489
All other governmental funds										
Reserved	\$235	\$35	\$36,349 ¹	-	-	-	-	-	-	-
Unreserved, reported in:										
Special revenue funds	3,919	3,690	3,492	-	-	-	-	-	-	-
Capital projects funds	1,361	1,225	347	-	-	-	-	-	-	-
Non Spendable	-	-	-	-	-	-	-	-	-	-
Restricted	-	-	-	4,156	1,583	1,399	1,812	987	1,243	1,503
Committed	-	-	-	2,539	2,417	2,286	2,287	5,353	5,561	2,350
Assigned	-	-	-	228	214	243	1,600	105	155	3,075
Unassigned	-	-	-	(505)	(76)	(408)	(951)	(14)	(112)	(168)
Restricted in Capital Project	-	-	-	18,991	3,054	1,213	-	-	-	-
Committed in Capital Project	-	-	-	-	-	-	-	-	-	-
Unassigned in Capital Project	-	-	-	(1,970)	-	-	-	-	-	-
Restricted in Bond Fund	-	-	-	-	-	-	6,855 ²	-	-	-
Committed in Bond Project	-	-	-	-	-	-	385	-	-	-
Total all other governmental funds	\$5,515	\$4,950	\$40,188	\$23,439	\$7,192	\$4,733	\$11,988	\$6,431	\$6,847	\$6,760

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

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

NOTE: GASB Statement #54 (Fund Balance Reporting) established new fund balance classifications in FY11. The first section with fiscal year 2006 to fiscal year 2010 shows the fund balance information prior to the implementation of GASB Statement #54 and the second section beginning with fiscal year 2011 shows the fund balance information after the implementation of GASB Statement #54.



NASH COUNTY, NORTH CAROLINA

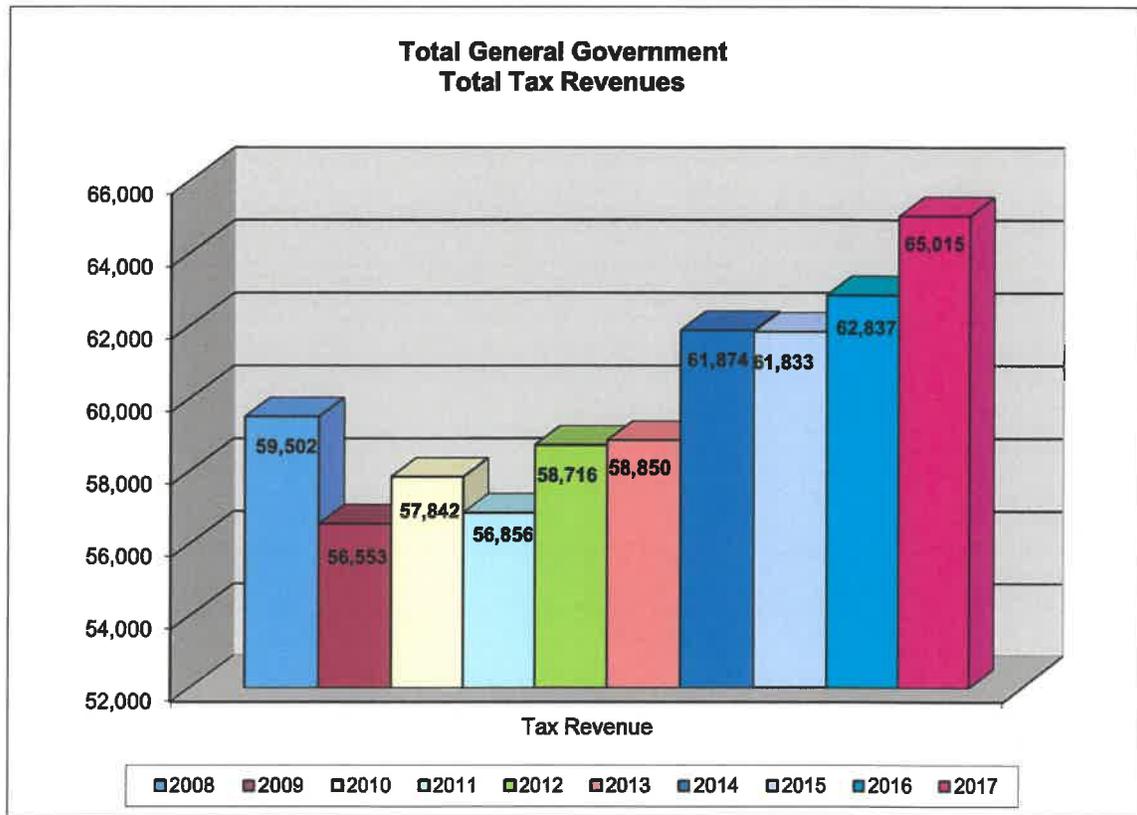
**Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(amounts expressed in thousands)**

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Ad valorem taxes	\$43,739	\$44,119	\$48,278	\$48,301	\$48,978	\$49,612	\$52,673	\$51,834	\$52,170	\$53,619
Other taxes and licenses	17,945	14,622	12,008	11,024	12,292	11,884	12,032	12,931	13,777	14,672
Intergovernmental	19,665	22,296	23,054	34,015	22,981	21,928	22,716	22,698	21,690	22,340
Permits and fees	1,310	1,000	920	917	983	1,151	1,010	943	1,127	1,086
Sales and services	4,207	4,468	5,139	4,531	4,186	4,374	3,872	4,816	5,112	5,136
Investment earnings	1,357	872	274	291	154	142	146	120	160	400
Miscellaneous	1,814	1,034	2,555	3,584	2,147	3,457	3,688	1,224	956	1,044
Total revenues	\$90,037	\$88,411	\$92,228	\$102,663	\$91,721	\$92,548	\$96,137	\$94,566	\$94,992	\$98,297
Expenditures										
General government	7,871	8,244	8,826	10,472	10,039	8,446	8,616	8,309	8,861	8,828
Public safety	19,335	21,122	21,825	22,368	23,639	23,222	23,161	23,644	25,518	28,063
Transportation	231	327	397	381	343	301	315	300	329	308
Economic and physical development	3,823	3,345	5,233	3,706	2,654	3,652	3,085	3,219	2,727	3,306
Human services	29,545	28,097	26,231	25,683	25,626	25,483	25,999	26,074	25,529	26,059
Cultural and recreation	1,351	1,497	1,562	1,875	1,581	1,543	1,655	1,616	1,662	1,951
Education	22,327	23,654	25,976	51,431	38,513	25,316	25,964	30,481	24,640	24,447
Revaluation	104	146	-	-	-	-	-	-	-	-
Debt Service:										
Principal	2,641	2,619	2,580	2,800	3,132	2,876	3,388	7,256	3,839	3,269
Interest	1,000	829	708	2,012	1,905	1,858	1,980	1,933	1,667	1,729
Issuance	-	-	-	-	-	-	-	95	-	-
Total expenditures	88,228	89,880	93,338	120,528	107,432	92,697	94,163	102,927	94,772	97,960
Excess of revenues over (under) expenditures	\$1,809	(\$1,469)	(\$1,110)	(\$17,865)	(\$15,711)	(\$149)	\$1,974	(\$8,361)	\$220	\$337
Other financing sources (uses)										
Transfers in	1,235	386	505	730	27	354	2,780	1,945	1,150	1,597
Transfers out	(1,381)	(386)	(505)	(730)	(27)	(354)	(2,780)	(2,504)	(2,655)	(1,295)
Debt Proceeds	-	-	-	-	-	-	-	-	-	14,000
Bonds issued	-	-	36,937	-	-	-	9,310	-	-	-
Refunding bonds issued	-	-	-	-	-	-	-	3,787	-	19,034
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(18,871)
Bond premium	-	-	994	-	-	-	380	-	-	-
Long-term debt issued	-	-	-	-	-	-	577	-	-	-
Sale of capital assets	901	-	-	-	70	-	-	-	-	-
Capital lease obligations issued	-	-	-	979	1,075	465	359	322	996	-
Total other financing sources (uses)	755	-	37,931	979	1,145	465	10,626	3,550	(509)	14,465
Net change in fund balances	\$2,564	(\$1,469)	\$36,821	(\$16,886)	(\$14,566)	\$316	\$12,600	(\$4,811)	(\$289)	\$14,802
Debt service as a percentage of noncapital expenditures	4.28%	3.84%	3.52%	4.16%	4.90%	5.22%	5.79%	9.31%	5.95%	5.37%

NASH COUNTY, NORTH CAROLINA

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

Fiscal Year	Property Tax	Intangible Tax	Sales Tax	Real Estate Transfer Tax	Rental Vehicle Tax	Privilege Licenses Tax	Total
2008	\$41,557	\$0	\$17,552	\$319	\$55	\$19	\$59,502
2009	41,931	-	14,353	202	50	17	56,553
2010	45,834	-	11,758	182	54	14	57,842
2011	45,832	-	10,810	142	56	16	56,856
2012	46,424	-	12,071	144	63	14	58,716
2013	46,965	-	11,619	186	65	15	58,850
2014	49,842	-	11,746	203	69	14	61,874
2015	48,902	-	12,641	211	72	7	61,833
2016	49,060	-	13,429	261	81	6	62,837
2017	50,342	-	14,335	246	86	6	65,015



NASH COUNTY, NORTH CAROLINA

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

Fiscal Year Ended June 30	Real Property		Personal Property		Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2008	\$3,058,683	\$2,039,122	\$768,476	\$996,483	(\$842,337)	\$6,020,427	0.70	\$6,905,655	87.18%
2009	3,132,659	2,033,235	764,185	950,943	(855,723)	6,025,299	0.70	6,924,835	87.01%
2010	3,752,284	2,510,928	679,641	958,630	(1,000,154)	6,901,329	0.67	7,097,942	97.23%
2011	3,769,534	2,539,620	643,305	960,321	(1,019,267)	6,893,513	0.67	7,125,815	96.74%
2012	3,792,117	2,638,493	682,422	956,318	(1,111,614)	6,957,736	0.67	7,001,848	99.37%
2013	3,803,337	2,634,284	731,442	954,638	(1,109,318)	7,014,383	0.67	6,971,162	100.62%
2014	3,826,638	2,654,172	860,376 ¹	933,828	(1,113,587)	7,240,869	0.67	7,190,535	100.70%
2015	3,867,641	2,687,683	789,100	978,586	(1,115,407)	7,207,603	0.67	7,078,074	101.83%
2016	3,906,983	2,715,023	829,198	938,467	(1,116,963)	7,272,708	0.67	7,181,503	101.27%
2017	4,146,726	2,771,996	889,136	920,771	(1,236,748)	7,491,881	0.67	7,327,740	102.24%

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

Source: County tax assessor

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

NASH COUNTY, NORTH CAROLINA

**Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years**

	Year Taxes Are Payable									
	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Nash County	\$ 0.7000	\$ 0.7000	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700	\$ 0.6700
Municipality Rates:										
City of Rocky Mount	0.5500	0.5800	0.5500	0.5500	0.5500	0.5800	0.5800	0.5800	0.6050	0.6050
Town of Sharpsburg	0.4500	0.5000	0.5000	0.5000	0.5250	0.5500	0.6500	0.6500	0.6500	0.6500
Town of Spring Hope	0.6200	0.6200	0.5700	0.5700	0.5700	0.5700	0.5700	0.6000	0.6300	0.6300
Town of Bailey	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100	0.6100
Town of Middlesex	0.5500	0.5500	0.5500	0.5500	0.5500	0.5000	0.5000	0.5200	0.5700	0.5700
Town of Whitakers	0.6900	0.6900	0.6900	0.6900	0.7200	0.7200	0.7200	0.7200	0.7200	0.7200
Town of Nashville	0.6300	0.6300	0.5100	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600	0.5600
Town of Castalia	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2500	0.2500	* 0.3000
Town of Momeyer	0.0900	0.0900	0.0900	0.0900	0.1300	0.1300	0.1300	0.1300	0.1300	0.1300
Other Districts:										
Rocky Mount Municipal District	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000	0.2000
Fire Districts:										
Ferrells	.1200	.1200	.1200	.1200	.1336	.1336	.1336	.1336	.1336	.1336
N.S. Gulley	.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1075	.1200	.1200
Harrison	.0700	.0700	.0700	.0900	.0900	.0900	.0900	.1000	.1000	.1000
Stanhope	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750
Stony Creek	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Green Hornet	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0500	* .0700
Silver Lake	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900	.0900
Sims	.0400	.0400	.0400	.0464	.0464	.0464	.0464	.0464	.0464	.0464
Tri-County	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.1000	.1000
Salem	.0800	.0800	.0800	.0800	.0800	.0800	.0800	.1200	.1200	.1200
West Mount	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.1000	.1000
Coopers	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850	.0850
Castalia	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735	.0735
Spring Hope	.0800	.0800	.0800	.0800	.0900	.0900	.0900	.0900	.0900	.0900
Middlesex	.0500	.0500	.0500	.0500	.0500	.0500	.0500	.0800	.0800	.0800
Red Oak	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700	.0700
Momeyer	.0600	.0600	.0600	.0600	.0600	.0600	.0600	.0800	.0800	.0800
Whitakers	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750	.0750

¹ Revaluation years.

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

Source: County tax assessor.

NASH COUNTY, NORTH CAROLINA

**Principal Property Taxpayers
as of January
(amounts expressed in thousands)**

<u>Taxpayer</u>	<u>2017</u>			<u>2008</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>Percentage of Total Taxable Assessed Value</u>
Hospira Inc.	\$250,589	1	3.34%	\$138,164	2	2.29%
Consolidated Diesel Co.	206,835	2	2.76%	201,099	1	3.34%
Universal Leaf North America NC	92,240	3	1.23%	105,609	3	1.75%
Duke Energy Progress Inc.	59,258	4	0.79%	45,446	4	0.75%
McLane Mid Atlantic, Inc.	45,436	5	0.61%	29,775	7	0.49%
Hendon Golden East LLC	33,692	6	0.45%	23,989	8	0.40%
Carolina Telephone	19,299	7	0.26%	-	-	-
Kaba Ilco-Unican Corporation	18,186	8	0.24%	22,339	9	0.37%
PNC - RBC Centura Bank, Inc.	18,002	9	0.24%	33,501	5	0.56%
Cheesecake Factory Bakery, Inc.	15,410	10	0.21%	-	-	-
Sprint	-	-	-	32,512	6	0.54%
Fords Colony at Rocky Mount	-	-	-	19,319	10	0.32%
Totals	<u>\$758,947</u>		<u>10.13%</u>	<u>\$651,753</u>		<u>10.83%</u>

Source: County tax assessor

NASH COUNTY, NORTH CAROLINA

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2008	\$42,226	\$40,648	96.26%	\$1,305	\$41,953	99.35%
2009	42,240	40,459	95.78%	1,447	41,906	99.21%
2010	46,000	44,205	96.10%	1,570	45,775	99.51%
2011	46,010	44,172	96.01%	1,615	45,787	99.52%
2012	46,574	44,629	95.82%	1,591	46,220	99.24%
2013	47,082	44,970	95.51%	1,688	46,658	99.10%
2014	48,580	47,477	97.73%	734	48,211	99.24%
2015	48,394	47,608	98.38%	451	48,059	99.31%
2016	48,799	48,044	98.45%	270	48,314	99.01%
2017	50,211	49,491	98.57%	0	49,491	98.57%

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

Source: County tax assessor.

NASH COUNTY, NORTH CAROLINA

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

Fiscal Year	Governmental Activities					Business-type Activities		Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Installment Purchases	Limited Obligation Bonds	Capital Leases	Unamortized Premiums/ Discounts	Installment Purchases	Water Bonds			
2008	\$0	\$17,470	\$0	\$0	\$0	\$4,023	\$0	\$21,493	0.69%	\$229
2009	-	14,851	-	-	-	3,717	5,239	23,807	0.75%	251
2010	-	20,852	28,355	-	994	3,412	5,239	58,852	1.82%	614
2011	-	18,310	28,355	722	942	3,107	5,179	56,615	1.72%	590
2012	-	16,102	27,900	1,327	890	2,801	7,922	56,942	1.68%	595
2013	-	14,614	26,940	1,364	837	2,496	7,859	54,110	1.56%	565
2014	9,310	13,467	25,975	1,024	1,165	2,190	12,517	65,648	1.86%	693
2015	8,840	11,907	25,010	871	1,077	1,885	12,406	61,996	1.68%	657
2016	8,370	10,253	24,045	1,118	1,010	1,579	12,292	58,667	1.57%	622
2017	7,905	42,261	25,134	745	1,010	1,274	12,095	90,424	na	960

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

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

NASH COUNTY, NORTH CAROLINA

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value¹ of Property	Per Capita²
2009 ³	\$ 5,239	\$ -	\$ 5,239	0.08%	\$ 55
2010	5,239	-	5,239	0.07%	54
2011	5,179	-	5,179	0.07%	53
2012	7,922	-	7,922	0.11%	82
2013	7,859	-	7,859	0.11%	82
2014	21,827	-	21,827	0.31%	230
2015	21,246	-	21,246	0.30%	225
2016	20,662	-	20,662	0.29%	219
2017	20,009	-	20,009	0.27%	212

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

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

³First year Nash County had General Bonded Debt Outstanding

NASH COUNTY, NORTH CAROLINA

**Direct and Overlapping Governmental Activities Debt
As of June 30, 2017
(amounts expressed in thousands)**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
Debt repaid with property taxes:			
Town of Sharpsburg	\$ 1,474	0.74%	\$ 11
Subtotal, overlapping debt			11
Nash County direct debt			
Capital Lease			745
General Obligation Debt			7,905
Limited Obligation Debt			16,540
Installment Purchase Contracts			42,261
Unamortized Premiums/Discounts			<u>324</u>
Total direct debt			67,775
Total direct and overlapping debt			<u><u>\$ 67,786</u></u>

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

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

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

NASH COUNTY, NORTH CAROLINA

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

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	
Debt limit	\$ 481,634	\$ 482,024	\$ 552,106	\$ 551,481	\$ 556,619	\$ 561,151	\$ 576,608	\$ 581,817	\$ 599,350	
Total net debt applicable to limit	-	5,239	5,239	5,179	7,922	7,859	21,246	20,662	20,009	
Legal debt margin	<u>\$ 481,634</u>	<u>\$ 476,785</u>	<u>\$ 546,867</u>	<u>\$ 546,302</u>	<u>\$ 548,697</u>	<u>\$ 553,292</u>	<u>\$ 555,362</u>	<u>\$ 561,155</u>	<u>\$ 579,341</u>	
Total net debt applicable to the limit as a percentage of debt limit	0.00%	1.09%	0.95%	0.94%	1.42%	1.40%	3.68%	3.55%	3.34%	

Legal Debt Margin Calculation for Fiscal Year 2017

Total assessed value	<u>\$ 7,491,881</u>
Debt Limit (8% of total assessed value)	\$ 599,350
Debt applicable to limit:	
Water bonds	\$ 12,104
General Obligation Bond	\$ 7,905
Total net debt applicable to limit	<u>\$ 20,009</u>
Legal debt margin	<u>\$ 579,341</u>

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

NASH COUNTY, NORTH CAROLINA

Demographic and Economic Statistics Last Ten Fiscal Years

Fiscal Year	Population ¹	Personal Income (amounts expressed in thousands) ²	Per Capita Personal Income ²	Median Age ¹	School Enrollment ³	Unemployment Rate ⁴
2008	93,820	\$ 3,112,413	\$ 33,174	37.9	17,773	8.1
2009	94,745	3,179,260	33,557	38.1	17,549	13.1
2010	95,894	3,237,490	33,761	38.6	17,282	12.2
2011	95,912	3,284,494	34,245	39.4	17,767	12.7
2012	95,708	3,393,700	35,459	39.7	17,500	12.8
2013	95,728	3,475,011	36,301	40.0	16,443	12.6
2014	94,744	3,538,889	37,505	41.0	16,200	8.8
2015	94,338	3,685,035	38,982	41.0	15,672	8.0
2016	94,280	3,748,423	39,758	42.2	15,630	6.8
2017	94,188	na	na	42.4	15,257	6.0

Data Sources

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

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

³ School District

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

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

NASH COUNTY, NORTH CAROLINA

Principal Employers Current Year and Nine Years Ago

Employer	<u>2017</u>			<u>2008</u>		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Pfizer Inc. (Hospira in 2008)	2,400	1	5.96%	2,091	2	4.99%
Nash-Rocky Mount Schools	1,860	2	4.62%	2,276	1	5.43%
Cummins, Inc.	1,800	3	4.47%	1,371	4	3.27%
Nash Health Care Systems	1,600	4	3.97%	1,862	3	4.44%
City of Rocky Mount	850	5	2.11%	1,235	6	2.94%
Alorica (formerly West Corp.)	885	6	2.20%			
Universal Leaf North America NC	800	7	1.99%	1,244	5	2.97%
Nash County	684	8	1.70%	722	8	1.72%
McLane Mid-Atlantic, Inc.	575	9	1.43%	530	9	1.26%
PNC Bank	500	10	1.24%	1,100	7	2.62%
Kaba Ilco-Unican Corporation				500	10	1.19%
Total	<u>11,954</u>		<u>29.66%</u>	<u>12,931</u>		<u>30.83%</u>

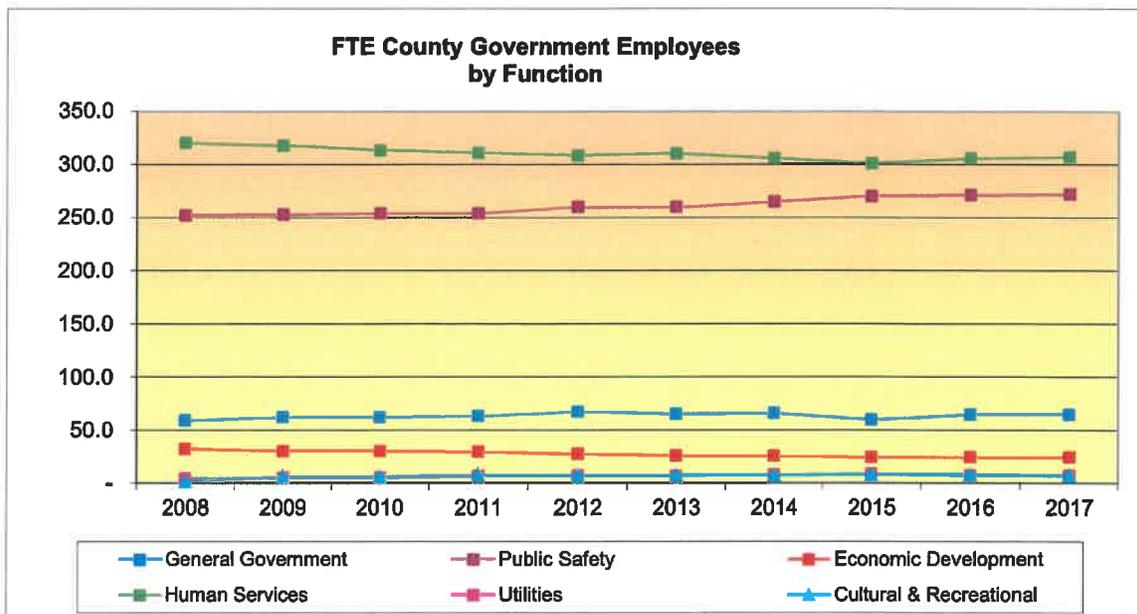
Source: Nash County business community.

NASH COUNTY, NORTH CAROLINA

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

Function	Full-time Equivalent Employees as of June 30									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government	59.7	62.5	62.4	63.4	67.3	65.5	66.3	60.2	65.0	65.0
Public safety										
Sheriff										
Deputies	76.0	77.0	78.0	78.0	77.0	77.0	77.0	84.0	87.0	87.7
Civilians	57.0	57.0	57.0	57.0	58.0	58.0	58.0	55.0	53.0	53.0
Emergency Services	114.3	114.1	114.1	114.1	120.1	120.1	125.1	126.3	126.4	126.4
Other Public Safety	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0	5.0
Economic Development	32.3	30.4	30.4	29.7	27.7	26.0	25.8	24.5	24.5	24.5
Human Services										
Health	130.1	123.7	119.8	117.7	115.5	116.7	114.9	111.8	111.1	111.3
Social Services	163.0	166.0	165.0	165.0	165.0	165.0	164.0	161.3	166.3	167.3
Other Human Services	27.5	28.4	28.6	28.4	28.1	28.9	27.3	28.3	28.6	28.7
Utilities	4.4	5.5	5.5	7.0	7.1	6.8	8.0	8.8	7.5	7.5
Cultural & Recreational	2.0	6.5	6.5	8.0	7.5	8.0	8.0	8.5	8.5	8.0
Total	671.3	676.1	672.3	673.3	678.3	677.0	679.4	673.6	682.9	684.3

Source: Government finance office.



NASH COUNTY, NORTH CAROLINA

**Operating Indicators by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public Safety										
Sheriff										
Physical arrests	6,284	6,044	5,840	5,656	2,316	2,418	2,286	2,006	1,529	1,074
Serving civil papers (evictions, executions, court)	18,966	19,670	19,121	18,454	21,112	20,348	11,753	12,438	12,177	12,374
Traffic violations/citations	1,742	1,612	1,779	675	534	475	355	619	781	645
Cases in review by investigations	1,938	2,052	1,764	1,082	1,077	1,103	1,541	1,933	1,736	1,566
Cases closed/cleared	1,313	1,314	1,219	568	550	581	971	1,322	677	1,185
Calls for service	12,787	18,213	23,614	21,643	22,442	22,130	25,691	21,643	23,710	26,526
Transports	1,475	1,578	1,065	1,598	1,251	1,927	1,861	1,533	1,169	1,231
Emergency Services										
Number incoming/outbound calls	na	na	180,894	170,426	179,712	166,944	169,803	172,745	176,384	169,735
Number of calls for service dispatched from 911 Center	54,538	68,800	79,774	91,566	110,925	112,474	115,056	103,788	119,516	119,681
Public education events	12	12	8	8	8	10	10	10	10	8
Fire										
Inspections	903	762	834	985	1,023	1,203	1,404	824	991	1,107
Number of fire investigations	27	21	23	31	24	21	22	15	10	19
Plans review	-	28	31	38	33	26	19	53	69	51
Economic Development										
Permits issued (building, electrical, mechanical, plumbing, etc.)	2,085	2,899	3,243	3,296	3,255	3,409	2,538	2,805	2,977	3,175
New residential construction (units)	317	165	170	112	138	141	132	130	115	143
New commercial construction (units)	29	26	15	21	16	19	13	16	17	21
Building inspections performed	11,791	9,178	8,807	8,359	8,936	8,387	7,358	7,577	7,369	8,197

NASH COUNTY, NORTH CAROLINA

**Operating Indicators by Function
Last Ten Fiscal Years**

	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Cultural										
Parks & Recreation:										
Baseball Participants	-	-	-	-	-	303	417	447	478	563
Softball Participants	-	-	-	-	-	82	142	126	168	220
Basketball Participants	-	-	-	-	-	-	315	358	395	447
Adult Basketball Participants	-	-	-	-	-	-	-	-	26	100
Football Participants	-	-	-	-	-	-	99	152	213	171
Cheerleading Participants	-	-	-	-	-	-	39	51	58	58
Futsal Participants	-	-	-	-	-	-	-	-	48	88
Volleyball Participants	-	-	-	-	-	-	-	-	26	60
Solid Waste										
Refuse collected (tons/day)	78.7	77.2	73.6	79.6	129.3	60.7	64.7	78.4	64.9	59.1
Utilities										
Water										
Total water customers	896	1,041	1,538	1,996	2,115	2,177	2,656	2,765	2,862	3,074
Water mains breaks	-	-	-	3	2	4	6	7	4	5
Average daily consumption (thousands of gallons)	138	136	178	202	219	279	334	302	337	393
Sewer										
Total sewage customers	278	271	270	252	263	267	267	266	254	256
Average daily sewage treatment (thousands of gallons)	67	69	77	55	61	76	84	63	49	104

Sources: Various county government departments.

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

NASH COUNTY, NORTH CAROLINA

**Capital Asset Statistics by Function
Last Ten Fiscal Years**

Function	Fiscal Year									
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Public safety										
Emergency Medical Services:										
Stations - County Owned	-	-	1	1	2	2	2	3	3	3
- Rented Space	10	10	9	9	8	8	8	7	7	8
Ambulances	18	18	19	19	20	21	21	21	21	21
Quick Response Vehicles (QRV)	5	5	5	6	6	6	6	7	7	7
Sheriff:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	75	76	76	76	76	76	76	81	82	82
Solid Waste										
Convenience Sites	9	9	9	9	9	9	9	9	9	9
Water										
Water mains (miles)	39.6	52.7	100.4	127.8	129.2	129.2	140.1	188.0	188.0	193.0
Fire hydrants	186	186	186	214	216	216	283	295	302	312
Maximum daily capacity (thousands of gallons)	989	989	989	989	989	989	989	989	989	989
Sewer										
Sanitary sewers (miles)	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3	10.3
Maximum daily treatment capacity (thousands of gallons)	300	300	300	300	300	300	300	300	300	300

Sources: Various county government departments.

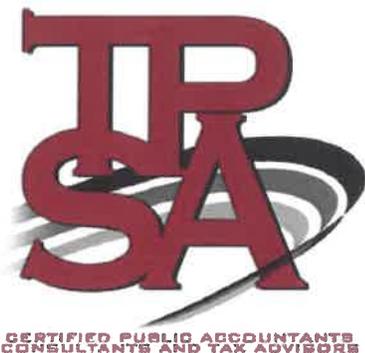
**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)

COMPLIANCE SECTION

Nash County, North Carolina
Financial Statements and Schedules

(This page intentionally left blank)



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

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

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

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

Independent Auditors' Report

To the Board of County Commissioners
Nash County, North Carolina

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Nash County, North Carolina, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Nash County basic financial statements, and have issued our report thereon dated December 15, 2017.

Internal Control Over Financial Reporting

in planning and performing our audit of the financial statements, we considered Nash 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 Nash County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

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

Whiteville, NC

December 15, 2017



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

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

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

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

Independent Auditors' Report

To the Board of County Commissioners
Nash County, North Carolina

Report on Compliance for Each Major Federal Program

We have audited Nash County, North Carolina's, compliance with the types of compliance requirements described in the OMB Compliance Supplement and the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of the Nash County's major federal programs for the year ended June 30, 2017. Nash County's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Nash County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

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

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

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

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

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

Thompson, Price, Scott, Adams & Co., P.A.
Whiteville, NC
December 15, 2017



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

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

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

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

Independent Auditors' Report

To the Board of County Commissioners
Nash County, North Carolina

Report on Compliance for Each Major State Program

We have audited Nash County, North Carolina's, compliance with the types of compliance requirements described in the Audit Manual for Governmental Auditors in North Carolina, issued by the Local Government Commission, that could have a direct and material effect on each of Nash County's major state programs for the year ended June 30, 2017. Nash County's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

e.

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

Opinion on Each Major State Program

In our opinion, Nash County complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control Over Compliance

Management of Nash County is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Nash County's internal control over compliance with the types of requirements that could have a 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, material weaknesses may exist that have not been identified.

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

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

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

Whiteville, NC

December 15, 2017

NASH COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Federal Awards

Internal control over major federal programs:

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

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

Any audit findings disclosed that are required to be
reported in accordance with 2 CFR 200.516(a) yes no

Identification of major federal programs:

<u>CFDA #</u>	<u>Program Name</u>
93.778	Medical Assistance Program

Federal programs that did not meet the criteria for a major program using the criteria discussed in OMB Uniform Guidance 200.518 but were tested as a major program because the State awards met the threshold for a major State Program are included in the list of major federal programs (Subsidized Childcare Cluster).

NASH COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section I - Summary of Auditors' Results (continued)

Dollar threshold used to distinguish between
Type A and Type B Programs \$ 3,249,396

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

State Awards

Internal control over major State programs:

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

Noncompliance material to State awards ___ yes _X_ no

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

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

Identification of major State programs:

Program Name
Medical Assistance Program
Special Assistance

Nash COUNTY, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2017

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

None Reported.

Section IV - State Award Findings and Questioned Costs

None Reported.

NASH COUNTY, NORTH CAROLINA
Corrective Action Plan
For the Year Ended June 30, 2016

Section II - Financial Statement Findings

None Reported.

Section III - Federal Award Findings and Questioned Costs

None Reported.

Section IV - State Award Findings and Questioned Costs

None Reported.

NASH COUNTY, NORTH CAROLINA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended June 30, 2017

NONE REPORTED.

NASH COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Federal Awards:						
U.S. Dept. of Agriculture						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Social Services:						
Administration:						
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	WC 302	1,083,816	-	-	1,083,816
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Administration:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	13A2-5403-GF	509,168	-	-	-
Direct Benefit Payments:						
Special Supplemental Nutrition Program for Women, Infants, & Children	10.557	13A2-5403-GF	2,161,898	-	-	-
Total U.S. Department of Agriculture			<u>3,754,882</u>	<u>-</u>	<u>-</u>	<u>1,083,816</u>
U.S. Dept. of Housing and Urban Development						
Passed-through N.C. Dept. of Commerce:						
<u>CDBG - State Administered CDBG Cluster</u>						
Community Development Block Grant Commerce Fellows	14.265	02-D-2685	2,707	-	-	-
Passed-through HOME Investment Partnership Program:						
NCHFA Single Family Rehab Program						
Total U.S. Department of Housing and Urban Development	14.239	SFRLP1419-9170072	402,573	-	-	-
			<u>405,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Dept. of Justice						
Direct Program:						
Equitable Sharing Program	16.922	NC0640000	170,285	-	-	-
Byrne Justice Assistance Grant	16.738	PROJ11474	64,689	-	-	-
Total U.S. Dept. of Justice			<u>234,974</u>	<u>-</u>	<u>-</u>	<u>-</u>
U.S. Dept. of Treasury						
Direct Program:						
Treasury Forfeiture Fund Program	21.000	NC0640000	2,886	-	-	-
Total U.S. Dept. of Treasury			<u>2,886</u>	<u>-</u>	<u>-</u>	<u>-</u>
U. S. Department of Homeland Security						
Passed-through N.C. Dept. of Public Safety:						
Division of Emergency Management:						
Emergency Management Performance	97.042	EMA-2016-EP-00002-S01	52,958	-	-	-
Homeland Security	97.067	EMW-2016-SS-0011	167,914	-	-	-
Homeland Security - Disaster Grants - Public Assistance	97.036		112,647	-	8,359	-
Hazardous Material Preparedness Grant	20.703	HM-HMP-0544-16-01-00	12,200	-	-	-
Total U. S. Department of Homeland Security			<u>345,719</u>	<u>-</u>	<u>8,359</u>	<u>-</u>
USDA Rural Utilities Services						
Water and Waste Program Cluster						
Water and Waste Disposal Systems for Rural Communities	10.760	2010-255-40101-112	499,960	-	-	-
U.S. Dept. of Health & Human Services						
Division of Aging and Adult Services:						
Passed-through Upper Coastal Plain Council of Governments:						
<u>Aging Cluster</u>						
Special Programs for the Aging - Title III B						
Grants for Supportive Services and Senior Centers	93.044	064	8,574	504	-	-
In-Home Services	93.044	064	95,016	5,589	-	-
Special Programs for the Aging - Title III C						
Nutrition Services	93.045	064	17,270	1,016	-	-
Home-Delivered Meals	93.045	064	123,226	7,249	-	-
Total Aging Cluster			<u>244,086</u>	<u>14,358</u>	<u>-</u>	<u>-</u>
National Family Caregiver Support Title III-Part E	93.052	064	19,223	1,282	-	-
Social Service Block Grant (SSBG) - In Home Services	93.667	064	50,111	1,432	-	-
NSIP Supplement (USDA)	93.053	064	27,501	-	-	-
Division of Social Services:						
<u>Temporary Assistance for Needy Families Cluster</u>						
Temporary Assistance for Needy Families (TANF),						
Work First	93.558	WC 302	928,511	-	-	215,490
TANF/Work First - Direct Benefit Payments	93.558		344,900	(82)	-	-
Total TANF Cluster			<u>1,273,411</u>	<u>(82)</u>	<u>-</u>	<u>215,490</u>
AFDC Payments & Penalties	93.560		(577)	(158)	-	(158)
Foster Care and Adoption Cluster (Note 4)						
Foster Care - Title IV-E	93.658	1601NCFOST	105,027	163	-	93,220
IV-E CPS	93.658		96,768	62,880	-	33,888
Foster Care	N/A		86,829	-	-	10,010

NASH COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures	State Expenditures	Passed-through to Subrecipients	Local Expenditures
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
Adoption Assistance	93.659		71,235	-	-	66,064
Foster Care - Title IV-E - Direct Benefit Payments	93.658	WC 302	198,571	49,375	-	49,508
Adoption Assistance - Direct Benefit Payments	93.659	WC 302	270,863	67,130	-	67,282
Total Foster Care and Adoption Cluster (Note 4)			829,293	179,548	-	319,972
Child Support Enforcement	93.563	WC 302	1,062,261	-	-	547,222
Refugee and Entrant Assistance - State Administered Program	93.566	WC 302	2,652	-	-	-
Low-Income Home Energy Assistance:						
Administration	93.568	WC 302	63,589	-	-	-
Energy Assistance Payments-Direct Benefits Payment	93.568		390,430	-	-	-
Crisis Intervention Program	93.568		411,965	-	-	-
Total Low-Income Home Energy Assistance			865,984	-	-	-
Stephanie Tubbs Jones Child Welfare Services Program:						
Permanency Planning - Families for Kids	93.645	WC 302	25,043	-	-	8,437
Total Stephanie Tubbs Jones Child Welfare Services Program			25,043	-	-	8,437
SSBG - Other Service and Training	93.667	WC 302	321,552	33,542	-	(136)
Chafee Foster Care Independence Program	93.674	WC 302	15,539	3,175	-	-
Division of Aging and Adult Services						
Division of Social Services						
SSBG-State In Home Services	93.667		29,749	4,154	-	4,844
Adult Protective Services	93.667		17,910	-	-	5,971
Division of Child Development and Early Education						
Subsidized Child Care (Note 4)						
<u>Child Care Development Fund Cluster:</u>						
Division of Social Services:						
Child Care Development Mandatory and Match Fund-Administration	93.596	WC 302	103,159	-	-	-
Division of Child Development:						
Child Care and Development Block Grant	93.575	G1601NCCCDF	1,297,491	-	-	-
Child Care Development Mandatory and Match Fund-Mandatory	93.596	G1601NCCCDF	478,955	-	-	-
Child Care Development Mandatory and Match Fund-Match	93.596	G1601NCCCDF	131,151	-	-	-
Total Child Care Development Fund Cluster			2,010,756	-	-	-
TANF	93.558	1601 NCTANF	401,079	-	-	-
Foster Care Title IV-E	93.658		40,043	20,027	-	-
State Appropriations			-	205,660	-	-
TANF - MOE			-	255,247	-	-
Total Subsidized Child Care (Note 4)			2,451,878	480,934	-	-
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Medical Assistance:						
Direct Benefit Payments:						
Medical Assistance Program	93.778		90,821,631	48,778,179	-	-
Division of Social Services:						
Administration:						
Medical Assistance Program	93.778	WC 302	2,133,162	12,668	-	904,631
Total Medical Assistance Program			92,954,793	48,790,847	-	904,631
Direct Benefit Payments:						
State Children's Insurance Program - N.C. Health Choice	93.767		2,305,265	8,860	-	-
Division of Social Services:						
Administration:						
State Children's Insurance Program - N.C. Health Choice	93.767	WC 302	56,323	81	-	64
Total State Children's Insurance Program - N.C. Health Choice			2,361,588	8,941	-	64
Family Preservation	93.556		21,986	-	-	-
Centers for Disease Control and Prevention						
Passed-through the N.C. Dept. of Health and Human Services:						
Division of Public Health:						
Hospital Preparedness Program (HPP) and Public Health						
Emergency Preparedness (PHEP) Aligned Cooperative Agreements	93.074	1264-2680-M8	39,936	-	-	-
Project Grants and Cooperative Agreements for Tuberculosis Control Program	93.116	1460-272A-NF	29,578	-	-	-
Injury Prevention and Control Research and State and Community Based Prescription Drug Overdose Prevention	93.136	1175-837A-BDH	1,753	-	-	-
Immunization Grants	93.268	1331-631C-EJ	12,491	-	-	-
Immunization Infrastructure and Performance financed in part by Preventive and Public Health Funds Immunization Action Plan	93.539	1331-623CDE-VP	17,689	-	-	-
Preventive Health and Health Services Block Grant funded solely with Prevention and Public Health Funds (PPHF)	93.758	1261-5803-00	26,708	-	-	-
Cancer Prevention and Control Programs for State, Territorial and Tribal						

NASH COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
1(a)	1(b)		1(c)(d),2	1(d)	1(e)	1(d)
Org. financed in part by PPHF Breast and Cervical Control Prg. Breast and Cervical Cancer Early Detection Programs	93.752	1320-310DE-JS	34,935	-	-	-
HIV Prevention Activities Health Department Based	93.919	1320-310C-EK	-	-	-	-
Preventive Health Services_Sexually Transmitted Diseases Control Grants	93.940	1311-4601-RR	3,000	-	-	-
	93.977	1311-462B-NB	988	-	-	-
Administration of Children and Families passed through N.C. Department of Health and Human Services Division of Social Services Temporary Assistance for Needy Families Total Division of Social Services	93.558		17,987	-	-	-
			17,987	-	-	-
Health resources passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Healthy Start Initiative Maternal and Child Health Services Block Grant	93.926 93.994	13A1-530B-JA 13A1-5140-AP	114,296 126,420	- 94,826	- -	- -
US Department of Education Passed-through the N.C. Dept. of Health and Human Services: Division of Public Health: Race to the Top - Early Learning Challenges	84.412	1271-5021-AP	-	-	-	-
Office of Populaton Affairs Passed-through the N.C. Dept. of Health and Human Services: Office of Populaton Affairs Family Planning Services	93.217	13A1-592A-FP	69,739	-	-	-
Total U.S. Dept. of Health and Human Services			103,069,503	49,612,799	-	2,006,337
Total federal awards			108,313,204	49,612,799	8,359	3,090,153
State Awards:						
<u>N.C. Dept. of Administration</u> Veterans Service Total N.C. Dept. of Administration		NA	- -	2,135 2,135	- -	- -
<u>N.C. Dept. of Cultural and Natural Resources</u> Division of State Library State Aid to Public Libraries LSTA EZ Planning Grant LSTA Literacy and Learn Grant LSTA EZ Edge Technology Grant Total N.C. Dept. of Cultural and Natural Resources		NA NC-15-32 NC-15-09	- - - -	130,598 - - -	130,598 - - -	850,739 - - -
			-	130,598	130,598	850,739
<u>N.C. Dept. of Commerce</u> One NC Grant Total N.C. Dept. of Commerce		2013-10543	- -	52,500 52,500	52,500 52,500	- -
<u>N.C. Department of Environmental Quality</u> Division of Waste Management Soil Conservation State Match NC Agriculture Cost Share - Technical Assistance Environmental Health Total N.C. Dept. of Environmental and Natural Resources		G40100293015SWC G40100293015SWC	- - -	3,600 26,419 22,890	- - -	- - -
			-	52,909	-	-
<u>N.C. Dept. of Health and Human Services</u> Division of Aging and Adult Services Division of Social Services Administration ST Child Welfare Energy Assistance 90% State Funds - Access 90% State Funds - In-Home Services/Caregiver Match 90% State Funds - Congregate Nutrition 90% State Funds - Home Delivered Meals Senior Center Development Fan-Heat Relief Family Support Payments to States Assistance Payments Direct Benefit Payments CWS Adopt Subsidy and Vendor AFDC Incentive Program Integrity SC/SA Domiciliary Care Payment SFHF Maximization State Foster Home Foster Care at Risk Maximization Total Division of Social Service Division of Public Health		WC 302 WC 302 064 064 064 064 064 064 064 WC 302 WC302 WC302 WC302 WC302 WC302 WC302 NA	- - - - - - - - - - - - - - - - - -	183,221 2,964 7,920 322,805 - 55,238 10,875 740 - 160,316 435 713,109 78,944 43,909 - 1,580,476	- - - - - - - - - - - - - - - -	- - - - - - - - - 36,535 - 713,109 78,943 43,909 - 872,496

NASH COUNTY, NORTH CAROLINA
SCHEDULE OF EXPENDITURES OF FEDERAL AND STATE AWARDS
For the Year Ended June 30, 2017

Grantor/Pass-through Grantor/Program Title 1(a)	Federal CFDA Number 1(b)	State/ Pass-through Grantor's Number	Federal (Direct & Pass-through) Expenditures 1(c)(d),2	State Expenditures 1(d)	Passed-through to Subrecipients 1(e)	Local Expenditures 1(d)
Food and Lodging Fees		1161-4110-00		20,039	-	-
General Aid to Counties		1175-4510-00	-	539,392	-	-
General Communicable Disease Control		1320-5599-00	-	4,196	-	-
Breast and Cervical Cancer Program		1271-5745-00	-	26,265	-	-
Child Health		13A1-5735-00	-	6,776	-	-
HMHC - Family Planning		XXXX	-	11,482	-	-
Women's Health Service Fund		XXXX	-	8,274	-	-
Maternal Health (HMHC)		1161-4110-00	-	1,192	-	-
Public Nursing Health		1311-4536-RQ	-	-	-	-
HIV/STD STATE			-	100	-	-
HIV/STD SSBG Aid		1311-4541-RQ	-	400	-	-
HIV/STD Non-Traditional Test Site (NTS)		1311-4601-RQ	-	89,394	-	-
Sexually Transmitted Diseases		1332-5353-00	-	284	-	-
School Nurse Funding Initiative		1460-4551-00	-	250,000	-	-
Tuberculosis		1450-4554-00	-	51,290	-	-
Tuberculosis Medical Service			-	2,518	-	-
Total Division of Public Health				1,011,602	-	-
Total N. C. Department of Health and Human Services				2,592,078	-	-
N.C. Dept. of Insurance						
SHIP Grant		NA	-	5,773	-	-
N.C. Dept. of Public Instruction						
Public School Building Capital Fund - Lottery Proceeds		NA	-	1,336,000 ⁴	400,000	-
N.C. Dept. of Public Safety						
Juvenile Crime Prevention Programs			-			
Freedom School		864-11629	-	20,000	20,000	4,000
Implact Plus Nash		864-10325	-	42,740	42,740	8,548
JCPC Administration		864-11454	-	7,558	7,558	-
Nash County Transition/RE-Entry		864-11041	-	60,000	60,000	12,000
Nash Tri-County Therapeutic Foster Care		864-10384	-	32,723	32,723	6,545
Resolve It Together		864-10590	-	36,733	36,733	6,662
Teen Court		864-10603	-	34,483	34,483	6,897
Afterschool Program			-	10,000	10,000	2,000
Total Juvenile Crime Prevention Programs			-	244,237	244,237	46,652
Governor's Crime Commission Project		PROJ011474	-	60,416	-	-
Division of Emergency Management			-			
Tier II Grant		1506-8064-536902	-	1,000	-	-
Total N. C. Department of Public Safety				305,653	244,237	46,652
N.C. Dept. of Transportation						
Rural Operating Assistance Program (ROAP) Cluster						
ROAP Elderly and Disabled Transportation Assistance Program		DOT-16CL	-	86,432	86,432	-
ROAP Rural General Public Program		DOT-16CL	-	78,314	78,314	-
ROAP Work First Transitional - Employment		DOT-16CL	-	25,470	25,470	-
Total ROAP Cluster			-	190,216	190,216	-
NC DOT -RTPO		DOT-16CL	-	76,587	-	7,093
Total N.C. Dept. of Transportation			-	266,803	190,216	7,093
N.C. Housing Finance Agency						
Urgent Repair Program		URP1420	-	100,000	-	-
Golden Leaf Foundation						
Community-Based Grantsmaking Initiative		FY2014-99	-	300,000	-	-
Total State awards				5,144,449	1,017,551	904,484
Total federal and State awards			\$ 108,313,204	\$ 54,757,248	\$ 1,025,910	\$ 3,994,637

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

Note 1: Basis of Presentation

The accompanying schedule of expenditures of federal and State awards (SEFSA) includes the federal and State grant activity of Nash County under the programs of the federal government and the State of North Carolina for the year ended June 30, 2017. The information in this SEFSA is presented in accordance with the requirements of Title 2 US Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and the State Single Audit Implementation Act. Because the Schedule presents only a selected portion of the operations of Nash County, it is not intended to and does not present the financial position, changes in net position or cash flows of Nash County.

Note 2: Summary of Significant Accounting Policies

Expenditures reported in the SEFSA are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Nash County has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

Note 3: 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

**Nash County, North Carolina
Financial Statements and Schedules**

(This page intentionally left blank)